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BEFORE THE RAJASTHAN REAL ESTATE APPELLATE TRIBUNAL, JAIPUR

(1) Appeal No: 123/2026

In : Complaint No. RAJ-RERA-C-2021-4446

Vineet Jindal, S/o Ram Vilas Jindal, R/o 70, Devi Murti Colony Panipat-Haryana-132103.

...Appellant

VERSUS

1. Real Estate Regulatory Authority, office at 2nd floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur- 302005 through its Registrar.

2. Kapil Dev Soni, S/o Om Prakash Soni, R/o H. No. 5A, Near Kids Kingdom School, Shiv Road Ratnada, Jodhpur, Rajasthan-342001.

.....Respondents

(2) Appeal No: 124/2026

In : Complaint No. RAJ-RERA-C-N-2023-6074

Vineet Jindal, S/o Ram Vilas Jindal, R/o 70, Devi Murti Colony Panipat-Haryana-132103.

...Appellant

VERSUS

1. Real Estate Regulatory Authority, office at 2nd floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur- 302005 through its Registrar.

2. Anjali Jain, W/o Amit Jain, R/o F-1201, Purva Fountain Varthur Road, Marathahalli Bridge Bangalore, North Karnataka- 560037.

.....Respondents

(3) Appeal No: 125/2026

In : Complaint No. RAJ-RERA-C-N-2025-7855

Vineet Jindal, S/o Ram Vilas Jindal, R/o 70, Devi Murti Colony Panipat-Haryana-132103.

...Appellant

VERSUS

1. Real Estate Regulatory Authority, office at 2nd floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur- 302005 through its Registrar.

2. Manju Oberoi, W/o Upjive Singh Oberoi, R/o 40 C, Green View Apartments, Sector 15 A, Noida, Gautam Buddha Nagar, Uttar Pradesh- 201301.

3. Vrinda Singh Oberoi, D/o Upjive Singh Oberoi, R/o 40 C, Green View Apartments, Sector 15 A, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301.

.....Respondents

(4) Appeal No: 126/2026

In : Complaint No. RAJ-RERA-C-N-2024-7175

Vineet Jindal, S/o Ram Vilas Jindal, R/o 70, Devi Murti Colony Panipat-Haryana-132103.

...Appellant

VERSUS

1. Real Estate Regulatory Authority, office at 2nd floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur- 302005 through its Registrar.

2. Ram Giri, S/o N.K. Yadav, R/o E-1/408, Chitrakoot Yojna, Bharat Apartment, Bharat Marg, Ward No. 57, Jaipur, Rajasthan- 302021.

…..Respondents

(5) Appeal No: 127/2026

In : Complaint No. RAJ-RERA-C-N-2023-6074

Ajay Singal, S/o R.K. Singal , R/o AR-502B, 2nd Floor, Golf Course Road, Aralias, Sector- 42 Chatarpur (74) Gurugram- Haryana- 122002.

...Appellant

VERSUS

1. Real Estate Regulatory Authority, office at 2nd floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur- 302005 through its Registrar.

2. Anjali Jain, W/o Amit Jain, R/o F-1201, Purva Fountain Varthur Road, Marathahalli Bridge Bangalore, North Karnataka- 560037.

…..Respondents

(6) Appeal No: 128/2026

In : Complaint No. RAJ-RERA-C-N-2024-7175

Ajay Singal, S/o R.K. Singal , R/o AR-502B, 2nd Floor, Golf Course Road, Aralias, Sector- 42 Chatarpur (74) Gurugram- Haryana- 122002.

...Appellant

VERSUS

1. Real Estate Regulatory Authority, office at 2nd floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur- 302005 through its Registrar.

2. Ram Giri, S/o N.K. Yadav, R/o E-1/408, Chitrakoot Yojna, Bharat Apartment, Bharat Marg, Ward No.57, Jaipur, Rajasthan- 302021.

