

NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.201

IA/238(MP)2025
in

TP 230 of 2019 [CP(IB) 192 of 2017]

Order under Section 60(5)

IN THE MATTER OF:

Union Bank of India

V/s

Chaya Gupta RP JSM Devcons India Pvt Ltd

.....Applicant

.....Respondent

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)

Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 16/07/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Tomar

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

**THE NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
IA 238 of 2025**

IN

TP 230 of 2019 [CP (IB) 192 of 2017]

*[An application filed under Section 60(5) of the Insolvency and
Bankruptcy Code, 2016]*

IN THE MATTER OF:

Union Bank of India
Through Authorized Representative
Mr. Sidharth S. Mhade

...Applicant

Versus

Ms. Chaya Gupta
Resolution Professional of
JSM Devcons India Pvt. Ltd.

...Respondent

IN THE MAIN MATTER OF:

Daimler Financial Service Pvt. Ltd.

...Financial Creditor

Versus

JSM Devcons India Pvt. Ltd.

...Corporate Debtor

Order delivered on 16.07.2026

CORAM:

Shri Brajendra Mani Tripathi, Hon'ble Member (Judicial)
Shri Man Mohan Gupta, Hon'ble Member (Technical)

APPEARANCE:

For the Applicant: Mr. Deepak Saxena Adv.

For the Respondent: Ms. Chaya Gupta (RP-in-Person)

JUDGEMENT

1. The present interlocutory application, IA 238 of 2025, has been filed by the Applicant, Union Bank of India, through its authorised representative, under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (“the Code”), read with the relevant regulations framed thereunder, seeking directions to the Resolution Professional (“RP”) of the Corporate Debtor, M/s JSM Devcons India Pvt. Ltd., to reject or decline admission of the claims submitted by plot buyers who have not obtained a No Objection Certificate (NOC) from the Applicant Bank, to declare such claims as null and void, and to dismiss the interlocutory applications filed by such plot buyers seeking exclusion of their respective plots from the assets of the Corporate Debtor.
2. By way of the present application, the Applicant has prayed for the following reliefs:
 - (i) *to dismiss the interlocutory applications filed by the plot buyers seeking exclusion of their plots from the assets of the Corporate Debtor, on the ground that the underlying transactions are null and void, having been effected without*

the requisite No Objection Certificate (NOC) from the Applicant;

- (ii) to direct the Respondent to reject or decline admission of the claims submitted by the alleged plot buyers where no NOC has been obtained by the Corporate Debtor from the Applicant;*
- (iii) to direct the Respondent to declare the claims of the alleged plot buyers as null and void where no NOC has been obtained by the Corporate Debtor from the Applicant;*
- (iv) pending the hearing and final disposal of the application, to restrain the Respondent and the other members of the Committee of Creditors from taking any decision or voting on any resolution plan related to the Corporate Debtor, so as to safeguard the interests of the Applicant*

3. The Corporate Debtor, M/s JSM Devcons India Pvt. Ltd., was admitted into the Corporate Insolvency Resolution Process (CIRP) by this Adjudicating Authority vide order dated **12.04.2019** passed in CP (IB) 192 of 2017, on an application filed by Daimler Financial Services Pvt. Ltd., a financial creditor, under Section 7 of the Code. Pursuant to the admission order, Mr. Vineet Aggarwal was appointed as the Interim Resolution Professional and was subsequently replaced by Ms. Chaya Gupta as the Resolution Professional of the Corporate Debtor.

Submissions on behalf of the Applicant Bank

4. The Applicant submits that it is a secured financial creditor of the Corporate Debtor, having sanctioned a Term Loan of Rs. **30,00,00,000/-** (Rupees Thirty Crores only) to the Corporate Debtor vide Sanction Letter dated **05.11.2012**, which loan was secured by way of an equitable mortgage over the project land and structure (to be constructed) and hypothecation of the fixed assets of the company. The Memorandum of Deposit of Title Deeds dated 24.11.2012 was executed and an equitable mortgage was created at Indore in favour of the Applicant Bank. It is further submitted that the account of the Corporate Debtor was classified as a Non-Performing Asset (NPA) on **30.06.2016**, whereafter the Applicant initiated proceedings under Sections 13(2) and 13(4) of the SARFAESI Act and filed an Original Application before the Debts Recovery Tribunal, Jabalpur, which resulted in an ex-parte order dated 02.11.2018 in favour of the Applicant Bank.
5. The Applicant submits that it holds a mortgage over the entire land of the Corporate Debtor, and that in terms of the mortgage deed, any sale of plots was conditional upon obtaining a No Objection Certificate (NOC) from the Applicant. Consequently, it is contended that any transaction effected without the requisite NOC from the Applicant is null and void, and that plot buyers who failed to obtain the necessary NOC lack locus standi

to assert their claims, the documents executed in their favour being devoid of legal validity.

