HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 38856 of 2026

Dorana Roy Choudhary And Another

.....Petitioner(s)

Versus

State Of U.P. And 3 Others

.....Respondent(s)

Counsel for Petitioner(s) : Aditendra Singh, Vinod Kumar Singh
Counsel for Respondent(s) : C.S.C., Mohd. Afzal

Court No. - 5

HON'BLE PRAKASH PADIA, J.
HON'BLE GARIMA PRASHAD, J.

1. Sri Ankit Prakash, Advocate, put up his appearance on behalf of respondent no.3 and filed memo of appearance, which is taken on record.

2. It is stated in the instructions provided by the learned counsel for the respondent no. 3 that amount for a sum of Rs. 72,88,206/- has been received by the respondent no.2 on 31.07.2026 pursuant to the recovery certificate dated 15.04.2026. The process for transfer/disbursement of the said amount is under process.

3. Learned counsel for the respondent no.3 sought some time to make necessary payment.

4. As prayed, put up as fresh on 06.10.2026 showing the name of Sri Ankit Prakash (A.R. No. A/A0087/2015) as counsel for the respondent no.3. On or before the next date, respondent no.3- Secretary, Uttar Pradesh Real Estate Regulatory Authority, U.P. Greater Noida, District Gautam Buddh Nagar will file his personal affidavit of compliance failing which he shall remain present before this Court.

5. It is argued by counsel for the petitioner that certain amount has not yet been recovered by the respondent no.2- District Magistrate, Gautam Buddh Nagar pursuant to the order dated 15.04.2026.

6. In view of the same, learned Standing Counsel is also directed to seek instructions under the signature of respondent no.2 on or before the next

date fixed in the matter.

Consideration for passing general directions for execution of Recovery Certificates issued by UP-RERA and disbursement of recovered amounts

7. The present matter reflects a recurring difficulty in the enforcement of recovery certificates issued pursuant to orders of the Uttar Pradesh Real Estate Regulatory Authority ("UP RERA"). The district administration may recover an amount from the promoter and deposit it with UP RERA, but the amount so realised is not always released promptly to the allottee or, where the purchase was financed, credited to the allottee's housing-loan account.

8. One reason ordinarily stated for withholding disbursement is that the recovery certificate has not been satisfied in full and a part of the amount remains to be recovered. The amount already realised consequently remains undistributed while further recovery is awaited.

9. A further difficulty arises where a lending bank is involved. The bank may decline to issue a no-objection certificate until its outstanding dues are credited to the loan account, while UP RERA may decline to release the recovered amount either to the allottee or directly to the bank in the absence of a prescribed procedure or the documents considered necessary.

10. The result is a continuing stalemate. Interest continues to accrue in the allottee's housing-loan account even though money recovered from the promoter is lying with or to the credit of UP RERA. At the same time, a promoter who asserts that the entire amount has been paid may continue to face recovery of further interest because a payment has not been accounted for, or because the interest component has not been correctly calculated and reconciled.

11. The District Magistrate or other recovering authority is an equally important part of this process. A recovery certificate may quantify the

principal but direct that interest be recovered from the date of the order until actual payment. If the continuing interest is not calculated and periodically updated, the certificate is treated as partly unsatisfied and the account does not attain finality.

12. Thus, even where the promoter and the allottee are willing that the recovered amount be appropriated towards the outstanding housing loan, the matter may remain unresolved because each stakeholder awaits an act or document from another. Repeated Writ Petitions under Article 226 of the Constitution are then filed to secure release of money that has already been recovered.

13. The governing enactment supplies the substantive framework. Sections 18(1) and 19(4) of the Real Estate (Regulation and Development) Act, 2016 recognise the allottee's entitlement to refund with interest in the circumstances specified therein. Section 31 provides the complaint mechanism. Sections 34(f) and 34(g) require the Authority to ensure compliance with the obligations under the Act and with its regulations, orders and directions.