…..Respondents

(7) Appeal No: 129/2026

In : Complaint No. RAJ-RERA-C-N-2025-7855

Ajay Singal, S/o R.K. Singal , R/o AR-502B, 2nd Floor, Golf Course Road, Aralias, Sector- 42 Chatarpur (74) Gurugram- Haryana- 122002.

...Appellant

VERSUS

1. Real Estate Regulatory Authority, office at 2nd floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur- 302005 through its Registrar.

2. Manju Oberoi, W/o Upjive Singh Oberoi, R/o 40 C, Green View Apartments, Sector 15 A, Noida, Gautam Buddha Nagar, Uttar Pradesh- 201301.

3. Vrinda Singh Oberoi, D/o Upjive Singh Oberoi, R/o 40 C, Green View Apartments, Sector 15 A, Noida, Gautam Buddha Nagar, Uttar Pradesh- 201301.

…..Respondents

(8) Appeal No: 130/2026

In : Complaint No. RAJ-RERA-C-N-2021-4446

Ajay Singal, S/o R.K. Singal , R/o AR-502B, 2nd Floor, Golf Course Road, Aralias, Sector- 42 Chatarpur (74) Gurugram- Haryana- 122002.

...Appellant

VERSUS

1. Real Estate Regulatory Authority, office at 2nd floor, RSIC Building, Udyog Bhavan, Tilak Marg, C-Scheme, Jaipur- 302005 through its Registrar.

2. Kapil Dev Soni, S/o Om Prakash Soni, R/o H. No. 5A, Near Kids Kingdom School, Shiv Road Ratnada, Jodhpur, Rajasthan-342001.

…..Respondents

CORAM

Mr. Justice Madan Gopal Vyas, Hon'ble Chairperson

Mr. Yudhisthir Sharma, Hon'ble Member (Judicial)

PRESENT:

For appellant	:	Mr. Harshal Tholia, Advocate
For respondent No.1	:	None present
For respondent No.2	:	Mr. Mohit Khandelwal, Advocate

O R D E R

Reserved on 19th May, 2026:

Pronounced on 26th May, 2026:

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Per : Justice Madan Gopal Vyas, Hon'ble Chairperson

The present appeals have been filed under Section 44 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as the "RERA Act, 2016") against the common impugned-order dated 19/02/2026 passed by the Rajasthan Real Estate Regulatory Authority, Jaipur (hereinafter referred to as the "Regulatory Authority") in four complaints preferred by Kapil Dev Soni, Anjali Jain, Ram Giri and Manju Oberoi & Ors. in which, applications under Order 1 Rule 10 CPC were filed by the complainants seeking impleadment of the land owners of the project and the erstwhile directors of the respondent-company - GRJ Distributors & Developers Pvt.Ltd. The applications were allowed on the basis of an order passed on the same day i.e. 19/02/2026 in the Suo Moto proceedings bearing File No.F.3(151)RJ/RERA/P/2017. All these appeals were preferred by Mr. Vineet Jindal, Additional Director and Mr. Ajay Singal, Director of GRJ Distributors & Developers Pvt.Ltd.

In all these appeals, the points in issue are more or less identical arising out of common impugned-order, therefore they are being decided by this common order. The only difference is that appellant-Vineet Jindal was appointed as Additional Director subsequent to filing of these complaints but appellant-Ajay Singal was Director of the Company-GRJ Distributors & Developers Pvt.Ltd. at that time. The impugned-order dated 19/02/2026 passed by the learned Regulatory Authority on the basis of an order passed on the same day in Suo Moto proceedings, therefore, we are making a reference to the order dated 19/02/2026

passed in Suo Moto proceedings and Appeal No.81/2026 decided by this Tribunal while deciding the controversy involved in these appeals. The learned Regulatory Authority impleaded Vineet Jindal and Ajay Singal as party respondents in four complaints as Additional Director and Director of the company GRJ Distributors & Developers Pvt.Ltd., respectively.