6. The Applicant further submits that pursuant to the order dated 17.12.2024 passed by this Adjudicating Authority, whereby the Applicant was directed to file its say on the issue of mortgage of the plots through a separate application, it has identified two categories of plot buyers: (i) plot buyers who have obtained a No Objection Certificate from the Applicant; and (ii) plot buyers who have not obtained an NOC from the Applicant. It is stated that out of 607 plots, the Applicant issued Final No Objection Certificates in respect of 3 plots and Provisional No Objection Certificates in respect of 208 plots. Of the 35 plots referenced in the order dated 17.12.2024, Provisional NOCs were issued for only 24 plots, while 11 plots received neither provisional nor final NOCs. It is contended that even in respect of the 24 plots for which Provisional NOCs were issued, the plots cannot be excluded from the assets of the Corporate Debtor, as the Applicant Bank has not received the full consideration amount.
7. The Applicant contends that permitting plot buyers to exclude their respective plots from the assets of the Corporate Debtor would substantially dilute the Applicant's security interest and undermine the integrity of the resolution process, and that the exclusion of the plots would negatively impact the recovery potential of all creditors. The Applicant accordingly prays that

this Tribunal may direct the Respondent to reject or decline admission of, and to declare as null and void, the claims of the plot buyers who did not obtain NOCs, and to dismiss the interlocutory applications filed by such plot buyers.

8. By way of written submissions, the Applicant has further contended that the equitable mortgage created in its favour over the entire project land continues to subsist, and that a transferee of mortgaged property acquires no higher right than the transferor and takes the property subject to the subsisting encumbrance, unless and until the interest of the mortgagee is lawfully discharged; and that the mere execution and registration of a sale deed does not, by itself, extinguish the antecedent mortgage. Reliance is placed upon the terms of the Sanction Letter **dated 05.11.2012**, where under the future receivables of the project were to be routed through an Escrow Account maintained with the Applicant, **a Provisional NOC was to be issued at the stage of booking**, and a Final NOC releasing the charge over a plot was to be issued only after the full sale consideration was received into the Escrow Account, the issuance of a Final NOC and compliance with the escrow mechanism thus being a contractual pre-condition for release of the Applicant's charge. It is further contended that the prima facie observation in the order dated 17.12.2024, that the plot buyers appear to be bona fide owners, pertains to the

relationship between the plot buyers and the Corporate Debtor inter se and is not determinative of the rights of the Applicant as mortgagee vis-à-vis the plot buyers, and that the minimum entitlement of the Applicant as a secured creditor is safeguarded under Section 30(2)(b) of the Code.

Submissions on behalf of the Respondent / Resolution

Professional

9. The Respondent / Resolution Professional has filed her reply affidavit, opposing the reliefs sought and submitting that the sale deeds and registries in respect of the subject plots were executed and registered before the competent registration authorities much prior to the commencement of the CIRP. It is submitted that any acts, omissions or transactions undertaken prior to the insolvency commencement date do not fall within the control, supervision or responsibility of the Resolution Professional, and that events occurring before initiation of the CIRP are outside her purview, for which she cannot be held accountable.
10. The Resolution Professional submits that, upon commencement of the CIRP, she discharged her statutory duty of transparency and disclosure by placing complete information relating to the sale of plots, execution of registries and their status before the stakeholders, and that such details were duly incorporated in the Information Memorandum. It is further submitted that the

registries having been executed prior to the CIRP, no material has been placed on record to show that any contemporaneous objection, restraint or challenge was raised by the Applicant Bank at the time of execution or registration of such documents, and that the question of compliance with mortgage conditions, if any, is a matter of factual and legal adjudication which cannot be retrospectively imposed through the CIRP mechanism.

