IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

I.A. 664 ND 2025
IN
C.P. IB 1058 (ND) OF 2018

IN THE MATTER OF:

RED APPLE BUYERS' WELFARE ASSOCIATION (RABWA)
SUCCESSFUL RESOLUTION APPLICANT
MANJU J HOMES INDIA LTD

...Applicant

Versus

PRATEEK JAIN

...Respondent No.1

MANOJ KUMAR

...Respondent No.2

AND IN THE MATTER OF:

GAGAN FERROTECH LIMITED

...Operational Creditor

Versus

MANJU J. HOMES INDIA LIMITED

...Corporate Debtor

Order Delivered on: 09.07.2026

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM
HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant : Mr. Abhishek Naik, Ms. Gulafsha Kureshi, Advocates.

For the Respondent No. 2: Mr. Mrinal Harsh Vardhan, Ms. Rituparna Patra, Mr. Pradhumn Rao, Mr. Anshuman

Jindal, Advocates.

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The present Application has been filed by the Applicants under the provisions of Section 74 of the Insolvency and Bankruptcy Code, 2016 ("Code"), seeking the following reliefs:

a) allow the present Application;

b) pass necessary order(s) / direction(s) against the Respondents directing them to immediately to cease and desist from creating disturbance /nuisance / obstruction against the implementation of the Resolution Plan;

c) pass necessary order(s) / direction(s) against the Respondents directing them to immediately to cease and desist from making contact in any manner whatsoever with the Creditors of the Corporate Debtor;

d) pass necessary order(s) / direction(s) against the Respondents punishing them with imprisonment of not less than one year, but may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both for knowingly and willingly contravenes / obstructing to the implementation of the Resolution Plan of the Applicant herein approved by this Hon'ble Tribunal vide Order dated 11.06.2024;.

e) pass necessary order(s) / direction(s) initiating appropriate contempt proceedings against the Respondents for making scandalous / frivolous allegations against this Hon'ble Tribunal and its officers thereby lowering the majesty of this Hon'ble Tribunal;

g) pass necessary order(s) / direction(s) against the Respondents and in favour of the Applicant leading to effective implementation of the resolution plan;

h) pass necessary order(s) / direction(s) as it may deem fit to this Hon'ble Tribunal.

2. **<u>SUBMISSIONS OF THE APPLICANT:</u>**

i. The Corporate Debtor vide Order dated 02.09.2019 of this Tribunal was directed to undergo the initiation of Corporate Insolvency Resolution Process ("CIRP"). The CIR process came to end when this Hon'ble Tribunal was pleased to allow the Application I.A. No.4219 / 2022 and consequently, approved the Resolution Plan for the development of residential project "Red Apple Homez", submitted by the Applicant herein vide its Order dated 11.06.2024. Noteworthy to mention herein that the Resolution Plan was approved by the CoC in its 18^{th} CoC meeting via 100% vote in favour of resolution plan.

ii. The Respondent No.1 is the erstwhile shareholder of the Corporate Debtor and the Respondent No.2 is the President and Joint Treasurer of flats buyers association named as "RAH Flatier Association (Regd.)" basically created by separate set of flats buyers who are the loyalists of the erstwhile management of the Corporate Debtor. In order to create disturbance /hinderance and obstruction in the implementation of the plan the development of the Project, Respondent No.1's family members /associates namely Mr. Vijayant Jain, Mr.Tarun and Mr.Mukesh Goswami are providing him assistance.

iii. Similarly, the Respondent No.2 alongwith the members of the so-called association namely Mr.Rajendra Kumanr Bhardwaj (Vice-President); Mr.Atam Prakash (Vice President), Mr.Rajendra Kumar Vats (General Secretary); Mr.Manoj Kumar (Secretary); Mr.Sharad Kumar (Joint Secretary); Mr.Amit Bhaskar (Treasurer); Mr. Devender Singh Negi (Joint - Treasurer); Smt. Neelam Pal (Cultural Secretary); Smt.Savita (Co-Cultural Secretary); Smt. Hema Devi (Spokesperson); Mr.Shivnath Kumar (Legal Advisor); and other members are trying to bring back the erstwhile management of the Corporate Debtor into the project.

iv. Since the approval of the Resolution Plan by this Hon'ble Tribunal, the Respondent No.1 (Mr.Prateek Jain), in collusion and connivance with Respondent No.2 (Mr. Manoj Kumar) alongwith the abovenamed persons are indulging the nefarious / illegal activities in order to stall the implementation of the approved Resolution Plan. Notably, the Respondent No.2 is the same person who was repeatedly cautioned / warned with initiation of contempt proceedings against him by this Hon'ble Tribunal for his misdemeanor / improper behaviour during the hearing of the Resolution Plan Approval Application.

v. The Respondent No.2 by its conduct inside / outside this Tribunal have proven to act as stooge of the Respondent No.1 and dancing on his tunes to the reason best known to him. Pertinent to mention herein that the Respondent No.1, in the capacity of erstwhile shareholder of the Corporate Debtor, has filed an Appeal under Section 61(1) of the Code, challenging the approval of Resolution Plan by this Hon'ble Tribunal.

vi. Post approval of the resolution plan by this Tribunal, the Respondent No.1 in connivance with Respondent No.2 has been continuously stating and conducting the following nefarious activities or action:-

a) Stating before stakeholders such as farmers / landowners, who are not well educated or are illiterate that the order dated 11.06.2024 of Approval of resolution plan passed by this Hon'ble Tribunal has no value;

b) Assuring stakeholders such as farmers / landowners that Respondent No.1 & his family will be definitely back into the project "by hook or by crook";

c) Respondent No.1 is going to definitely succeed in the Appeal, and the Applicant will be ousted from the Project;

d) Bribing to futuristic lucrative monetary benefits or resorting to threat to farmers / landowners in order to desist the from engaging

/negotiating with Applicant for peaceful transfer of land and completion;

e) Provoking the adjacent landowners to create nuisance in the Project site area by deliberately opening blocked drain making the Project site land swampy and unusable;

f) Regularly sending goons to the Project site area and deliberately and without any provocation misbehaving with staffs and guards, using slangs and unparliamentary language.

vii. Because of the threats and/or lucrative offers, the landowners /farmers are hesitant to negotiate with the Applicant thereby delay the implementation of the Resolution Plan i.e., development of Project. Furthermore, the Respondents even convened a meeting through video conferencing, whereby they are trying to convince the Homebuyers of the Corporate Debtor by spreading misinformation and presenting false narrative that the homebuyers are being looted under the garb of payment of additional costs of Rs.500/sq.ft., amongst other false information. These Respondents are also instigating/provoking other homebuyers to not to cooperate with the Applicant with documents verification process.

viii. In pursuance of their plan for creating disturbance and hindrance in implementation of Resolution Plan, the Respondents even created multiple Whats App Groups namely 1) RAH Financial supporter; 2) RAH Welfare association; 3) RAH welfare association; 4) NCLT COC New Rah Welfare Association 5) many other groups under "RAH Welfare" through which nefarious plan are propagated. These Whats App Group are used as a medium instructing/encouraging/demotivating the members of the group/few homebuyers to present false narrative about the Applicant and the Developer, with whose assistance the Project is being developed. The Respondents went to the extent of saying that approaching this Tribunal was waste of time, and the process is nothing but money minting process for the Resolution

Professionals, and the approaching this Tribunal will only put the Corporate Debtor into liquidation.

ix. Further, the Respondents have presented before the homebuyers that the Applicant and erstwhile Resolution Professional acted in connivance and got the orders in our favour through backdoor channel. The messages sent are in Hindi and the Applicant craves of the leave of this Hon'ble tribunal to read out the messages during the hearing and produce the translated copy as and when directed by the Tribunal.

x. The Applicant also is in possession of few voice notes / voice recordings of the Respondent sent in the WhatsApp group whereby frivolous and baseless allegations are made against the Applicant, RP, and also this Hon'ble Tribunal.

xi. As such, the Respondents activities are now gravely affecting the progress of the implementation of the resolution plan and need to be curtailed in order to effectively implement the resolution plan and provides the flats to the flat buyers within the stipulated the time.

xii. As per the provisions of the Code, the resolution plan once approved by the Tribunal is binding on all the officers / creditors or any others related to the Corporate Debtor and have to assist the Successful Resolution Applicant for effective implementation of the Plan, however, in the present case, the erstwhile officers of the Corporate Debtor (Respondent No.1)and the Respondent No.2 (creditor of the Corporate Debtor) have colluded together to derail the implementation of the approved Resolution Plan.

xiii. Moreover, the Respondent No.1, after commencement of CIRP, have lost its rights over the Corporate Debtor, is now trying to enter into the Project and take over the Corporate Debtor through illegal means. The Respondent No.2 who are actively acting as a stooge of the Respondent No.1, instead of the supporting & assisting the Applicant for early completion of the Project is hell bent to not to allow the implementation of the Plan and bring back the suspended management into the pictures, which is understandably for obvious reasons i.e., to make personal monetary gains at the cost of other homebuyers.

xiv. Considering the act of the Respondents, although knowing that the approval resolution plan is binding upon and they are liable to extent support to the Applicant, and are indulging in activities contradictory to the provisions of the Code, hence they have knowingly and willingly contravened with the implementation of the plan, hence they are liable to be punished under Section 74 of the with imprisonment of not less than one year, but may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

3. <u>SUBMISSIONS OF THE RESPONDENT No.2:</u>

i. It is respectfully submitted that the allegations made by the Applicant do not fall within the ambit of Section 74 of the Insolvency and Bankruptcy Code, 2016 (IBC). Section 74 is a penal provision that provides for punishment in cases where there is a wilful and knowing contravention of the moratorium declared under Section 14, or failure to comply with the terms of an approved Resolution Plan under Section 31. The provision is applicable only to specific categories of persons, namely the Corporate Debtor, its officers, or the creditors involved in the insolvency proceedings. However, in the present case, there is no evidence to show that there is any hindrance or an act or omission breaching the implementation of the Resolution Plan. Moreover, the Applicant has failed to showcase that the cause of action attracting the implication of the section 74 against Respondent No 2. Therefore, the invocation of this provision against Respondent No 2 is wholly misconceived, misplaced, and devoid of any legal basis.