2) The facts giving rise to the filing of all these appeals in brief are that the impugned order dated 19/02/2026 has been passed in the complaints filed against the promoter-developer company-viz. GRJ Distributors and Developers Pvt.Ltd. bearing Complaint Nos.2021-4446 : Kapil Dev Soni Vs. Avalon Projects a unit of GRJ Distributors and Developers Pvt.Ltd. 2023-6074 : Anjali Jain Vs. Avalon Projects a unit of GRJ Distributors and Developers Pvt.Ltd., 2024-7175 : Ram Giri Vs. Avalon Projects a unit of GRJ Distributors and Developers Pvt.Ltd. & 2025-7855 : Manju Oberoi & Others Vs. Avalon Projects a unit of GRJ Distributors and Developers Pvt.Ltd. The said company is undergoing CIRP proceedings. All the complainants filed complaints with reference to the project-“Avalon Royal Park”, which is developed by “GRJ Distributors and Developers Pvt.Ltd.” (shall hereinafter be referred to as the “Developer”) on the land identified as “Alwar Bypass Road, Bhiwadi, Rajasthan”. The project was projected as a self-sustainable integrated township with all kinds of luxurious amenities in the residential society. The complainants booked their respective Apartment in the said project-“Avalon Royal Park” vide Application Form dated 13/03/2013 and at the time of booking, the Developer assured the complainants of fulfilment of all promises made in the

Brochure as well as its timely delivery of possession. The construction of the project stalled in 2016 and was not completed till filing of the complaint before the RERA Authority. In those circumstances, the complainants approached the RERA Authority.

3) During the pendency of above complaints against the promoter-developer company, a petition was filed before the National Law Company Tribunal (NCLT) and moratorium was declared under 14 of the IBC Act then, the complainants of above four complaints preferred one identical application in all these complaints for impleadment of party-respondent including appellant-Directors of the said company. The learned Regulatory Authority passed order on 19/02/2026, on the applications, as under:-

> *"Applications under Order 1 Rule 10 CPC have been filed by the complainants in the respective complaints seeking impleadment of the landowners of the project and the erstwhile directors of the respondent promoter company.*
>
> *It is observed that identical applications involving common questions of the fact and law have been considered by this Authority in the Suo Moto proceedings bearing File No.F-3(151)RJ/RERA/P/2017. This Authority has passed a detailed and reasoned order dated 19.02.2026 in the aforesaid Suo Moto matter, adjudicating the issues relating to impleadment of landowners and erstwhile directors. In the interest of consistency and uniform adjudication, the order dated 19.02.2026 passed in File No.F-3(151)RJ/RERA/P/2017 shall govern and decide all such applications filed in the respective complaints.*
>
> *Accordingly, the present applications stand disposed off in terms of the said order dated 19.02.2026.*
>
> *(See Separate & detailed order in File No.F-3(151)RJ/RERA/P/2017)"*

4) Hence, these appeals have been filed seeking the following relief:-

> *"1. Allow the present appeal and quash and set aside the order dated 19.02.2026; and*
>
> *2. Award costs of these proceedings to the Appellant".*

5) No one has put in appearance of the respondent No.1-RERA Authority. Complainant-Respondents have filed reply only in Appeal Nos.125/2026 & 129/2026 before this Tribunal with the request that the said reply be also treated as reply in rest of all the appeals, which request was accepted by this Tribunal on 19/05/2026.

6) Mr. Harshal Tholia, learned counsel appearing for the appellants Additional Director and Director of the Company-GRJ Distributors & Developers Pvt.Ltd. has argued that:-

(i) The appellant was designated as an Additional Director and was appointed on 16/05/2022. Complaint No. RAJ-RERA-C-2021-4446, filed by the respondent, was instituted in the year 2021, prior to the appointment of the appellant. Therefore, appellant had no role whatsoever in the transactions forming the subject-matter of the present proceedings. Learned counsel has referred to the facts stated by the respondent in the complaint, wherein it was alleged that possession was to be handed over in December 2016. Thus, the alleged cause of action arose after 2016, which was much prior to the appointment of the appellant as Additional Director.

(ii) It is a settled principle of law that a company and its directors are separate legal entities.