14. Sections 35 to 38 confer powers upon the Authority to call for information, investigate, issue interim restraints and binding directions, impose interest or penalty, observe the principles of natural justice and regulate its own procedure. Section 40(1) provides for recovery of interest, penalty and compensation as arrears of land revenue, while section 40(2) deals with enforcement of other orders and directions.

15. Rule 16 of the Uttar Pradesh Real Estate (Regulation and Development) Rules, 2016 requires the promoter to make the refund, together with applicable interest and compensation, within forty-five days from the date on which it becomes due. Rules 23 and 24 prescribe the modes of enforcement under section 40.

16. UP RERA itself provides a procedure that upon receipt of money from the Collector, the complainant is required to furnish an affidavit

containing bank-account details, details of payments received from the promoter in the meantime, particulars of any court or stay order, and an undertaking concerning payments due to banks. Upon receipt of the affidavit, the money is transferred to the complainant's account through RTGS.

17. The Act and the Rules do not, however, appear to contain a complete operational protocol for partial recovery, computation of continuing interest, time-bound remittance by the recovering authority, onward release by UP RERA, or direct credit to a housing-loan account. The absence of such a protocol cannot permit an undisputed amount to remain idle indefinitely, with interest accumulating on both sides and with no stakeholder assuming responsibility for the next step.

18. A uniform procedure must therefore achieve four objects: first, every rupee recovered must be immediately traceable; second, undisputed money must move without awaiting recovery of the last rupee; third, the promoter must receive credit from the date of each payment or recovery; and fourth, a housing-loan account must be capable of receiving payment without the circular requirement of an NOC that the bank will issue only after payment.

19. The principle governing enforcement of refund orders under the Act stands authoritatively stated in ***M/s Newtech Promoters and Developers Pvt. Ltd. v. State of Uttar Pradesh and others, 2021 INSC 716.*** In paragraphs 139 to 141, the Supreme Court held that the amount determined as refundable to an allottee, comprising the principal and interest as a composite sum, is recoverable under section 40(1) as arrears of land revenue. The Court emphasised that section 40 must receive a harmonious construction which fulfils the object of speedy recovery and does not frustrate the statutory remedy. The recovery mechanism must, therefore, be effective in substance and not merely formal. A remedy intended to afford expeditious monetary relief would be rendered illusory

if, after recovery, the amount remains withheld without a subsisting legal impediment.

20. Coordinate Benches of this Court have applied the same principle while supervising execution of UP RERA recovery certificates. In ***Hardeepak Singh and another v. State of U.P. and others, 2024:AHC:33944-DB***, drawing upon the mechanism earlier adopted in ***Amit Goyal v. State of U.P., Writ-C No. 13818 of 2023***, the Court required disclosure and reconciliation of pending recovery certificates, priority according to their age, verification of settlements and direct payments, prompt release to lawful claimants, and communication of each payment to the Collector and the promoter. In ***Archana Singh and another v. State of U.P. and others, 2024:AHC:37263-DB,*** the amount already lying with UP RERA was directed to be disbursed after verification of the claimants' credentials and entitlement, according to seriatim. This Court in ***Grey Span Assets Management Pvt. Ltd. v. State of U.P., 2024:AHC:5367-DB, and Manish Grover v. State of U.P., 2024:AHC:5465-DB,*** similarly required release coupled with timely intimation to the promoter so that the respective records could be reconciled. These orders demonstrate that verification, avoidance of double payment and maintenance of priority can proceed without allowing recovered money to remain idle indefinitely.

21. A consistent line of orders has also required execution to be completed within a fixed outer limit. In ***Lokesh Bhatia and another v. State of U.P. and others, Writ-C No. 1375 of 2022***, execution was directed, in the absence of a legal impediment, preferably within one month. In ***Dr Rakesh Kumar Rawat v. State of U.P. and others, 2025:AHC-LKO:11857-DB***, an outer period of three months was prescribed. These were directions in the facts of the respective cases and do not, by themselves, create a uniform statutory period. They nevertheless reflect the consistent judicial concern that execution should proceed expeditiously, that an actual impediment should be identified and

communicated, and that administrative inaction cannot be permitted to continue without limit.