ii. It is submitted that the Application has been filed only on the basis an informal WhatsApp conversation. A mere conversation between two individuals on a particular platform, such as WhatsApp, cannot be construed to amount to creating a hindrance in the implementation of a duly approved Resolution Plan under the Code. In a commercial and corporate matter, it is not uncommon for stakeholders to engage in informal communications to express concerns, seek clarity, or discuss aspects of the implementation process. However, such informal exchanges unless supported by clear and deliberate acts of obstruction, non-cooperation, or wilful defiance of the Resolution Plan do not, by themselves, constitute actionable misconduct or interference within the meaning of the Code. In the present case, the Applicant appears to place reliance on a casual conversation allegedly exchanged between individuals who are not formally authorised to bind the corporate debtor or its stakeholders as the basis for alleging hindrance. However, no credible or admissible material has been brought on record to demonstrate that the said communication resulted in any actual disruption, delay, or prejudice to the implementation of the Resolution Plan approved by this Tribunal. In the absence of any concrete evidence showing wilful non-compliance with the approved plan, the allegation of hindrance is both legally unsustainable and factually baseless.

iii. It is submitted that the informal exchange purportedly relied upon by the Applicant assuming it to be genuine for the sake of argument cannot by any stretch of interpretation be construed as a wilful contravention of the provisions contemplated under Section 74 of the Insolvency and Bankruptcy Code, 2016. The communication appears to be, at best, a casual discussion or an unrecorded, non-binding interaction between stakeholders, which does not carry the weight of formal decision-making or actionable misconduct. Section 74 of the IBC is a penal provision and must be construed strictly. It is attracted only in cases where there is a clear, deliberate, and wilful contravention of either the moratorium imposed under Section 14 or the binding terms of an approved Resolution Plan under Section 31 of the Code. The legislative intent behind Section 74 is to penalize conduct that amounts to an overt breach of specific legal prohibitions or obligations not to criminalize informal or exploratory dialogue among parties who are in the process of operationalizing a resolution plan.

iv. It is respectfully submitted that, for the invocation of Section 74 of the Code, there must be a clear act of commission or omission on the part of the Respondent which amounts to a contravention of the provisions of Section 14 (Moratorium) or Section 31 (Approved Resolution Plan). Section 74 is a penal provision and, as such, requires strict construction. It cannot be triggered on the basis of vague or general allegations, and certainly not in the absence of any overt act of defiance or deliberate non-compliance with the Resolution Plan or the orders of this Tribunal. In the present case, the Applicant has failed to point out any specific act or omission attributable to the Respondents that has either violated the terms of the approved Resolution Plan or obstructed its implementation in any manner recognized under the law. The only material placed on record is an informal communication allegedly a WhatsApp conversation does not constitute any act of disobedience, disruption, or unlawful interference. Informal exchanges between stakeholders, unless backed by concrete and deliberate actions resulting in prejudice to the resolution process, cannot by themselves attract the penal consequences contemplated under Section 74. Therefore, in the absence of any actionable conduct either by way of a commission or a wilful omission on the part of the Respondents, the present application is wholly misconceived and not maintainable. The invocation of Section 74 in such circumstances is not only premature but also contrary to the letter and spirit of the IBC.

v. It is submitted that the Applicant has failed to substantiate the purported allegations with any admissible evidence. The allegations have been solely supported by printouts of screenshots of certain WhatsApp messages, which are electronic records under the Indian Evidence Act. However, such electronic records are not admissible in evidence unless they are accompanied by the mandatory certificate as required under Section 65B (4) of the Indian Evidence Act, 1872. This legal requirement has been authoritatively settled by the Hon'ble Supreme Court in the case of ***Arjun Panditrao Khotkar vs. Kailash Kushanrao Gorantyal & Ors. [(2020) 7 SCC 11***. Accordingly, in the absence of the mandatory certificate under Section 65B (4), the alleged WhatsApp conversation relied upon by the Applicant is inadmissible in law and cannot be taken on record for the purposes of proving any allegation against the Respondent. Therefore, the present application is devoid of evidentiary foundation and liable to be dismissed.

vi. It is further submitted that reliance on printouts of WhatsApp conversations, without proper verification and supporting evidence, has been judicially disapproved. Reliance has been placed on ***Kashyap Infraproject Pvt. Ltd. vs. Hi-Tech Sweet Water Technologies Pvt. Ltd., CP (IB) 349 of 2020 in IA 556 (AHM) 2022***.

4. <u>ANALYSIS AND FINDINGS:</u>

i. We have heard the Ld. Counsel for the parties and perused the material available on record. The present Application has been filed under Section 74 of the Insolvency and Bankruptcy Code, 2016 alleging wilful obstruction and interference by the Respondents in the implementation of the Resolution Plan approved by this Tribunal vide Order dated 11.06.2024, and seeking penal as well as injunctive reliefs.

ii. At the outset, it is apposite to note that Section 74 of the Code is a penal provision which contemplates punishment in cases of wilful contravention of (a) the moratorium declared under Section 14; or (b) the terms of a Resolution Plan approved under Section 31. Being penal in nature, the provision must be strictly construed and can be invoked only upon clear, cogent and credible evidence of deliberate and conscious violation.

iii. The case of the Applicant is primarily founded on allegations that Respondent No.1, an erstwhile shareholder, and Respondent No.2, a member of a separate association of homebuyers, are engaging in activities aimed at derailing the implementation of the Resolution Plan. Such allegations include dissemination of misinformation among stakeholders, influencing landowners, convening meetings, and circulating messages through social media platforms such as WhatsApp groups.

iv. However, upon perusal of the record, it is observed that the material relied upon by the Applicant largely comprises screenshots of alleged WhatsApp messages, unverified communications, and generalized assertions regarding conduct of the Respondents. No independent or cogent material has been placed on record to demonstrate any overt act on the part of the Respondents which has resulted in actual obstruction, delay, or frustration of the implementation of the Resolution Plan.

v. It is further noted that the alleged electronic evidence in the form of WhatsApp messages has not been accompanied by the mandatory certificate under Section 65B(4) of the Indian Evidence Act, 1872. In absence of such certification, the said electronic records cannot be treated as admissible evidence. The law in this regard is well settled by the Hon'ble Supreme Court in *Arjun Panditrao Khotkar v. Kailash Kushanrao Gorantyal.*

vi. Even otherwise, informal communications or expressions of opinion by stakeholders, howsoever undesirable, cannot ipso facto be construed as wilful contravention within the meaning of Section 74 of the Code, unless such conduct translates into tangible acts of non-compliance or obstruction of the approved Resolution Plan.

vii. The Applicant has also sought initiation of contempt proceedings and imposition of penal consequences. It is to be noted that allegations of scandalizing the Tribunal or lowering its authority require a higher threshold of proof and must be supported by specific material demonstrating such conduct. No such substantive material has been placed on record to warrant initiation of contempt proceedings.

viii. Insofar as the prayer for restraining the Respondents from creating disturbance or contacting creditors is concerned, the same is vague, overly broad, and not founded on any specific instance of actionable misconduct established on record. Granting such omnibus reliefs in absence of concrete findings would be unwarranted.

ix. It is also relevant to note that Respondent No.1 has preferred an appeal under Section 61 of the Code against the approval of the Resolution Plan. Mere pendency of such appeal or expression of dissent against the Resolution Plan cannot be construed as a violation of Section 74, unless accompanied by acts that are demonstrably in breach of the binding terms of the plan.

x. The objective of the Code is to ensure timely and effective implementation of Resolution Plans; however, invocation of penal provisions cannot be resorted to in a routine manner or on the basis of unsubstantiated allegations. The Applicant is at liberty to take appropriate remedies in accordance with law in case any specific and demonstrable obstruction arises in the course of implementation.

xi. In view of the above discussion, we are of the considered opinion that the Applicant has failed to make out a case for invocation of Section 74 of the Code or for grant of the reliefs sought in the present Application.

xii. Accordingly, the present Application bearing I.A. 664 /ND/2025 is **dismissed**.

-SD/-

ATUL CHATURVEDI
MEMBER (TECHNICAL)

-SD/-

MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

I.A. 827 ND 2025
IN
C.P. IB 1058 (ND) OF 2018

IN THE MATTER OF:

RED APPLE BUYERS' WELFARE ASSOCIATION (RABWA)
SUCCESSFUL RESOLUTION APPLICANT
MANJU J HOMES INDIA LTD

...Applicant

Versus

KRISHNA

...Respondent No.1

VISHAL CHOUDHARY

...Respondent No.2

BHUDH PRAKASH TYAGI

...Respondent No.3

DISTRICT MAGISTRATE
OFFICE OF DISTRICT MAGISTRATE AT RAJNAGAR,
GHAZIABAD UTTAR PRADESH - 201001

...Respondent No.4

AND IN THE MATTER OF:

GAGAN FERROTECH LIMITED

...Operational Creditor

Versus

MANJU J. HOMES INDIA LIMITED

...Corporate Debtor

Order Delivered on: 09.07.2026

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM
HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant : Mr. Abhishek Naik, Ms. Gulafsha Kureshi, Advocates.

For the Respondent No.1: Mr. Mrinal Harsh Vardhan, Ms. Rituparna Patra, Mr. Pradhumn Rao, Advocates.

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The present Application has been filed by the Applicants under the provisions of Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Rule 11, NCLT Rules, 2016, seeking the following reliefs:

a) Allow the present application;

b) pass necessary order(s) declaring execution of Sale Agreement both dated 21.10.2021 by Respondent No.1 transferring land admeasuring 209 sq. mts of the subject Property each in favour of Respondent No. 2 and 3 respectively as null and void;

c) pass necessary order(s) declaring that no rights has accrued in favour of Respondent No.2 & 3 in any manner whatsoever over the Subject Property;

d) pass necessary order(s) / direction(s) restraining against the Respondent No.1 to 3 not to create any third-party interest over the Subject Property;

e) pass necessary order(s) / direction(s) to Respondent No.4 to cancel the registration of Sale Deed / Agreement both dated 21.10.2021 by Respondent No.1 transferring land admeasuring 209 sq. mts of the subject Property each in favour of Respondent No. 2 and 3 respectively for being void ab initio;

f) pass necessary order(s) / direction(s) to Respondent No.4 to not to register any deed / instruments creating any third-party interest over the subject Property without the explicit consent / permission from the Applicant;

g) pass necessary order(s) initiating appropriate proceeding of contempt against the Respondent No.1 for deliberately and intentionally violated the CIRP Order dated 02.09.2019 passed by this Hon'ble Tribunal imposing moratorium;

h) Pass such other or further order(s) / direction(s) as may deem fit and proper to this Hon'ble Tribunal.