11. It is pointed out that the Applicant Bank has itself acknowledged the issuance of Provisional No Objection Certificates in a substantial number of cases, which demonstrates awareness of the sale/allotment of plots and the permitting of such transactions to proceed subject to conditions, and that the absence of any contemporaneous action on the part of the Applicant Bank gives rise to issues which merit the consideration of this Tribunal. It is submitted that while the mortgage created in favour of the Applicant Bank stood recorded in the statutory records of the Corporate Debtor, and registration of charge under Sections 77 and 78 of the Companies Act, 2013 constitutes constructive notice to all persons dealing with the company, such constructive notice of charge merely establishes disclosure of the mortgage and does not, by itself, render subsequent transactions void or automatically extinguish third-party rights, the legal effect whereof requires adjudication by a competent forum.

12. The Resolution Professional further submits that she has carried out verification of claims in accordance with Section 18(1)(b) of the Code read with Regulation 13 of the IBBI (CIRP) Regulations, 2016, on the basis of the books of accounts and records of the Corporate Debtor, documents available on record including allotment letters, agreements and payment details, and information furnished by claimants. For the purpose of statutory compliance and record maintenance, claims were categorised as Verified, Partially Verified (Semi-Verified) and Not Verified, depending upon reconciliation with the books of accounts of the Corporate Debtor and availability of supporting records. It is submitted that such categorisation is an administrative and procedural exercise recognised under the CIRP framework, intended to facilitate transparency and further processing of claims, and does not amount to adjudication of claims.
13. It is submitted that the Resolution Professional does not possess adjudicatory powers to decide disputed questions relating to title, ownership, validity of conveyance, enforceability of mortgage or legality of transactions, and that such issues fall exclusively within the jurisdiction of this Tribunal or other competent fora. Verification of claims under Regulation 13 is stated to be prima facie in nature and remains subject to updation upon receipt of additional information or upon the

directions of this Tribunal. It is submitted that the Code does not contemplate automatic rejection of claims merely on the basis of absence of Final NOCs or pendency of verification, and that a direction to the Resolution Professional to reject claims or declare them void would amount to converting an administrative verification exercise into a final adjudication, which is beyond the statutory mandate of the Resolution Professional. The Resolution Professional accordingly prays that this Tribunal may pass such appropriate order(s) as it may deem fit and proper.

Analysis and Findings

14. We have heard the learned counsel appearing for the respective parties and have carefully perused the material available on record, including the written submissions filed by the Applicant Bank, the reply affidavit filed by the Resolution Professional, and the order dated 17.12.2024 passed by this Adjudicating Authority.
15. Upon consideration of the pleadings and the rival submissions, the following issues arise for our determination:
 - (i) Whether the reliefs sought by the Applicant, namely, a direction to the Resolution Professional to reject the claims of the plot buyers and to declare the same as null and void, lie within the jurisdiction of this Tribunal under Section

60(5) of the Code and within the mandate of the Resolution Professional under Section 18(1)(b) read with Regulation 13 of the IBBI (CIRP) Regulations, 2016.

- (ii) Whether a general direction can be issued to the Resolution Professional not to consider, or to reject, the claims of the plot buyers who have not obtained a No Objection Certificate from the Applicant Bank.
- (iii) Whether the Applicant is entitled to a direction restraining the Committee of Creditors from taking any decision or voting on any resolution plan pending disposal of these proceedings.

Issue No. (i)

- 16. The Applicant seeks a direction to the Resolution Professional to reject or decline the claims of the plot buyers who have not obtained an NOC, and to declare such claims as null and void. The consideration of this relief requires an examination of the nature of the office of the Resolution Professional and the scope of the summary jurisdiction of this Tribunal under Section 60(5) of the Code.
- 17. Under the scheme of the Code, the Resolution Professional is entrusted with the duty to collect, collate and verify the claims received during the CIRP, in terms of Section 18(1)(b) of the Code read with Regulation 13 of the IBBI (CIRP) Regulations,

2016. The verification so undertaken is an administrative and procedural exercise, prima facie in nature, and remains subject to updation upon receipt of further information. It is well settled that the Resolution Professional does not perform an adjudicatory function and does not possess the power to determine disputed questions of title, ownership, validity of conveyance or enforceability of a mortgage. The categorisation of claims as Verified, Partially Verified and Not Verified, as carried out by the Resolution Professional in the present case, is consistent with this administrative role and does not amount to an adjudication of the claims.