(iii) In the application filed by the complainant-respondent before the learned Regulatory Authority, there was no specific prayer made against the

appellant. The respondent has consistently sought relief only against the landowner, and merely in paragraph no. 5, certain allegations were casually made against the Directors. The said allegations are incorrect, as no particulars or details regarding any alleged siphoning of funds were mentioned in the application. Furthermore, there are no specific allegations against the Directors; rather, there was the only prayer to implead them as parties to the complaint.

(iv) The respondent has relied upon only one document concerning the Directors, which itself pertains to the year 2018. The respondent is seeking a financial audit before the RERA Authority, despite the fact that RERA has no jurisdiction to order such an audit. At the same time, in the IBC proceedings, the respondent is opposing the same relief through the CoC.

(v) The first and foremost objection raised by Mr.Harshal Tholia, learned counsel appearing for the appellants-Additional Directors and Director of the Company-GRJ distributors & Developers Pvt.Ltd., is that the *learned Regulatory Authority wrongly interpreted the judgments pronounced by the Hon'ble Supreme Court based on the initial order of the Hon'ble Supreme Court in* ***Ansal Crown Heights Flat Buyers Association (Regd.) Appellant(s) versus M/s.Ansal Crown Infrabuild Pvt.Ltd. & Ors. : 2024 (5) SCC 745*** *but the Hon'ble Supreme Court clarified that position of Directors in the subsequent orders.*

(vi) The judgment of the Hon'ble Supreme Court in the matter of ***Anjali Rathi and others Vs. Today Homes & Infrastructure Pvt.Ltd. and others : 2023 (16) SCC 678,*** is pertaining to settlement matter whether the Undertaking was given, therefore, it is not applicable.

7) *Per contra,* Mr. Mohit Khandelwal, learned counsel appearing for complainant-respondent No.2 has argued that:-

(i) This Tribunal has already dealt with the similar issues in the matter of ***Vineet Jindal vs RERA & Anr. (Appeal No.81/2026)*** and highlighted some paras regarding the same, as under: -

> *"From a bare reading of the above provisions, it is crystal clear that the court may at any stage of the proceedings either upon or without the application of either party may strike of or add any parties in the proceedings to enable the court effectually and completely to adjudicate upon all the questions involved in the suit".*
>
> *"11) On the contrary, counsel for the appellant has also cited some judgments of Hon'ble Apex Court in support of his contention and the same are pertain to the principle of lifting the corporate veil, necessity of pleadings, absence of cause of action and doctrine of separate legal entity and impleadment. The judgments on the said principles are not applicable in the present matter at this juncture because it is not a matter of lifting the corporate veil and role & liability of the appellant is yet to be decided. Therefore, it is not correct to say that while passing the impugned-order, the learned Regulatory Authority violated the principle of natural justice rather, an opportunity for hearing was provided to the appellant so that he can be able to explain his status & role in the said project. The legal rights of appellant are not adversely affected by the impugned-order because the appellant is free to putforth his legal submissions before the Regulatory Authority so that his rights may not be adversely affected in future RERA proceedings"*

(ii) The RERA Authority neither put any penalty against the appellant nor put any labiality against the appellant; RERA only ordered to make them a party so that they can put their point of view.

(iii) The moratorium runs against the Corporate Debtor Company and not against the Director/Officers of the Corporate Debtor Company, who continue to otherwise remain liable to fulfill their contractual obligations and against whom the legal proceedings can be continued as the protection of moratorium does not extend to such directors/officers.

(iv) The Co-Promoters and Directors are the necessary parties to be impleaded in the present proceedings because they are the culprits, who had played fraud with the allottees and had gained undue advantage to themselves.

(v) It is wrong statement that RERA relied upon wrong order of ***Ansal Crown Heights Flat Buyers Association (Regd.) Appellant(s) versus M/s. Ansal Crown Infrabuild Pvt. Ltd. & Ors.*** as, while passing the order, RERA had the idea of the subsequent orders which have been passed after this order.