2. SUBMISSIONS OF THE APPLICANT:

i. The Respondent No.1 is the owner of the Land admeasuring 8303.2 sq mt. situated at Khata No.94, Khasra No.1108, Village Morta, Ghaziabad ("subject Property"). For the purpose of constructing the housing project, the Corporate Debtor entered into a Sale Agreement dated 08.01.2016 with Respondent No.1 for the subject Property for a consideration amount of Rs.10,06,68,400/- (Rupees Ten Crore Six Lakhs Sixty-Eight Thousand Four Hundred Only) against which paid Rs.2,00,000/- (Rupees Two Lakhs Only) as stamp. Importantly, it had been specifically mentioned in the Agreement that Respondent No.1 has received the whole consideration amount from the Corporate Debtor and as such, all the right over the said Property in favour of Respondent No.1 stands extinguished. Notably, the Corporate Debtor entered into similar arrangement with landowners of adjoining land Khasra No.1109 & Khasra No.1110 for the purpose of construction and development of said Project. Importantly, post execution of the aforesaid Sale Agreement, the CD took physical possession of the subject Land.

ii. Post approval of the Resolution Plan by this Tribunal and during the process of its implementation, the Applicant learnt that that Respondent No.1 fraudulently & illegally, and in direct violation of moratorium imposed by this Hon'ble Tribunal vide its Order dated 02.09.2019 has sold land admeasuring 209 sq. mts of the subject Property each to Respondent No.2 and Respondent No.3 via two sale agreements both executed on the same date i.e., 21.10.2021.

iii. In terms of the Agreement dated 08.01.2016 executed between the Respondent No.1 and the Corporate Debtor, the said Property belongs to the Corporate Debtor and the Respondent No.1 has no ownership right in any manner whatsoever over the said Property. Accordingly, the sale Agreements executed between the Respondent No.1 with Respondent No2. & 3 ex-facie illegal and non-est in law, and liable to set aside immediately.

iv. It is submitted that Respondent No.1 were aware of the initiation of CIRP against the Corporate Debtor and about imposition of moratorium in terms of Section 14, IBC as all the details regarding CIRP was available at the public domain and IRP/RP made public announcement in the local newspaper as well. Accordingly, it can be construed that the act of the Respondents is intentional and deliberate, and with the sole intent to ripe benefit through the illegal sale and just to take away the asset of the Corporate Debtor.

v. During the imposition of moratorium, the properties/assets or legal rights of the Corporate Debtor cannot be transferred, encumbered or disposed of in any manner whatsoever without permission of Committee of Creditors. Therefore, by executing the Sale agreement dated 22.10.2021 which comes under the period of moratorium, the Respondents have knowingly and willfully and on the face of it committed a contemptuous act by violating the Order dated 02.09.2019 imposing moratorium in terms of Section 14, IBC.

vi. Further, such violation is punishable under section 74, IBC, wherein if any creditor violates the provisions of Section 14, knowingly and willfully shall be punishable under the Code. Furthermore, since the selling-off land was done deliberately, this shows the mala-fide intentions of the Respondent no.1, 2 and 3, also guilty of contempt of court and liable to be punished under Section 12 of the Contempt of Courts Act, 1971.

vii. Moreover, the Corporate Debtor has been acquired by the Applicant herein by virtue of the Resolution Plan approved by the CoC as well as by this Hon'ble Tribunal and as such, if the illegal Sale Agreement is not declared null and void by this Tribunal, then the same jeopardize the implementation of the Resolution Plan and thereby dismantling/disrupting the entire Project directing impacting interest of hundreds homebuyers.

viii. It was further submitted that It is submitted that it is a settled position of law that the a person cannot be dispossessed except in accordance with law. Also, the Hon'ble NCLAT has also settled the law qua recovery of possession of property by owners/lessors, wherein it categorically held that properties occupied by corporate debtors cannot be recovered by owner(s)/lessor(s) during the subsistence of moratorium in view of Section 14(1)(d), IBC. Reliance is placed on:

a. Ms. Rajalakshmi Vardarajan RP v. Mr. G. Dhananjaya Naidu, [Company Appeal (AT) (Ins.) No. 1077 of 2020].

b. Navbharat Castings LLP. v. Moser Baer India Ltd. and Anr., Company Appeal (AT) (Insolvency) No. 323 of 2018.

ix. It is submitted that the present Application is wholly maintainable and this Tribunal has the necessary and appropriate jurisdiction under Section 60(5)(c), IBC to deal with issue of illegal and unlawful execution of Sale Deeds dated 22.10.2021 by the Respondents, without having rightful ownership and/or title or interest, that too, in violation of moratorium under Section 14(1)(d), IBC as well as contempt of Order dated 02.09.2019 imposed moratorium. Reliance is placed on the decision of the Hon'ble Supreme Court in the matter of ***Gujarat Urja Vikas Nigam Limited vs. Mr.Amit Gupta & Ors. [Civil Appeal No.4065 / 2020]***.

x. It is submitted that the registration of the subject parcel of land in the name of Respondent No.2 & 3 respectively, in the facts of the present case, is inconsequential and irrelevant as the same has been done fraudulent and illegally by the Respondent No.1 wherein he did not have the ownership or any lawful authority to sell the subject Land. Moreover, any such registration based on illegal documents invalidate the entire process, and as such the registration in favour of Respondent No.2 & 3 are completely unlawfully. Reliance is placed on the Hon'ble Supreme Court in the matter of ***Mahnoor Fatima Imran & Ors. vs. M/s Viswesara Infrastructure Pvt. Ltd. & Ors. [SLP(C) No.1866 / 2024]***.

3. **<u>SUBMISSIONS OF THE RESPONDENT NO. 1:</u>**

i. It is submitted that the application is not maintainable, as the sale deeds in question were admittedly executed in the year 2021, which, according to the Applicant, fell within the moratorium period. However, the present application has been preferred only after the conclusion of the CIRP and after the Resolution Plan submitted by the Applicant was duly approved by this Hon'ble Tribunal on 11.06.2024. As on date, there is no subsisting moratorium under Section 14 of the Code, and the role of the Resolution Professional stands concluded. The approved Resolution Plan does not contemplate any challenge to or reversal of the alleged transaction, nor does it record any non-compliance attributable to the answering respondents. Accordingly, there exists no contravention of the Plan by the answering respondents, and the application, having been filed post-facto and without any subsisting cause of action, is infructuous and liable to be dismissed.

ii. It is submitted that, Section 74 of the Insolvency and Bankruptcy Code, 2016, must be filed at the appropriate stage, as per the framework of the Code. Section 74 can be invoked either (i) during the moratorium period under Section 14, or (ii) during the implementation of a resolution plan approved under Section 31. These are distinct and independent stages with specific legal consequences. If the alleged contravention occurred during the moratorium period, any remedy in respect thereof ought to have been pursued during the subsistence of the moratorium itself. In the present case, without prejudice to the Answering Respondent, if no such action was taken by the Resolution Professional or any other stakeholder at the relevant time, the applicant cannot now raise those allegations at the stage of implementation of the Resolution Plan, when that stage has no nexus with the earlier period of Moratorium. The failure of the Resolution Professional to initiate any proceedings or report the alleged contravention during the moratorium period amounts to a conscious waiver of remedy at that stage. That, permitting such belated action would be contrary to the scheme of the IBC and would undermine the certainty and finality that the resolution process seeks to achieve. Therefore, the invocation of Section 74 at this belated stage is legally unsustainable and barred by the doctrine of estoppel.

iii. It is submitted that on 08.01.2016, M/s Manju J Homes India Ltd. (Corporate Debtor) and Respondent No.1 entered into a purported sale transaction in respect of land admeasuring 8303.3 sq. meters situated at Khata No. 94, Khasra No. 1108, Village Morta, Ghaziabad, for the alleged purpose of constructing a housing project. The total consideration mentioned in the deed was ₹10,06,68,400/- (Rupees Ten Crore Six Lakh Sixty-Eight Thousand Four Hundred Only). However, the sale deed reveals that only ₹2,00,000/- was paid towards stamp duty significantly below the statutory requirement based on the prevailing circle rates. As per settled legal principles, a deed inadequately stamped and without payment of full consideration fails to confer any legal title, and hence, the Corporate Debtor did not acquire valid ownership of the said land.

iv. It is submitted that the purported sale deed dated 08.01.2016, being relied upon by the Applicant, is an unregistered document which has been incorrectly referred to as a "sale deed." In fact, it was never executed in accordance with the mandatory requirements of law. The said document does not satisfy the legal requisites under the Registration Act, 1908 and the Transfer of Property Act, 1882, and therefore does not create or convey any valid title or ownership in favour of the Corporate Debtor, M/s Manju J Homes India Ltd.

v. It is further submitted that, the sale deed dated 08.01.2016 itself acknowledges that the land in question formed part of a larger khasra (No. 1108) and that only a 1/3rd undivided share therein was purportedly conveyed to the Corporate Debtor. Importantly, while the deed reflects a consideration of ₹10,06,68,400/-, the actual payment made by the Corporate Debtor is evidenced to be only ₹45,00,000/-. In the absence of full and lawful consideration, the essential ingredients of a valid sale under Section 54 of the Transfer of Property Act, 1882, are not satisfied. Therefore, no valid, complete, or enforceable title was passed to the Corporate Debtor under the said deed.

vi. It is further submitted that as per the Revenue Records, the ownership of the said property has at all material times remained with Respondent No.1. Even till date, the Corporate Debtor has not been shown as owner in the revenue entries. Since the Corporate Debtor never acquired lawful title, the subsequent sale transactions executed by Respondent No.1 in favour of Respondent Nos. 2 and 3 were valid and lawful. These transactions fulfilled all the essential ingredients of a sale under Section 54 of the Transfer of Property Act, including registered sale deeds and payment of full consideration. The mutation of names of Respondent Nos. 2 and 3 is also duly reflected in the official records on the website of UP Bhulekh, which further affirms their legal title.