Proposed directions for time-bound execution and disbursement

22. In the light of the statutory framework and the consistent requirement of prompt and effective enforcement reflected in the decisions noticed above, the following protocol is proposed for all pending and future executions of orders of UP RERA in which an amount is to be recovered through the Collector or District Magistrate. It will remain subject to any stay or contrary order passed by a competent court or tribunal and to the final directions of this Court.

> ***(i) UP RERA — Standard computation:*** *Within seven working days of an execution request becoming complete, UP RERA shall prepare a statement showing separately: (a) the principal amount; (b) the rate and period of interest; (c) interest calculated up to the date of the recovery certificate; (d) the per-day accrual or an intelligible formula for continuing interest; (e) costs, if any; (f) payments already made or recovered; and (g) the net balance. The statement shall accompany the recovery certificate and be supplied electronically to the promoter, allottee and recovering authority.*
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> ***(ii) UP RERA — Housing-loan disclosure:*** *At the commencement of execution, UP RERA shall require one consolidated affidavit from the allottee disclosing all payments received, pending appeals or stay orders, the existence of a housing loan, the lender and loan-account particulars, and an undertaking against double recovery. Repetitive affidavits shall not be insisted upon unless a material circumstance has changed.*
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> ***(iii) UP RERA — Receipt and release of each tranche:*** *UP RERA shall acknowledge every credit received from the recovering authority or the promoter within three working days and update the execution record. An amount already recovered shall not be*

withheld solely because the recovery certificate has not been satisfied in full. Subject to a subsisting stay or a recorded competing claim, the undisputed amount shall be released within seven working days after the prescribed documents are complete, while recovery of the balance continues.

(iv) UP RERA — Loan-financed allotments: *Where the allottee furnishes written authority for direct payment and the lender supplies verified loan-account particulars and a current certificate of outstanding dues, UP RERA shall remit the recovered amount to the loan account up to the certified outstanding. Any surplus shall be paid to the allottee. A no-objection certificate shall not be treated as a condition precedent to the bank receiving the very payment upon which issuance of that certificate depends.*

(v) UP RERA — Disputed entitlement or apportionment: *A dispute concerning identity, assignment of the loan, lien, competing claims, apportionment or the effect of a stay order shall be placed before a designated officer within seven working days. After notice to the affected persons, a brief reasoned decision shall ordinarily be made within fifteen working days. The undisputed portion shall not be withheld on account of a dispute confined to the balance.*

(vi) District Magistrate/Collector — Acknowledgement and scrutiny. *The recovering authority shall acknowledge the recovery certificate, assign an electronic reference and designate the responsible officer within three working days. Any arithmetical ambiguity shall be referred to UP RERA within seven working days. A request for clarification shall not suspend recovery of the undisputed principal.*

(vii) District Magistrate/Collector — Interest and reporting. *Where the order or recovery certificate specifies the rate, commencement date and terminal event for interest, the recovering*

authority shall calculate the amount by applying that formula and provide a calculation sheet. A status report showing action taken, amount recovered, date of recovery and balance shall be transmitted to UP RERA every fifteen days and made visible on the RC tracking system.

(viii) District Magistrate/Collector — Tranche-wise remittance. *Every amount recovered shall be remitted to the account designated by UP RERA within three working days of realisation, with a challan or electronic advice identifying the complaint, recovery certificate, promoter, allottee, amount and date. Remittance shall not await recovery of the entire certificate.*

(ix) Promoter — Reconciliation and undisputed payment. *Within seven working days of notice, the promoter shall furnish its ledger, proof of direct payments and its computation of the amount due. Any undisputed balance shall be paid immediately. An objection to calculation shall not suspend recovery of the admitted amount in the absence of a stay.*

(x) Promoter — Credit for payment. *UP RERA and the recovering authority shall give credit for every verified direct payment or recovery from the date on which the amount was actually paid or realised. Thereafter, further interest shall be calculated only on the net unpaid balance. Before closure of the recovery certificate, a final reconciliation statement shall be supplied to the promoter and the allottee so that neither short recovery nor double recovery occurs.*

(xi) Allottee — Documents and continuing disclosure*: The allottee shall furnish correct KYC and bank particulars, details of the housing loan and lender, the latest available loan statement, written authority for direct credit where sought, and disclosure of any amount received directly from the promoter. Any change in the*

loan account, assignment of the debt, settlement, stay or receipt of money shall be notified to UP RERA without delay.