(vi) Hon'ble Supreme Court has held that IBC will not protect the promoters and directors of the company and gave liberty to the allottees that they can pursue the matter before any suitable authority.

(vii) The fault is continuous in nature and till now, the project is incomplete as only 30% work has been completed. Appellant-Vineet Jindal was appointed in year 2022 and in present year 2026, which is going on, so respondent have liberty to make anyone party if the fault is continuous in nature.

(viii) Mr. Ajay Singal, one of the Directors of the company appeared before the Authority on 17/03/2025 and stated that he will furnish all the information regarding number of flats and amount received etc.

8) Mr. Harshal Tholia, learned counsel appearing for the appellants in rebuttal has argued that:-

(i) Learned counsel for the respondent deliberately produced only the note-sheet dated 17/03/2025, but failed to mention the order-sheet dated 21/01/2025, wherein it has clearly been recorded that the Authority directed the appellant to remain personally present on the next date. It was also specifically directed by the Authority that all details relating to the project be furnished by the appellant.

9) We have heard learned counsel for the parties and perused the material available on record including the case law cited by the learned counsel for the parties on the issue involved in these appeals.

10) Finding:-

It is noted that the impugned-order was passed on the basis of reasons mentioned in the order passed on 19/02/2026 in Suo Moto proceedings, which was earlier challenged by Appellant-Vineet Jindal before this Tribunal by filing appeal bearing Appeal No.81/2026, which was decided on 28/04/2026. The order passed by the learned Regulatory in Suo Moto proceedings is reproduced, as under:-

"The learned Regulatory Authority allowed the Impleadment Application filed under Order 1 Rule 10 CPC impleading the Appellant as party to the proceedings, as under:-

> *"27. Therefore, in light of the above observations, this Authority allows the application filed under Order I Rule 10 CPC is allowed.*
>
> *28. The Landowners, namely Parsvnath Developers Limited, Gauresh Buildwell Private Limited, and Mrs. Nutan Jain, as well as the directors of the Promoter company, namely Mr. Ajay Singal, Mr. Ajay Kumar Gupta, and Mr. Vineet Jindal, are impleaded as party respondents in the present complaint.*
>
> *29. It is clarified that the question regarding the extent of liability, if any, of the Landowners and the directors shall be determined at the stage of final adjudication, strictly in accordance with the Development Agreement, the Office Order dated 30.06.2020, the provisions of the RERA Act, and applicable law.*
>
> *30. Nothing stated herein shall be considered as an expression on the merits of the case."*

After hearing the parties in detail, this Tribunal dismissed Appeal No.81/2026 affirming the order dated 19/02/2026 passed by the learned Regulatory Authority in Suo Moo proceedings, on the basis of some observations of this Tribunal, which read, as under:-

"Before proceeding further in the matter, it is apposite to reproduce hereinbelow the provisions of Order 1 Rule 10(2) of the CPC:-

> *Order 1 Rule 10(2) CPC:-*
>
> *"1. **Who may be joined as plaintiffs.-***
>
> *10. **Suit in name of wrong plaintiff.-***
>
> *(1) ….....*
>
> *(2) **Court may strike out or add parties.-***
>
> *The Court may at any stage of the proceedings, either upon or without the application of either party, and on such terms as may appear to the Court to be just, order that the name of any party improperly joined, whether as plaintiff or defendant, be struck out, and that the name of any person who ought to have been joined, whether as plaintiff or defendant, or whose*

presence before the Court may be necessary in order to enable the Court effectually and completely to adjudicate upon and settle all the questions involved in the suit, be added".