vii. It is submitted that the ownership of the property in question was never transferred to the Corporate Debtor, as neither the purported sale agreement dated 08.01.2016 executed between Respondent No.1 and the Corporate Debtor was registered, nor was the full consideration amount of 10,06,68,400/- (Rupees Ten Crore Six Lakh Sixty-Eight Thousand Four Hundred Only) ever paid by the Corporate Debtor to Respondent No.1.

viii. In this regard, reliance is placed on the judgment of the ***Hon'ble Supreme Court in Sanjay Sharma vs. Kotak Mahindra Bank Ltd., SLP (C) No. 330/2017***, decided on 10.12.2024.

ix. It is submitted that the purported sale documents relied upon by the Applicant contain a recital that the land in question was classified as residential land at the time of the alleged sale to the Corporate Debtor. However, when the same land was subsequently lawfully and validly registered in favor of Respondent No.2 and Respondent No.3 in October 2021, it was expressly recorded as agricultural land in the registered sale deeds, as well as in the revenue and official land records.

x. It is further submitted that the land has always been agricultural in nature and was never legally converted into Residential Land in accordance with applicable land use regulations or statutory procedures under relevant planning or revenue laws. The Applicant and the Corporate Debtor have not placed on record any notification, order, or document demonstrating lawful conversion of land use. Accordingly, the recital in the unregistered, inadequately stamped document in favor of the Corporate Debtor is false, misleading, and contrary to public records, rendering the said document invalid and non-est in the eyes of law. In any case, it is a settled legal position that Residential Land cannot revert to agricultural classification without formal proceedings for re-conversion under applicable statutes. The fact that the land was always treated as agricultural in official records and was transferred as such to Respondent Nos. 2 and 3 affirms that the earlier claim of the land being residential was factually incorrect and legally untenable. Therefore, the alleged transaction in favor of the Corporate Debtor is void ab initio, conferring no title or rights, and cannot be relied upon to challenge subsequent valid conveyances.

xi. It is submitted that, the Corporate Debtor did not have ownership or legal title over the disputed property forming the subject matter of the present proceedings. In light of the same, the Information Memorandum prepared and submitted by the Resolution Professional is ex facie contrary to the provisions of the Insolvency and Bankruptcy Code, 2016 and the attendant regulations.

It was incumbent upon the Resolution Professional to conduct proper due diligence and ascertain whether the said property formed part of the legitimate asset pool of the Corporate Debtor.

xii. However, the inclusion of the said property in the Information Memorandum without any verification of title constitutes a fundamental error, which strikes at the very root of the Corporate Insolvency Resolution Process (CIRP), thereby rendering the process defective, misleading, and legally untenable. As a direct consequence, the resolution plan approved by the Committee of Creditors and subsequently by this Hon'ble Tribunal stands vitiated and has become incapable of implementation. The plan is based on materially incorrect and misleading disclosures, and its execution is rendered commercially and legally unviable. Furthermore, the Resolution Professional failed to initiate any timely action to question or set aside the registration of the sale deed in favour of Respondent Nos. 2 and 3, despite the fact that such sale was registered during the subsistence of the CIRP. Having remained silent at the most crucial juncture, the Resolution Professional is now estopped from raising objections at this belated stage. This conduct clearly demonstrates a serious failure of statutory duty which has resulted in irreparable prejudice to the interests of the creditors, stakeholders, and the entire resolution process.

xiii. It is submitted that the allegations made by the Applicant do not fall within the ambit of Section 74 of the Insolvency and Bankruptcy Code, 2016 (IBC). Section 74 is a penal provision that provides for punishment in cases where there is a wilful and knowing contravention of the moratorium declared under Section 14, or failure to comply with the terms of an approved Resolution Plan under Section 31. The provision is applicable only to specific categories of persons, namely the Corporate Debtor, its officers, or the creditors involved in the insolvency proceedings. However, in the present case, there is no allegation or evidence to show that the moratorium under Section 14 has been violated, nor is there any approved Resolution Plan in existence that has been breached. Moreover, Respondent Nos. 2 and 3 are not parties falling within the categories contemplated under Section 74. They are neither the Corporate Debtor nor its officers, nor are they creditors in the insolvency proceedings. As such, they are completely outside the scope of persons to whom Section 74 can apply. Therefore, the invocation of this provision against Respondent Nos. 2 and 3 is wholly misconceived, misplaced, and devoid of any legal basis.

4. ANALYSIS AND FINDINGS:

i. We have carefully considered the pleadings, the documents placed on record and the submissions advanced by the parties.

ii. The present Application has been preferred by the Successful Resolution Applicant under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016. The Applicant seeks, inter alia, a declaration that the Sale Agreements executed by Respondent No.1 in favour of Respondent Nos.2 and 3 on 21.10.2021 are null and void, a declaration that no rights have accrued in favour of the said purchasers, consequential directions to the concerned Sub-Registrar not to recognise or register any further transaction in respect of the subject property, and initiation of appropriate proceedings for the alleged violation of the moratorium imposed by this Adjudicating Authority on 02.09.2019.

iii. It is the Applicant's case that pursuant to the Agreement dated 08.01.2016 executed between the Corporate Debtor and Respondent No.1, the Corporate Debtor had acquired rights over the subject land and had also taken physical possession thereof. It is contended that despite the commencement of the Corporate Insolvency Resolution Process on 02.09.2019 and the consequent imposition of moratorium under Section 14 of the Code, Respondent No.1 executed two Sale Agreements dated 21.10.2021 in favour of Respondent Nos.2 and 3 in respect of portions of the very same property.

iv. According to the Applicant, these transactions were undertaken with full knowledge of the pendency of CIRP and were intended to defeat the rights of the Corporate Debtor and frustrate the insolvency process. It is argued that the property formed part of the assets available for resolution and that any transfer during the subsistence of the moratorium is void and liable to be declared *non est* in law.

v. The Applicant further submits that such acts constitute a clear violation of the moratorium under Section 14 of the Code, attract the penal consequences contemplated under Section 74 of the Code, and amount to interference with the administration of the Corporate Debtor's assets. It is also contended that permitting such transfers would seriously prejudice the implementation of the approved Resolution Plan and adversely affect the interests of the homebuyers and other stakeholders whose rights have crystallised under the Plan.

vi. The Respondent No.1 has opposed the Application by contending that the same is wholly misconceived and not maintainable. It is submitted that the Corporate Debtor never acquired any valid title over the subject land under the document dated 08.01.2016, as the alleged conveyance did not satisfy the mandatory legal requirements governing transfer of immovable property and, therefore, no ownership ever vested in the Corporate Debtor. It is further contended that no sale consideration was paid under the alleged transaction and that the revenue records have throughout reflected Respondent No.1 as the recorded owner. On this basis, it is argued that the subject property never formed part of the assets of the Corporate Debtor and consequently could not have been protected by the moratorium under Section 14 of the Code.

vii. The Respondent No.1 further submitted that the inclusion of the property in the Information Memorandum cannot create title where none existed in law, and that the subsequent conveyances executed in favour of Respondent Nos.2 and 3 were valid transactions undertaken by the lawful owner. The allegations regarding violation of the moratorium, fraud, contempt and criminal liability are therefore stated to be baseless and liable to be rejected.

viii. The principal question requiring determination is whether the Sale Agreements executed by Respondent No.1 on 21.10.2021 in favour of Respondent Nos.2 and 3 deserve to be declared void on the ground that they violate the moratorium imposed under Section 14 of the Insolvency and Bankruptcy Code, 2016.

ix. At the outset, it is not in dispute that the CIRP against the Corporate Debtor commenced on 02.09.2019 and that the moratorium under Section 14 remained in force until approval of the Resolution Plan by this Adjudicating Authority. Equally undisputed is the fact that the impugned Sale Agreements were executed on 21.10.2021, during the currency of the moratorium.

x. Section 14(1)(d) of the Code expressly prohibits the recovery or alienation of any property occupied by or in the possession of the Corporate Debtor during the moratorium period. The legislative intent behind the provision is to preserve the assets of the Corporate Debtor as a going concern and to maintain the status quo so that the resolution process is not frustrated by unilateral acts affecting the asset base of the Corporate Debtor. Once the moratorium comes into operation, no person can be permitted to deal with assets forming part of the Corporate Debtor's estate in a manner that prejudices the CIRP or diminishes the value available to creditors and the Successful Resolution Applicant.

xi. The material placed before this Adjudicating Authority demonstrates that the subject property had been treated as an asset of the Corporate Debtor during the CIRP and formed part of the resolution process culminating in the approval of the Resolution Plan. The subsequent execution of the Sale Agreements by Respondent No.1 during the subsistence of the moratorium directly interfered with the assets forming part of the resolution estate and was clearly inconsistent with the statutory embargo created by Section 14 of the Code.

xii. The contention of Respondent No.1 that the Corporate Debtor never acquired valid title raises disputed questions relating to the underlying transaction which cannot justify unilateral alienation of the property during the operation of the moratorium. So long as the CIRP was in progress and the property formed part of the assets under consideration in the insolvency process, Respondent No.1 could not have independently created third-party rights in respect thereof. Any person asserting rival proprietary rights was required to seek appropriate reliefs before the competent forum without violating the statutory restraint imposed under the Code.

xiii. The execution of the impugned Sale Agreements during the moratorium has the effect of creating uncertainty over the asset pool forming the basis of the approved Resolution Plan and undermines the sanctity of the insolvency resolution process.

xiv. The Code contemplates preservation of the Corporate Debtor's assets during CIRP so that the Successful Resolution Applicant receives the company together with the assets considered while formulating and approving the Resolution Plan. Any subsequent alienation of such assets during the moratorium cannot be permitted to defeat the implementation of the approved Resolution Plan, diminish the value of the resolution estate, or unsettle the rights that have crystallised in favour of the Successful Resolution Applicant and the stakeholders upon approval of the Plan. Entertaining or recognising such transactions would not only dilute the efficacy of the moratorium under Section 14 but would also jeopardise the certainty and finality which constitute the cornerstone of the insolvency resolution framework under the Code.

xv. In these circumstances, this Adjudicating Authority is satisfied that the Sale Agreements dated 21.10.2021 executed by Respondent No.1 in favour of Respondent Nos.2 and 3 were entered into during the operation of the statutory moratorium and cannot be permitted to create enforceable rights against the Corporate Debtor or the Successful Resolution Applicant. Consequently, the said transactions deserve to be declared void and inoperative insofar as they affect the rights flowing from the CIRP and the approved Resolution Plan. The consequential reliefs sought for protection of the subject property and effective implementation of the approved Resolution Plan also merit acceptance.

xvi. Accordingly, the present Application bearing I.A. 827 OF 2025 is **allowed**.