18. The relief pressed by the Applicant, namely, a direction to the Resolution Professional to reject the claims of the plot buyers and to declare them null and void, would require a prior determination that the underlying conveyances are void and that the plot buyers hold no enforceable interest. Such a determination involves disputed questions of title and priority between the Applicant as mortgagee and the plot buyers as transferees, which cannot be decided in a summary manner in these proceedings. A registered sale deed carries with it a presumption of validity, and it is not open to this Tribunal, in the exercise of its summary jurisdiction, to declare such registered instruments void without a full adjudication on evidence.

19. To direct the Resolution Professional to reject and declare void the claims of the plot buyers would thus be to convert an administrative verification exercise into a final adjudication of title, which is beyond the statutory mandate of the Resolution Professional and beyond the scope of the present proceedings. We accordingly hold that the reliefs seeking a direction to the Resolution Professional to reject the claims of the plot buyers and to declare the same as null and void cannot be granted. Issue No. (i) is answered accordingly.

Issue No. (ii)

20. At the outset, the Applicant seeks a general direction to the Resolution Professional not to consider, or to reject, the claims of the plot buyers who have not obtained an NOC, and to dismiss the interlocutory applications filed by such plot buyers. The present application proceeds upon a misconception of the direction issued by this Tribunal vide order dated 17.12.2024. It would be apposite to reproduce the relevant portion of the said order:

“11. However, we also note that the RP in her report has pointed out that the entire project land of the Corporate Debtor (i.e. Pinnacle “D” Desire) was mortgaged with Union Bank of India & charge was also created. As per the terms of the mortgage deed, the sale deed of plots could have been executed only

after obtaining the No Objection Certificate (NOC) from the said bank. We note that in some of the cases, the Bank had also issued provisional NOC. Therefore, the RP has taken a stand that before taking any decision as regards the exclusion of all these plots on the strength of the registered sale deed, an opportunity should be given to the Union Bank of India to put forth their say as regards the status of mortgage and their lien over any of these plots even after sale as per the registered deeds.

12. Accordingly, in the interest of natural justice, we considered it appropriate to release these matters for giving an opportunity to the Union Bank of India to file its say in all these matters by filing an appropriate interlocutory application, in case they have any objection to the exclusion of all these plots from the assets of the Corporate Debtor.”

21. A plain reading of the aforesaid order makes it evident that the leave granted to the Applicant Bank was confined to the filing of its say, by way of an appropriate interlocutory application, in case it had any objection to the exclusion of the plots from the assets of the Corporate Debtor. The spirit of the said order was only to afford the Applicant Bank an opportunity to place its stand on record, to be considered on the basis of the facts of

each case; it was not an invitation to seek a blanket or omnibus direction against the plot buyers. We are of the considered view that a general direction cannot be issued against all the home buyers restraining them from filing interlocutory applications claiming their rights, and that the claim of each plot buyer is required to be considered on the facts of its own case. The relief sought by the Applicant, in so far as it seeks a general or omnibus direction to reject or decline the claims of all plot buyers who have not obtained an NOC, is accordingly held to be misconceived and untenable.

22. The prima facie observation in the order dated 17.12.2024, that the plot buyers appear to be bona fide owners, was made in the context of the relationship between the plot buyers and the Corporate Debtor inter se, and cannot be read as a finding that the mortgage of the Applicant Bank stood discharged as against the plot buyers. Equally, nothing stated in the present order shall be construed as an adjudication upon the subsistence or otherwise of the mortgage of the Applicant Bank, upon its lien over any plot, or upon its entitlement under Section 30(2)(b) of the Code, all of which questions are left open to be decided in accordance with law. Issue No. (ii) is answered accordingly

Issue No. (iii)

23. The Applicant has further prayed that, pending disposal of these proceedings, the Respondent and the Committee of

Creditors be restrained from taking any decision or voting on any resolution plan. We are unable to accede to this prayer. The Committee of Creditors is a body vested with commercial decision-making functions under the Code, and the Corporate Insolvency Resolution Process is time-bound in nature. A direction restraining the Committee of Creditors from exercising its statutory functions, at the instance of a single secured creditor, would impede the progress of the resolution process and would be contrary to the scheme and object of the Code. The secured interest of the Applicant, and its statutory entitlement under Section 30(2)(b) of the Code, remain available to be asserted in accordance with law. Issue No. (iii) is answered against the Applicant.

24. The analysis of all the issues hereinabove shows that the application is misconceived and untenable. Considering the above observations and analysis, we find no merit in this application and it deserves dismissal.
25. In view of the foregoing, **IA 238 of 2025** is **dismissed** and **disposed of**.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Deepti-Lra

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)