(xii) Lending bank — Outstanding certificate: *Upon a request by the allottee or UP RERA, the lending bank shall, within seven working days, issue a certificate showing the loan-account number, verified remittance particulars, principal outstanding, interest and charges separately, per-day accrual, and whether the account has been assigned or transferred. The certificate shall state the amount required for full closure as on a specified date.*

(xiii) Lending bank — Credit and revised account: *A remittance received from UP RERA shall be credited to the identified loan account on the date of receipt or, if received after banking hours, on the next working day. Interest shall not be charged thereafter on the amount so credited. Within three working days, the bank shall issue a revised statement; where the account stands fully satisfied, it shall issue the no-dues certificate and release the security in accordance with law. Any excess shall be dealt with in accordance with the allottee's written instructions and applicable banking norms.*

(xiv) Common digital record: *UP RERA and the Board of Revenue shall maintain, for each recovery certificate, a transaction-level electronic record showing the amount ordered, interest formula, amount recovered, date of each recovery, date of remittance to UP RERA, date and destination of onward payment, balance and next action. Access shall be available to the allottee and promoter, subject to appropriate protection of bank-account particulars.*

(xv) Nodal officers and escalation: *UP RERA, each concerned Collectorate and the State Level Bankers' Committee shall nominate nodal officers for this class of cases. Failure to complete a step within the prescribed time shall automatically generate an*

electronic reminder and escalation to the next supervisory level. UP RERA and the Board of Revenue shall review unresolved recoveries at least once every month.

(xvi) Standard operating procedure: *UP RERA shall prepare standard forms for the calculation sheet, allottee's consolidated affidavit, lender's outstanding certificate, tranche-remittance advice and final reconciliation. The forms and the corresponding online workflow shall be placed on its website within a period to be fixed by this Court.*

23. Since the proposed directions affect the working of UP RERA, the revenue administration and lending institutions, the concerned authorities are being granted an opportunity to place their considered response before the Court before the general directions are finally issued.

24. Accordingly, UP-RERA through its Secretary; the State of Uttar Pradesh through the Additional Chief Secretary/Principal Secretary, Revenue and Institutional Finance; and the Reserve Bank of India through its Regional Director, Lucknow, shall cause affidavits of competent officers to be filed. The affidavit of the Reserve Bank of India shall further specifically place before the Court the regulatory position and the practicable uniform mechanism concerning direct remittance by UP-RERA into a housing-loan account, issuance of certificates of outstanding dues, credit of the remitted amount, cessation of interest upon such credit, and issuance of revised statements and closure certificates. The Reserve Bank of India shall also examine and place before the Court whether, and in what manner, the State Level Bankers' Committee, Uttar Pradesh, may appropriately be associated with the formulation and implementation of such uniform mechanism. The respective authorities shall also place before the Court such workable suggestions concerning the proposed directions as they consider appropriate.

25. The affidavits shall be filed within four weeks and should contain a complete and considered response, failing which the respective officers shall remain present before this Court on the next date. The Registrar (Compliance) shall ensure that a copy of this order, along with a copy of the writ petition, is served upon each of the authorities referred to in paragraph 24 within 48 hours.

26. List on 30.10.2026 for further consideration and finalisation of the proposed general directions, upon receipt of the affidavits referred to above.

27. The matter shall, however, be listed earlier on 16.10.2026, the date already fixed in paragraph 4, only for consideration of compliance with the case-specific directions contained in paragraphs 1 to 6. The proposed general directions shall not be taken up on that date and shall be considered independently on 30.10.2026.

(Garima Prashad,J.) (Prakash Padia,J.)

September 25, 2026
Sachin Mishra