-SD/-	**-SD/-**
ATUL CHATURVEDI **MEMBER (TECHNICAL)**	**MANNI SANKARIAH SHANMUGA SUNDARAM** **MEMBER (JUDICIAL)**

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

I.A. 2946 ND 2025
IN
C.P. IB 1058 (ND) OF 2018

IN THE MATTER OF:

RED APPLE BUYERS' WELFARE ASSOCIATION (RABWA)
SUCCESSFUL RESOLUTION APPLICANT
MANJU J HOMES INDIA LTD

...Applicant

Versus

AMIT TYAGI

...Respondent No.1

RAJKUMARI

...Respondent No.2

SEEMA

...Respondent No.3

JAGSHARAN

...Respondent No.4

SUB – REGISTRAR OFFICE
A140, NEW GANDHI NAGAR,
GANDHI NAGAR NEHRU NAGAR III, NEHRU NAGAR,
GHAZIABAD, U.P. - 201001

...Respondent No.5

AND IN THE MATTER OF:

GAGAN FERROTECH LIMITED

...Operational Creditor

Versus

MANJU J. HOMES INDIA LIMITED

...Corporate Debtor

Order Delivered on: 09.07.2026

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM
HON'BLE MEMBER (JUDICIAL)
SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant **:** Mr. Abhishek Naik, Ms. Gulafsha Kureshi , Advocates.

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The present Application has been filed by the Applicants under the provisions of Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Rule 11, NCLT Rules, 2016, seeking the following reliefs:

a) Allow the present application;

b) pass necessary order(s) / direction(s) against the Respondent No.1 to 4 restraining them creating any third-party interest over the Subject Property;

c) pass necessary order(s) / direction(s) against the Respondent No.1 to 4 restraining them from carrying out any commercial activities including illegal sale of sand / soil from the subject Property;

d) pass necessary order(s) / direction(s) to Respondent No.5 to not register any deed / instruments creating any third-party interest over the subject Property without the explicit consent / permission from the Applicant;

e) Pass such other or further order(s) / direction(s) as may deem fit and proper to this Hon'ble Tribunal.

2. SUBMISSIONS OF THE APPLICANT:

i. This Tribunal vide its Order dated 02.09.2019 passed in CP(IB) No.1058 (ND) /2019 put the Corporate Debtor into the rigors of Corporate Insolvency Resolution Process. In the process of CIRP, Form G was published inviting expression of interest for acquiring MJHIL and completing the real estate project "Red Apple Homez" ("said Project"). Against the same, Red Apple Buyers' Welfare Association ('RABWA'), as duly registered association of allotees of said Project submitted its Resolution Plan for construction and development of the said Project, which was approved by Committee of Creditors of MJHIL with 100% voting in favour.

ii. Subsequently, an IA No.4219/2022 was filed before the Co-ordinate Bench - IV of this Hon'ble Tribunal seeking approval of resolution plan, which was subsequently approved by this Hon'ble Tribunal vide its Order dated 11.06.2024.

iii. The Respondents are the owner and occupant of 1½ ownership of the total land admeasuring to 0.8320 hectare i.e., 9950.72 sq feet i.e., 8320 sq meter situated at Khata No.349, Khasra No.1109, Village Morta, Ghaziabad ("subject Property"). For the purpose of constructing the housing project, the Corporate Debtor and the Respondents executed a Consortium Agreement dated 05.05.2014 with the objective of developing and constructing the said Project.

iv. Post approval of the Resolution Plan by this Tribunal and during the process of its implementation, the Applicant learnt that the Respondents are not complying with the Order passed by this Hon'ble Tribunal and creating hurdles in implementation of the Resolution Plan. Thereafter, many verbal communications and physical meetings /communications were exchanged between the Applicant and Respondents for resolving the issues on amicable terms and payment of reasonable monies for the said Land in order and for smooth implementation of the Resolution Plan, thereby handing over the possession of land to the Applicant for development and construction of the Project. The Applicant also sent a letter dated 24.09.2024 to the Respondent No.1, wherein the Applicant requested for the cooperation for resolution of the issue pertaining to the said land in accordance with the order of this Tribunal dated 11.06.2024. The said letter was duly delivered to the Respondent No.1 on 27.09.2024.

v. Further, on 05.11.2024, after multiple requests, a 2nd meeting was convened at the residence of the Respondents in Morta, Ghaziabad wherein during the meeting, the Respondents have confirmed their intention to resolve the matter as per this Tribunal's order. Consequently, the Applicant had begun working at the site under that understanding and assurance given by the Respondents. However, on 14.11.2024, for the reason best known, the Respondents have changed their mind and informed the Applicant that they are no longer willing to settle the matter as previously agreed and discredited the Order dated 11.06.2024 passed by this Tribunal.

vi. As a last opportunity, the Applicant again sent a letter dated 15.11.2024 to the Respondents, requesting them to settle the matter amicably without going into any sort of entanglement and asking for their written confirmation/ assurance about their intention to resolve the matter as per this Tribunal's Order within 7 days of receiving of the letter. To the utter shock and dismay, all the Respondents "refused" to accept the said letter, and the letters were returned to the Applicant.

vii. The Applicant also came to know that the Respondents have also illegally sold the soil/sand of the subject Property without any authority and accordingly, the Respondents have no right over the said property including sand of the said Property.

viii. The Corporate Debtor has been acquired by the Applicant herein by virtue of the Resolution Plan approved by the CoC as well as by this Tribunal and as such, if present application is not allowed by this Tribunal, then the same jeopardize the implementation of the Resolution Plan and thereby dismantling/disrupting the entire Project directing impacting interest of hundreds of homebuyers.

ix. This Tribunal under Section 60(5) of the Insolvency & Bankruptcy Code, 2016 read with Rule 11, NCLT Rules, 2016 has the ample power and authority to pass such necessary orders in relation to any matter arising out of or in relation to the insolvency resolution process and also in the interest of justice.

3. **ANALYSIS AND FINDINGS:**

i. We have heard the learned counsel appearing for the Applicant and perused the material available on record.

ii. The present Application has been preferred by the Successful Resolution Applicant seeking protection of the subject property forming part of the approved Resolution Plan by restraining the Respondents from creating any third-party interest, carrying out any unauthorized commercial activity thereon, including illegal excavation and sale of sand/soil, and directing the Sub-Registrar not to register any document affecting the subject property without the leave of this Adjudicating Authority or the consent of the Applicant.

iii. It is not in dispute that the Corporate Debtor was admitted into CIRP vide order dated 02.09.2019. Pursuant thereto, the resolution process culminated in the approval of the Resolution Plan submitted by Red Apple Buyers' Welfare Association, which came to be approved by this Adjudicating Authority on 11.06.2024. Upon such approval, the Resolution Plan attained binding force in terms of Section 31 of the Insolvency and Bankruptcy Code, 2016 and became enforceable upon the Corporate Debtor, its members, creditors, governmental authorities and all other stakeholders connected with the Corporate Debtor.

iv. The material placed before this Adjudicating Authority further demonstrates that the subject property constitutes an integral component of the real estate project, which is the very foundation of the approved Resolution Plan. The implementation of the Resolution Plan necessarily contemplates the development of the said project for the benefit of the homebuyers and other stakeholders whose interests stand crystallised upon approval of the Plan.

v. The Applicant has placed on record that, after approval of the Resolution Plan, several attempts were made to amicably resolve the issues relating to the subject property. Correspondence dated 24.09.2024 and 15.11.2024, coupled with meetings held between the parties, indicate that the Applicant repeatedly sought cooperation from the Respondents for implementation of the Resolution Plan. However, despite initially expressing willingness to cooperate, the Respondents allegedly resiled from their assurance and thereafter obstructed implementation of the approved Resolution Plan. The Applicant has also brought to the notice of this Adjudicating Authority that the Respondents are attempting to create third-party interests over the subject property and are carrying on unauthorized excavation and sale of soil/sand therefrom, thereby altering the character of the land and diminishing its value.

vi. The Code is enacted with the objective of ensuring successful resolution of the Corporate Debtor as a going concern. Once a Resolution Plan has been approved under Section 31 of the Code, its implementation cannot be permitted to be frustrated by acts of third parties that directly interfere with the assets necessary for execution of the Plan. The jurisdiction conferred upon this Adjudicating Authority under Section 60(5) of the Code is sufficiently wide to issue such directions as may be necessary for effective implementation of the approved Resolution Plan and to preserve the assets constituting the resolution estate.

vii. If, during implementation of the approved Resolution Plan, third-party rights are permitted to be created in respect of property forming part of the project, or if the Respondents are permitted to continue altering the physical nature of the land by commercial extraction of soil or sand, the consequence would be irreversible. Such acts would not only complicate the implementation of the Resolution Plan but would also generate multiplicity of litigation, prejudice the rights of the Successful Resolution Applicant and, more importantly, jeopardise the interests of hundreds of homebuyers whose legitimate expectations now stand embodied in the approved Resolution Plan. The balance of convenience, therefore, overwhelmingly lies in favour of preserving the subject property in its existing condition until implementation of the Resolution Plan is completed.

viii. This Adjudicating Authority is also conscious that registration of further conveyances or encumbrances during the pendency of implementation of the Resolution Plan would create unnecessary complications and may result in avoidable third-party claims. Therefore, in exercise of the powers conferred under Section 60(5) of the Code read with Rule 11 of the National Company Law Tribunal Rules, 2016, appropriate protective directions are required to be issued to preserve the subject property and ensure unhindered implementation of the approved Resolution Plan.

ix. In view of the foregoing discussion, we are satisfied that the Applicant has made out a strong prima facie case for grant of the reliefs sought. Unless appropriate protective orders are passed, the implementation of the Resolution Plan approved by this Adjudicating Authority is likely to be seriously prejudiced, causing irreparable injury not only to the Successful Resolution Applicant but also to the creditors and the allottees whose rights have crystallised under the approved Resolution Plan.

x. Accordingly, the Application deserves to be allowed. Respondent Nos.1 to 4 are restrained from creating any third-party rights or interests in respect of the subject property and from carrying out any commercial activity, including excavation or sale of soil/sand, until completion of implementation of the approved Resolution Plan or until further orders of this Adjudicating Authority.

xi. Respondent No.5, Sub-Registrar, is further directed not to register any sale deed, conveyance, lease, mortgage or any other instrument creating any right, title or interest in respect of the subject property without prior permission of this Adjudicating Authority.

xii. Accordingly, the present Application bearing I.A. 2946 OF 2025 is **allowed** in the aforesaid terms.