From a bare reading of the above provisions, it is crystal clear that the court may at any stage of the proceedings either upon or without the application of either party may strike of or add any parties in the proceedings to enable the court effectually and completely to adjudicate upon all the questions involved in the suit. The scope & ambit of Order 1 Rule 10(2) CPC is cleared by the Hon'ble Apex Court in the matter of ***Mumbai International Airport Pvt.Ltd. Vs. Regency Convention Centre & Hotels Pvt.Ltd. & Ors. : 2010 Supreme (SC) 519*** *relied on by the learned counsel appearing for RERA, as under:-*

"Code of Civil Procedure, 1908-Order 1 of Rule 10(2)-Scope and Ambit of-The said sub-rule is not about right of a non-party to be impleaded as a party, but about the judicial discretion of the court to strike out or add parties at any stage of a proceeding- The discretion under the sub-rule can be exercised either suo moto or on the application of the plaintiff or the defendant, or on the application of a person who is not a party to the suit- The court can strike out any party who is improperly joined- The court can add anyone as plaintiff or as a defendant if it finds that he is a necessary party or proper party- such deletion or addition can be without any conditions or subject to such terms as the court deems fit to impose- In exercising its judicial discretion under Order 1 Rule 10(2) of the Code, court will of course act according to reason and fair play and not according to whims and caprice".

Therefore, the argument advanced by the counsel for the appellant in this regard, is not acceptable".

It is apposite to mention here that the order passed in Suo Moto proceedings under challenge in Appeal No.81/2026, Appellant-Vineet Jindal and other Directors of the company were impleaded without an application or prayer of the complainants and also without giving any opportunity of hearing to the Directors but in the present matters, there is a specific prayer of the complainants for impleading them as party-respondents in all four complaints and an opportunity of hearing was also provided by the learned Regulatory Authority. Meaning thereby, the Regulatory Authority has power to add any party at any stage of proceedings.

11) In the above factual matrix of the matter, only the following Substantial Question of Law, remains to be decided by Tribunal:-

Question A:

As to whether the Directors and other officers of the corporate debtor company GRJ Distributors & Developers Pvt.Ltd. are protected from the order passed by the NCLT and in the light of Section 14 of the IBC Act, whether the RERA Authority is not having any jurisdiction to proceed against the Directors and Additional Directors of the Company?

12) Question A:-

It is admitted fact between the parties that one company petition was filed before the NCLT, wherein an order was passed on 29/09/2025, which was clarified vide subsequent order dated 29/10/2025 and the NCLT accepted the company petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) and appointed an Interim Resolution Professional (IRP) and declared moratorium under Section 14 of the IBC. Para 11 of the order, which is relevant, may be reproduced, as under:-

> *"11. In the wake, moratorium provided under Section 14 of IBC, 2016 is declared qua the CD and as a necessary consequence thereof the following prohibitions are imposed, which must be followed by all and sundry:*
>
> *a) The institution of suits or continuation of pending suits or proceedings against the Respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*
>
> *b) Transferring, encumbering, alienating or disposed of by the Respondent any of its assets or any legal right or beneficial interest therein;*
>
> *c) Any action to foreclose, recover or enforce any security interest created by the Respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2022;*
>
> *d) The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the Respondent".*

It is crystal clear from the language of Section 14 of IBC that it refers only to Corporate Debtor Company, it's assets/property & proceedings against it.

In so far as misinterpretation of the order of the Hon'ble Supreme Court in the matter of ***Ansal Crown Heights flat Buyers Association (Regd.), Appellant(s) (supra)*** is concerned, it is true that appellants and other complainant-allottees challenged *sine die* adjournment granted by the National Consumer Disputes Redressal Commission (NCDRC) vide order dated 18/05/2023, by filing Civil Appeals before the Hon'ble Apex Court and the said appeals were initially partly allowed vide order dated 17/01/2024 whereby, the order of NCDRC was set-aside directing that the execution proceedings may continue against respondents No.2 to 9 {officers/directions of Corporate Debtor Company viz. Ansal Crown Infrabuild Pvt.Ltd.}, and remanded the matter back with liberty to raise all the available objections to the respondents No.2 to 9. The NCDRC vide order dated 20/06/2024 decided the matter again and dismissed the execution applications filed against respondents No.2 to 9 with liberty to pursue their remedy before the NCLT. The Appellant-Association with some other complainants-allottees again preferred Civil Appeal before the Hon'ble Supreme Court and finally, the Hon'ble Supreme Court upheld the finding of NCDRC vide order dated 12/01/2026 and dismissed all the appeals on the ground that respondents No.2 to 9 were not party in the original complaint, therefore, at the stage of execution, respondents No.2 to 9 cannot be held liable to execute the order but the Hon'ble Supreme Court did not set-aside the finding of earlier order passed by the Hon'ble Supreme Court on 17/01/2024.