-SD/-	**-SD/-**
ATUL CHATURVEDI **MEMBER (TECHNICAL)**	**MANNI SANKARIAH SHANMUGA SUNDARAM** **MEMBER (JUDICIAL)**

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-IV

I.A. 1099 ND 2025
IN
C.P. IB 1058 (ND) OF 2018

IN THE MATTER OF:

NARESH KUMAR

...Applicant No. 1

BRIJESH KUMAR

...Applicant No. 2

RAVINDER KUMAR

...Applicant No. 3

Versus

MANJU J. HOMES INDIA LIMITED

RED APPLE BUYER WELFARE ASSOCIATION (RABWA)

ANURAG NIRBHAYA (RP)

... Respondents

AND IN THE MATTER OF:

GAGAN FERROTECH LIMITED

...Operational Creditor

Versus

MANJU J. HOMES INDIA LIMITED

... Corporate Debtor

Order Delivered on: 09.07.2026

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM
HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant : Mr. Vinod Pandey , Mr. Ashwin Vaish, Advocates.

For the Respondent No. 2: Mr. Abhishek Naik, Ms. Gulafsha Kureshi, Advocates.

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. The present Application has been filed by the Applicants under the provisions of Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("Code"), seeking the following reliefs:

A. Pass an order recalling order dated 11.06.2024 to the extent that in para 18 of the said order, it be clarified that the property bearing khasra no. 1109 situated at village morta, Ghaziabad, is not the property of the corporate debtor and therefore no longer be shown as part of the asset pool of the Corporate Debtor/developer; and consequently, the approved resolution plan be declared unenforced to the said extent & be modified accordingly; and/or

B. Pass any other order in the interest of justice.

2. SUBMISSIONS OF THE APPLICANTS:

i. The primary ground for seeking recall is that there is a gross suppression of fact at the instance of the Corporate Debtor acting through the then Resolution Professional.

ii. Vide order dated 11.06.2024 this Tribunal approved the resolution plan filed by the Resolution Professional namely Shri Anurag Nirbhaya in I.A No. 4219 of 2022. In para 18 of the order dated 11.06.2024, it was held by this Tribunal that land bearing Khasra No.1109, situated at Village Morta Ghaziabad ("property") is the personal land of Corporate Debtor. However, it is a matter of record, which was not brought to the notice of this Tribunal by the Corporate Debtor, that the said land as on date solely belongs to the Applicants in terms of recitals of sale deed dated 04.03.2015 & vide judgment dated 29.02.24.

iii. The Applicants sold their said property to the Developer i.e. the Corporate Debtor vide sale deed 04.03.2015 registered in Bahi No. 1, Zild No. 10726, Page No. 1 to 30 on serial no. 1528 in the office of Sub-registrar, Ghaziabad.

iv. In the said sale deed, it was specifically mentioned that the consideration of the said property in question has been paid by the Corporate Debtor through post dated cheques and if the said cheques given as consideration are not cleared, the sale deed will be declared a nullity.

v. Since the said cheques mentioned in the sale deed were dishonored, the applicants herein filed a civil suit no. 766 of 2019, titled, Naresh & Ors V/s Manju J. Homes, before the Hon'ble Court of ACJ (J.D.), Ghaziabad for declaring the sale deed as null & void ab-initio.

vi. On 16.03.2021 the Applicants filed an application in Form B under regulation 7 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, in which they clearly stated that the cheques given as consideration qua the said property in question bearing Khasra No. 1109 were dishonored and also stated in Para No. 6 that the following case, i.e. case No. 3175 of 2019 under section 138; case no. bearing F.I.R. 763 of 2020 P.S. Murad Nagar, under section 406, 420, 467, 468, 471, 504, 506 & 120 B I.P.C.; & case no. civil suit 766 of 2019 titled Naresh & Ors V/s Manju J. Homes, are pending before respective courts of law, and that the total outstanding due to the applicant namely Naresh, Brijesh, Ravindra and to the brother of applicants namely Pushpender, from the corporate debtor is Rs.1,74,00,000/-, Rs.25,00,000/-, Rs.2,58,00,000/- and Rs.2,50,00,000/-, respectively.

vii. During the pendency of the suit, the learned Resolution Professional filed an application before the Civil Judge. (J.D.), Ghaziabad & filed U/s 14 (1) (b) of the Insolvency and Bankruptcy Code, 2016 for staying proceedings of that case but the same was dismissed vide order dated 03.04.2021.

viii. The Resolution Professional for reasons best known to him, in its resolution plan dated 23.02.2022 subsequently revised on 14.05.2022 at page no. 24 denied the claim of the Applicants herein in para no. 9.3.4.

ix. The suit was finally decided in favour of the Applicants and the Hon'ble Court declared the sale deed dated 04.03.2015 registered in Bahi No. 1, Zild No. 10726, Page No. 1-30 Serial No. 1528 as null & void ab-initio & granted an injunction order in favor of Applicants herein vide judgement & decree dated 29.02.2024.

x. A perusal of the record reveals that the above titled case was listed on multiple occasions i.e. 18.03.24, 20.03.24, 08.04.24, 22.04.24, 02.05.24, 09.05.24, 10.05.24 after the passing of the decree by the Ld. Civil Judge, (J.D.), Ghaziabad, in favour of Applicants, but the said fact was not brought to the notice of this Tribunal.

xi. It is submitted that on the basis of decree dated 29.02.2024 passed by Ld. Civil Judge, (J.D.), Ghaziabad, the name of the Applicants herein stands mutated in the revenue record vide order dated 05.07.2024 passed by Ld. Tehsildar (Judicial), Meerut division, Tehsil Ghaziabad, Ghaziabad.

xii. On 13.09.24, the corporate debtor preferred an application under Order 9 Rule 13 of the CPC seeking setting aside of the judgment dated 29.02.2024; the same is pending consideration.

xiii. Along with the said application, the Corporate Debtor annexed the order dated 11.06.2024. It is then that the Applicants learnt that the Corporate Debtor suppressed the factum of the judgment dated 29.02.2024 from this Tribunal, which in turn resulted in the said property being mentioned as the property of the corporate debtor.

xiv. It is the case of the Applicants that para 18 of the order dated 11.06.2024 may be recalled to the extent that the said property, no longer be shown in the name of the Corporate Debtor and be excluded from consideration of the approved plan of the learned Resolution Professional.

xv. Unless this Hon'ble Tribunal recalls the said part of the order, irreparable prejudice shall be caused to the rights of the Applicants, who are the actual true owners of the said property.

3. SUBMISSIONS OF THE RESPONDENT NO.2:

i. It is submitted that the Applicants are in contempt of the Order dated 29.09.2019 whereby the Corporate Debtor was put into the rigors of Corporate Insolvency Resolution Professional ("CIRP") and by virtue of Section 14 of Code.

ii. The Respondent No. 2 sought initiation of contempt proceeding and punish the Applicants Tribunal for gross, deliberate and evidently contemptuous act, and also initiate proceeding violation of moratorium imposed vide aforesaid Order dated 29.09.2019.

iii. Additionally, the Applicants are liable to be punished as they have committed an offence under Section 74 (2), IBC which shall be less one year and extendable upto five years, or with fine which shall be not be less than Rupees One Lakh and extendable upto Rupees One Crores or both, as they have wilfully, deliberately contravened with the moratorium under Section 14(1)(d) of IBC.

iv. It is submitted that the Respondent No. 2, i.e., Red Apple Buyers' Welfare Association, is an association of allottees/homebuyers of the residential project "Red Apple Homez" ("subject project"), developed and constructed by Corporate Debtor.

v. The Applicants were the erstwhile owners and occupants of ½ share of the total land admeasuring 0.8320 hectare (i.e., 9950.72 sq. ft. or 8320 sq. meters), situated at Khata No. 349, Khasra No. 1109, Village Morta, Ghaziabad ("subject land"). For the purpose of developing the subject project, the Corporate Debtor entered into a Sale Agreement with the Applicants on 04.03.2015 for a total consideration of Rs. 12,33,88,000/- (Rupees Twelve Crore Thirty-Three Lakhs Eighty-Eight Thousand Only), out of which Rs. 10,20,000/- (Rupees Ten Lakhs Twenty Thousand Only) was paid by the Corporate Debtor.

vi. This Tribunal, vide its Order dated 02.09.2019 passed in CP(IB) No. 1058 (ND)/2019, put the Corporate Debtor into the rigors of CIRP. Consequently, moratorium under Section 14 of the Code was imposed, which expressly prohibited the institution or continuation of any legal proceedings against the Corporate Debtor, including the execution of any judgment, decree, or order by any court of law, tribunal, arbitration panel, or other authority. Furthermore, as per the provisions of Section 14 of the Code, during the moratorium, no assets belonging to the Corporate Debtor and/or in possession of the Corporate Debtor can be recovered or alienated, which are essential for keeping the Corporate Debtor as a going concern.

vii. The Corporate Debtor remained under moratorium from 02.09.2019 until 11.06.2024, i.e., until the date of approval of the Resolution Plan by this Tribunal. Pursuant to the Resolution Plan Approval Order dated 11.06.2024, passed by this Tribunal, the Respondent Association became the Successful Resolution Applicant ("SRA") and acquired the control of the Corporate Debtor.

viii. It is submitted that the Applicants had filed their claim with the Resolution Professional, however, the same was rejected in view of the judgment passed by the Hon'ble NCLT, Bench V, in ***Global Credit Capital Limited vs. Venta Realtech Private Limited***, which was duly communicated to the Applicants vide email dated 21.02.2022. The Applicants till date have not challenged said rejection of their claim.

ix. Nevertheless, the Respondent No. 2, in its Resolution Plan, has expressly provided that it, along with its Developer, shall enter into negotiations with the Landowners/Farmers, including the Applicants herein, and shall pay the value of the land of the Applicants at a reasonable market price, after deduction of amount earlier paid, if any as may be mutually agreed between the parties.

x. However, in violation of the moratorium, the Applicants herein instituted Original Civil Suit No. 766/2019, titled as Naresh & Ors. vs. Manju J Homes India Ltd. ("said Suit"), before the Hon'ble Court of Ld. Civil Judge, Junior Division, Ghaziabad ("ACJ"), on 24.10.2019, after the commencement of CIRP, seeking cancellation of the sale deed and permanent injunction against the Corporate Debtor in respect of the subject land.

xi. As such, the institution of the said Suit during the period of moratorium imposed under Section 14 of Code, was in direct contravention of the statutory bar and is accordingly void ab initio. The very act of initiating legal proceedings against the Corporate Debtor during CIRP is ex-facie illegal and in violation of the provisions of IBC, which has already been settled by Hon'ble Supreme Court as well as Hon'ble NCLAT. Furthermore, the Applicants instituted the said Suit with full knowledge of the commencement of CIRP, clearly indicating a mala fide and ulterior intention to defeat the object of the moratorium and to wrongfully exclude the subject land from the control and possession of the Corporate Debtor.

xii. The erstwhile Resolution Professional, upon becoming aware of the pendency of the said Suit against the Corporate Debtor, filed an Application seeking stay of the proceedings before the Ld. ACJ, Ghaziabad District Court. In the said Application, the erstwhile Resolution Professional duly apprised the Ld. ACJ, that the Corporate Debtor was undergoing CIRP and, in view of the moratorium imposed under Section 14(1)(a) & (d) of IBC, the said Suit was not maintainable and could not proceed.

xiii. However, in complete disregard of the well-settled position of law, particularly in relation to recovery or possession of property by owners, the Ld. ACJ, Ghaziabad District Court, vide its Order dated 03.04.2021, erroneously dismissed the said Stay Application, holding that the issue of cancellation of sale deed fell within its jurisdiction.

xiv. In this regard, it is submitted that merely because the Applicants claim ownership over the subject land or seek to question the validity of the sale deed, the same cannot be a justification for bypassing or violating the moratorium under Section 14 of IBC It is well settled that the moratorium under Section 14 operates as a legal embargo on the institution or continuation of suits or proceedings against the Corporate Debtor, as well as on the sale, transfer, or alienation of its assets, during the CIRP. This embargo is binding not only on financial creditors but also on any person, irrespective of the nature or character of the relief sought. Once CIRP has commenced and moratorium is in effect, any attempt to assert a claim however styled, that has the effect of interfering with or recovering an asset of the Corporate Debtor is impermissible. Hence, the filing of the said Suit by the Applicants before the Ld. ACJ, Ghaziabad District Court is an abuse of process aimed at defeating the object of the CIRP. Reliance has been placed on the decision of the Hon'ble Supreme Court in Anand Rao Korada vs. Varsha Fabrics Pvt. Ltd., [Civil Appeal No.8800-8801/2019).

xv. It is submitted that, for reasons best known to the erstwhile Resolution Professional, the Dismissal Order dated 03.04.2021 rejecting the Stay Application was neither challenged nor brought to the notice of this Hon'ble Tribunal. Subsequently, vide Order dated 12.10.2021, the Ld. Civil Judge proceeded with the said Suit, Ex-parte, in the absence of any representation on behalf of the Corporate Debtor. As a result, the Ld. ACJ, Ghaziabad District Court, vide Order dated 29.02.2024 ("ex parte decree"), allowed the Suit, cancelled the registration of the subject Land held in favour of the Corporate Debtor, and permanently restrained the Corporate Debtor from taking possession of the said Land.

xvi. Notably, it was only after the approval of the Resolution Plan that the Respondent No. 1 became aware through CIRP documents and disclosures made by the Erstwhile Resolution Professional about the Ex parte decree in the said Suit filed against the Corporate Debtor. Upon conducting further inquiries, the Respondent No. 1 was shocked to learn that the said Suit had already been decreed in favour of the Applicants and against the Corporate Debtor vide Ex parte decree passed by the Ld. ACJ. Immediately thereafter, the Applicant took necessary steps and preferred an Appeal against the Ex parte decree before the Ld. District Judge, Ghaziabad District Court, by filing Regular First Appeal.

xvii. It is submitted that the contentions raised by the Applicant seeking recall of the Resolution Plan Approval Order dated 11.06.2024, to the extent of the subject property recorded in the name of the Corporate Debtor, are misconceived and untenable in law. In this regard, it is necessary to mention that the Ex parte order obtained by the Applicant from the Ld. ACJ, Ghaziabad District Court deserves to be set aside.

xviii. Reliance has been placed on the decision of the Hon'ble NCLAT in Supriyo Kumar Chaudhuri vs. Jhunjhunwala Oil Mills Ltd. [Company Appeal (AT) (Ins) No. 794 of 2021].

xix. It is well settled that the objective of the CIRP is the revival and resolution of the Corporate Debtor as a going concern. Reliance has been placed on the Swiss Ribbons (P) Ltd. v. Union of India, (2019) 4 SCC 17.

xx. Despite the express statutory bar under Section 14 of the Code, the Applicant has unlawfully proceeded to have the subject property mutated in its favour. It is further submitted that the subject land, forms part of the real estate project, proposed to be developed under the approved Resolution Plan. The ex parte decree dated 29.02.2024, obtained by the Applicant in respect of the subject land, seeks to dispossess the Corporate Debtor of ownership during CIRP which is in contravention of the moratorium under Section 14(1)(d) of the Code.

xxi. Reliance has also been placed on Alchemist Asset Reconstruction Company Ltd. vs. M/s. Hotel Gaudavan Pvt. Ltd. & Ors. [Civil Appeal No.16929 / 2017, decided on 23.10.2017], M/s. Mohota Industries Ltd. v. Smt. Vibha, W/o Mayank Agrawal [Civil Revision Petition No.42 / 2024], Anand Rao Korada vs. Varsha Fabrics Pvt. Ltd., [Civil Appeal No.8800-8801 / 2019]

4. <u>ANALYSIS AND FINDINGS:</u>

i. We have heard the Ld. Counsel for the parties and have carefully perused the pleadings and documents placed on record.

ii. The present Application has been preferred under Section 60(5) of the Code seeking recall/modification of the order dated 11.06.2024 whereby the Resolution Plan of the Corporate Debtor came to be approved. The Applicants seek exclusion of land bearing Khasra No. 1109, Village Morta, Ghaziabad from the asset pool of the Corporate Debtor on the strength of a civil court decree dated 29.02.2024 declaring the sale deed dated 04.03.2015 to be null and void.

iii. The foundation of the Applicants' case is that although the sale deed dated 04.03.2015 was executed in favour of the Corporate Debtor, the consideration was agreed to be paid through post-dated cheques and that upon dishonour of such cheques, the sale deed would become a nullity. On this premise, the Applicants instituted civil proceedings seeking cancellation of the sale deed and now seek to rely upon the decree passed therein for modification of the Resolution Plan.

iv. The Respondent No. 2 submitted that upon commencement of the CIRP on 02.09.2019, a moratorium under Section 14 of the Code came into force, prohibiting the institution or continuation of proceedings against the Corporate Debtor or its assets. Despite the statutory embargo, the Applicants continued to prosecute the civil suit seeking cancellation of the Sale Deed and recovery of possession of the subject property, which formed part of the assets of the Corporate Debtor. The Applicants had already lodged their claims before the Resolution Professional, which stood rejected and were never challenged. The Respondent submitted that the registered Sale Deed recorded payment of the entire sale consideration, whereafter the Corporate Debtor developed the project and substantial payments had already been made to the Applicants. It was further argued that the application preferred by the erstwhile Resolution Professional seeking stay of the civil suit was erroneously dismissed by the Civil Court despite the express bar under Section 14 of the Code. The Respondent also submitted that the judgment and decree dated 29.02.2024 was obtained during the pendency of the CIRP and, being contrary to the statutory moratorium, cannot affect the assets of the Corporate Debtor or the rights flowing from the approved Resolution Plan. It was further pointed out that the Successful Resolution Applicant has already challenged the said decree before the competent appellate court and that the Applicants cannot seek recall or modification of the order approving the Resolution Plan on the basis of a decree which is contrary to the provisions of the Code.

v. At the outset, we find that the Applicants' contention is not borne out from a holistic reading of the sale deed itself. The sale deed is a registered conveyance executed in the year 2015. More importantly, the recitals contained therein unequivocally record that the entire sale consideration stood paid by the purchaser. Such recitals in a registered sale deed carry considerable evidentiary value and cannot be lightly disregarded. Once the vendors themselves acknowledged receipt of the entire consideration and voluntarily conveyed title in favour of the purchaser, a subsequent attempt to contend that consideration had in fact not been paid must necessarily be viewed with circumspection. The rights flowing from a registered conveyance cannot be unsettled merely on the basis of subsequent assertions, particularly after the lapse of several years.

vi. Equally significant is the chronology of events. The sale deed in question was executed on 04.03.2015, whereas the CIRP of the Corporate Debtor commenced only on 02.09.2019. Thus, the transaction sought to be questioned had attained finality nearly four years prior to commencement of CIRP.

vii. The Applicants' entire claim arises out of the alleged dishonour of cheques issued towards the sale consideration. If indeed the original cheques issued pursuant to the sale deed had been dishonoured, the cause of action arose contemporaneously with the transaction in the year 2015. Any remedies flowing from such alleged dishonour were required to be pursued within the period prescribed under law. By the time CIRP commenced on 02.09.2019, such cause of action had already become stale and was clearly hit by limitation. The Applicants have not demonstrated any legally sustainable basis for revival of such time-barred claims. A time-barred claim cannot be revived merely by subsequent assertions unless there exists a valid acknowledgment or promise in accordance with law.