The earlier order was also discussed in the subsequent order dated 12/01/2026 and clarified in para 22 of the order, as under:-

> *"22. Viewed in this light, the impugned order of the NCDRC, which examines the issue of executability against the respondents No 2 to 9 on its own merits and declines to proceed against them in the absence of any legal or factual basis for personal liability, cannot be said to be inconsistent with the order of this Court".*

The Hon'ble Supreme Court has also further clarified the legal position in para 25, as under:-

> *"25. However, this dismissal will not preclude the appellant from pursuing any remedy available in law against the promoters/directors, including proceedings under the Companies Act, IBC, or civil law, should the statutory requirements therefor be satisfied".*

The Hon'ble Supreme Court held in para 17 of the judgment dated 12/01/2026, as under:-

> *"17. We are in complete agreement with the approach adopted by the NCDRC that the CP Act envisages a complete adjudicatory process founded on service of notice, pleadings, opportunity to contest, leading of evidence, and recorded findings of fact and law. These are not mere procedural formalities but substantive safeguards that precede the fastening of liability. In the present case, no such adjudicatory exercise was undertaken qua the respondents 2 to 9. There are no pleadings attributing any personal role to them, no evidence led to establish individual culpability, and no findings returned fixing personal liability. In the absence of these foundational elements, execution proceedings cannot be utilised as a surrogate forum to impose liability where none has been adjudicated".*

In the matter of ***Anjali Rathi and Others (supra),*** Directors were held liable because of their Undertaking given before the Hon'ble Supreme Court.

Meaning thereby, the Hon'ble Supreme Court also upheld the legal position that if there are no pleadings attributing any personal role to them, no evidence led to establish individual culpability and no findings returned fixing

personal liability and in the absence of these foundational elements, execution proceedings cannot be utilised as a surrogate forum to impose liability.

In the light of above discussions, if there are any pleadings attributing any personal role to the appellant then, Directors and other officers of the corporate debtor company may be impleaded as party respondents to proceed further in the pending complaints.

This position is also clarified by the Hon'ble Supreme Court in the matter of ***State Bank of India Vs. V. Rama Krishnan : (2018) 17 SCC 394*** whether moratorium granted to corporate debtor company during CIRP proceedings, also protects it's directors/personal guarantors and the Hon'ble Supreme Court while interpreting the moratorium under Section 14, clarified that Section 14 only protects corporate debtor company but not protect the Director, Promoter and Personal Guarantor. The other *judicial and quasi-judicial* forums may not proceed against the corporate debtor company's assets but proceedings against Directors/Promoters and Guarantors may continue in appropriate cases.

In the light of above legal aspect of the matter, the complainants pleaded in their complaints regarding fraud played by the Directors including siphoning of funds and prayed for forensic audit of the accounts. Although, there is no specific allegation or data available in the applications but one document dated 14/02/2018 regarding mortgage is available on record and it is yet to be decided by the learned Regulatory Authority that both the appellants are personally

liable for same or not, and while passing the order, the learned Regulatory Authority not arrived at any conclusion. It is clear from the finding recorded by the Authority in para 26 of the impugned-order dated 19/02/2026 passed in Suo Moto proceedings, as under:-