viii. The Applicants have further relied upon the Form B submitted by them to the RP. Significantly, the said corrective cheque is stated to have been issued on 09.09.2019, i.e., after commencement of CIRP on 02.09.2019.

ix. This timing is of considerable legal significance. Upon commencement of CIRP on 02.09.2019, the statutory consequences contemplated under the Code immediately came into operation. By virtue of Section 17 of the Code, the management of the affairs of the Corporate Debtor stood vested in the Interim Resolution Professional, while the powers of the Board of Directors stood suspended. Any transaction purportedly undertaken on behalf of the

Corporate Debtor after the insolvency commencement date must therefore necessarily be shown to have been authorised in accordance with the statutory framework governing CIRP.

x. In the present case, the Applicant has neither pleaded nor demonstrated as to who authorised or signed the alleged cheque dated 09.09.2019, under what authority it came to be issued, or whether the Interim Resolution Professional had any knowledge of or consented to such issuance. No material has been produced to establish that the cheque was issued in the ordinary course of administration of the Corporate Debtor after the management had vested in the Interim Resolution Professional. In the absence of any such explanation, the evidentiary value of the alleged cheque becomes highly doubtful.

xi. The surrounding circumstances also merit consideration. The underlying transaction had concluded in 2015, and the registered Sale Deed themselves acknowledged receipt of the entire consideration. For nearly four years thereafter, no legally enforceable recovery appears to have been pursued within limitation. It is only after commencement of CIRP that a "corrective cheque" is alleged to have been issued. The coincidence of such timing is too significant to be ignored. Although this Authority refrains from making any finding beyond the record, the unexplained emergence of a purported corrective instrument immediately after commencement of CIRP, despite the earlier registered documents recording complete payment, substantially weakens the credibility of the Applicant's case and raises serious doubts regarding the genuineness of the alleged liability sought to be enforced.

xii. Consequently, even assuming such cheque was issued and subsequently dishonoured, any proceedings arising therefrom necessarily relate to a period when the Corporate Debtor was already under the statutory moratorium imposed under Section 14 of the Code.

xiii. Section 14 of the Code creates a complete embargo upon institution or continuation of suits or proceedings against the Corporate Debtor during the currency of the moratorium. The legislative intent is to preserve the assets of the Corporate Debtor and ensure that the insolvency resolution process proceeds in an orderly manner without depletion or disturbance of its asset base. The protection afforded by Section 14 is mandatory and cannot be circumvented indirectly.

xiv. The record further reveals that the civil suit seeking cancellation of the sale deed was instituted and prosecuted during the subsistence of the CIRP. Ultimately, the learned Civil Court passed an ex parte judgment and decree dated 29.02.2024 declaring the sale deed to be null and void. The inevitable consequence of such decree is divestment of an asset standing in the name of the Corporate Debtor during the currency of the moratorium. Such proceedings directly impact the asset pool of the Corporate Debtor and strike at the very object sought to be achieved by Section 14 of the Code.

xv. We further notice that the Resolution Professional, who alone represented the affairs of the Corporate Debtor during CIRP and was statutorily entrusted with preservation of its assets, was not impleaded or heard as a party in the proceedings culminating in the decree dated 29.02.2024. Any adjudication affecting the rights, title or assets of the Corporate Debtor, rendered without the effective participation of the Resolution Professional acting on behalf of the Corporate Debtor during CIRP, cannot bind the insolvency process or furnish a valid basis for modification of a Resolution Plan approved under the Code.

xvi. The Applicants admittedly participated in the CIRP by filing their claim before the Resolution Professional. Their claim came to be considered and rejected during the CIRP. The Applicants chose not to challenge the rejection of their claim in accordance with law. Instead, they now seek to indirectly achieve the same result by relying upon a civil decree obtained during the period of moratorium. Such an exercise cannot be permitted. What could not be achieved directly within the framework of the Code cannot be accomplished indirectly through collateral proceedings.

xvii. It is equally important to note that the Resolution Plan came to be approved by this Adjudicating Authority on 11.06.2024 after completion of the Corporate Insolvency Resolution Process in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. Upon such approval, the Resolution Plan acquires statutory finality and becomes binding on the Corporate Debtor, its creditors, members, employees, guarantors and all other stakeholders in terms of Section 31 of the Code. The Successful Resolution Applicant, acting upon such approval, acquires vested rights and undertakes financial, commercial and operational obligations on the legitimate expectation that the assets and liabilities of the Corporate Debtor stand crystallised in accordance with the approved Plan. Any subsequent modification or dilution of the Resolution Plan, particularly on the basis of proceedings that are themselves prima facie hit by the statutory moratorium under Section 14, would have far-reaching consequences. It would not only unsettle the rights already vested under the approved Plan but also jeopardise the commercial foundation upon which the Successful Resolution Applicant structured its resolution strategy, impair the implementation of the Plan, adversely affect the interests of creditors and other stakeholders, and strike at the very objective of certainty, finality and timely resolution which constitutes the cornerstone of the insolvency framework. Entertaining such a course would undermine confidence in the insolvency resolution process and defeat the legislative intent underlying the Code.

xviii. The jurisdiction under Section 60(5) of the Code is undoubtedly wide but cannot be exercised in a manner which nullifies the statutory scheme of the Code or permits reopening of a concluded resolution process on the basis of proceedings conducted during the moratorium. The Applicants have failed to demonstrate any fraud practised upon this Tribunal or any circumstance warranting exercise of inherent powers for recall of the Resolution Plan Approval Order.

xix. In view of the foregoing discussion, this Adjudicating Authority finds that the Applicants have failed to establish any legally enforceable claim against the Corporate Debtor. The registered Sale Deed itself acknowledge receipt of the entire sale consideration, the alleged claim arising from the 2015 transaction is barred by limitation, and the subsequent reliance on the cheque dated

09.09.2019 is untenable, having arisen after the commencement of CIRP and being hit by the statutory moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016. Further, the civil proceedings were pursued during the subsistence of the CIRP without impleading the Resolution Professional and, therefore, cannot bind the Corporate Debtor or furnish a valid basis for recalling or modifying the order approving the Resolution Plan.

xx. This Adjudicating Authority considers it necessary to deal with the conduct of the Applicants in the present proceedings. The findings recorded herein reveal a consistent course of conduct on the part of the Applicants which is wholly incompatible with the scheme and objectives of the Code. The Applicants sought to revive claims arising out of a transaction of the year 2015 which had become barred by limitation, relied upon an "corrective cheque" issued after commencement of the CIRP without disclosing the authority under which it was issued, continued to prosecute proceedings affecting the assets of the Corporate Debtor during the subsistence of the statutory moratorium, obtained an ex parte decree and consequential mutation in respect of property forming part of the Corporate Debtor's asset pool, despite being fully aware of the CIRP and having themselves participated therein by lodging claims before the Resolution Professional.

xxi. The Applicants have sought to indirectly defeat the CIRP and unsettle a Resolution Plan that has already attained finality under Section 31 of the Code. The cumulative effect of these acts constitutes a wilful disregard of the statutory moratorium under Section 14 and an abuse of the insolvency process.

xxii. This Tribunal is, therefore, satisfied that the Applicants have wilfully contravened the provisions of Section 14 of the Code, thereby attracting the consequences contemplated under Section 74(2) of the Code.

xxiii. Accordingly, exercising the powers conferred under Section 74 of the Code, we impose a fine of **Rs. 2,00,000/- (Rupees Two Lakhs only)** each upon Applicant No. 1, Applicant No. 2 and Applicant No. 3.

xxiv. The said amount shall be deposited with the Prime Minister's National Relief Fund within a period of four weeks from the date of this Order and shall file compliance affidavit within 2 weeks from the date of payment.

xxv. The Registry is directed to send a copy of this order to Prime Minister's National Relief Fund for their record.

xxvi. Accordingly, the present Application bearing **I.A. 1099 OF 2025** is **dismissed** with the aforesaid directions.

-SD/-	**-SD/-**
ATUL CHATURVEDI	**MANNI SANKARIAH SHANMUGA SUNDARAM**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

IN THE NATIONAL COMPANY LAW TRIBUNAL: NEW DELHI
COURT-IV

ITEM No.413
IA/3068/ND/2022 IA/4840/ND/2024 IA/5145/ND/2025 IA/5044/ND/2025 IA/5518/ND/2025 IA/5949/ND/2025 IA/322/ND/2026 IA/2169/ND/2026 IA/98/ND/2026 IA/625/ND/2026 IA/1084/ND/2026 IA/1069/ND/2026 IA/1615/ND/2026 IA/4586/ND/2025 IA/2743/ND/2025 IA/2746/ND/2025 IA/5792/ND/2025 IA/2636/ND/2026 IA/2781/ND/2026 IN IB/1058/ND/2018

IN THE MATTER OF:
M/s Gagan Ferrotech Ltd. .... Applicant
Versus
M/s Manju J Homes India Ltd. Respondent
Under Section 9 of the Insolvency & Bankruptcy Code, 2016

Order delivered on 09.07.2026

CORAM:
SHRI MAHENDRA KHANDELWAL
HON'BLE MEMBER (JUDICIAL)
SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant	:	Adv. Ashwin Vaish, Adv. Vinod Pandey, Adv. Himanshu Pandey, Adv. Uttam Panwar, Adv. Shivani Pandey, Adv. Ritu Pandey in IA/1099/ND/2025. Adv. Mrinal Harsh Vardhan, Adv. Ritu Parna Patra in IA/2743/ND/2025, IA/2746/ND/2025, IA/5792/ND/2025 IA/2636/ND/2026. Adv Shikhar Bajpai, Adv Shubhangi Tiwari in IA/4840/ND/2024.
For the SRA	:	Mr. Abhishek Naik, Ms. Gulafsha Kureshi, Advs.
For the IT Deptt.	:	Gaurav Gupta SSC, Shivendra Singh JSC, Yojit Pareek JSC, Chetan Charitra Advocate
For the Monitoring Committee	:	Adv Ashutosh Gupta & Adv Ajitesh Kumar

HYBRID HEARING (PHYSICAL & VC)

ORDER

Due to paucity of time, the case is adjourned to **06.08.2026.**

Sd/-
(ATUL CHATURVEDI)
MEMBER (TECHNICAL)

Abhishek