> *"26. As regards the second issue of impleadment of Directors of the promoter company, this Authority observes as follows:*
>
> *26.1 The moratorium under Section 14 of the IBC operates to stay proceedings against the corporate debtor. However, it does not be itself, grant immunity to directors or officers against whom independent allegations of misconduct are made.*
>
> *26.2 Reliance is placed on the Assignment Agreement dated 31.02.2023 executed between ECL Finance Ltd. and Invent Asset Securitisation and Reconstruction Pvt. Ltd., wherein Schedule I to the said Agreement identifies the borrower in relation to the mortgage created on 14.02.2018. As per the said Agreement the directors, in their individual capacities, are described as guarantors/co-borrows.*
>
> *26.3 The Hon'ble Supreme Court, in Anjali Rathi and Ansal Crown Heights, has clarified that at the stage of adjudication where allegations against them require examination.*
>
> *26.4 In Ansal Crown Heights, the Hon'ble Supreme Court drew a clear distinction between proceedings at the adjudicatory stage and those at the execution stage, holding that personal liability of directors cannot be enforced in execution without prior adjudication.*
>
> ***26.5 In the present case, the matter is at the adjudicatory stage. No decree or final order has been passed. The allegations of diversion and siphoning of funds attributed to the directors cannot be effectively examined in their absence.***
>
> *26.6 The plea of moratorium, therefore, does not bar the impleadment of the directors at this stage.*
>
> ***26.7 This Authority is satisfied that the presence of the directors is necessary for a complete and effective adjudication of the matter at hand".***

We may give further reference to the order of this Tribunal dated 28/04/2026 passed in Appeal No.81/2026, as under:-

> *"11) On the contrary, counsel for the appellant has also cited some judgments of Hon'ble Apex Court in support of his contention and the same are pertain to the principle of lifting the corporate veil, necessity of pleadings, absence of cause of action and doctrine of separate legal entity and impleadment. The judgments on the said principles are not applicable in the present matter at this juncture because it is not a matter of lifting the corporate veil and role & liability of the appellant is yet to be decided. Therefore, it is not correct to say that while passing the impugned-order, the learned Regulatory Authority violated the principle of natural justice rather, an opportunity for hearing was provided to the appellant so that he can be able to explain his status & role in the said project. The legal rights of appellant are not adversely affected by the impugned-order because the appellant is free to putforth his legal submissions before the Regulatory Authority so that his rights may not be adversely affected in future RERA proceedings. In these circumstances, the appellant is a necessary party. It is also cleared by the learned Regulatory Authority in para 29 of the impugned-order dated 19/02/2026, as under:-*
>
> > *"29. It is clarified that the question regarding the extent of liability, if any, of the Landowners and the directors shall be determined at the stage of final adjudication, strictly in accordance with the Development Agreement, the Office Order dated 30.06.2020, the provisions of the RERA Act, and applicable law".*

13) Question A is thus decided.

14) In view of above observations, the Additional Director of the Company-Vineet Jindal and Director of the Company-Ajay Singal are at liberty to raise all these issues with regard to subsequent appointment order including the question whether they are not personally liable to any action or inaction on the part of the corporate debtor company and clarify their roles and status of the company at the appropriate stage of further adjudication of the matter. The learned Regulatory Authority is free to decide all these objections, in accordance with law.

15) Resultantly, the appeals fail and hence, **dismissed** with the liberty as aforesaid and the impugned-order dated 19/02/2026 passed by the Regulatory Authority in *Complaint Nos.2021-4446 : Kapil Dev Soni Vs. Avalon Projects a unit of GRJ Distributors and Developers Pvt.Ltd. 2023-6074 : Anjali Jain Vs. Avalon Projects a unit of GRJ Distributors and Developers Pvt.Ltd., 2024-7175 : Ram Giri Vs. Avalon Projects a unit of GRJ Distributors and Developers Pvt.Ltd. & 2025-7855 : Manju Oberoi & Others Vs. Avalon Projects a unit of GRJ Distributors and Developers Pvt.Ltd.*, is affirmed.

16) Pending interim application or any other application, shall stand closed.

17) A copy of this order be transmitted to the counsel for the parties and Raj-RERA, Jaipur and be kept in every appeal.

The files be consigned to record.

Yudhisthir Sharma,
Member (Judicial)

(Madan Gopal Vyas) J,
Chairperson

Anil Goyal-PS/Suppl.3-10