

**THE RAJASTHAN REAL ESTATE REGULATORY AUTHORITY,  
JAIPUR**

Suo Moto

Versus

GRJ Distributors and Developers Pvt. Ltd. ...Respondent

**File No. F.3(151)RJ/RERA/P/2017**

**Present**

**Smt. Veenu Gupta, Hon'ble Chairperson**

- (1) Adv Mohit Khandelwal, present on behalf of applicant
- (2) Adv Ajay Tyagi, present on behalf of the respondent, Invent Asset Securitisation and Reconstruction Pvt. Ltd.

**Date of Order: 19.02.2026**

**ORDER**

1. The present application has been filed by the Complainants under Order I Rule 10 of the Code of Civil Procedure, 1908, seeking impleadment of additional respondents in the pending complaints concerning the real estate project in question.

2. The Complainants seeks impleadment of (i) Parsvnath Developers Limited, (ii) Gauresh Buildwell Private Limited, and (iii) Mrs. Nutan Jain (hereinafter collectively referred to as "the Landowners"), alleging them to be co-promoters of the project, as well as (iv) Mr. Ajay Singal, (v) Mr. Ajay Kumar Gupta, and (vi) Mr. Vineet Jindal, who are stated to be the directors of GRJ Distributors



and Developers Private Limited (hereinafter referred to as "the Promoter").

3. The application has been opposed by the Landowners as well as by the directors of the Promoter by way of detailed replies.

4. The counsel for the complainants submits that the Landowners are not mere passive owners of land but are squarely covered within the definition of "promoter" under Section 2(zk) of the Act.

5. It is contended that the Landowners entered into a Development Agreement with the Promoter, pursuant to which the project was jointly promoted for commercial gain. The agreement envisages a revenue-sharing arrangement whereby a defined percentage of the gross revenue generated from the project was payable to the Landowners.

6. The counsel for the complainants further asserts that the building plans were sanctioned in the name of the Landowners and that the Landowners received amounts exceeding Rs. 90 Crores from the project, which were generated from sale consideration paid by allottees.



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7. It is submitted that since the Landowners derived substantial commercial benefit from the project and retained control over key aspects of title conveyance, they cannot disclaim responsibility towards the allottees.

8. Strong reliance is placed on Section 2(zk) of the RERA Act, particularly the Explanation thereto, which stipulates that where construction and sale are undertaken by different persons, both shall be deemed to be promoters and shall be jointly liable for obligations under the Act.

9. Further, reliance is also placed on the Office Order dated 30.06.2020 issued by this Authority, which clarifies the circumstances under which landowners are to be treated as promoters under the RERA Act.

10. With respect to the directors of the Promoter, the counsel for the complainants alleges that they personally participated in diversion and siphoning of project funds, failed to ensure statutory compliance, and thereby contributed to the delay and failure of the project.

11. It is contended that the moratorium declared under the Insolvency and Bankruptcy Code, 2016 ("IBC") operates only in



favour of the corporate debtor and does not extend protection to directors against whom independent allegations of misconduct are made. In support, reliance is placed on the judgments of the Hon'ble Supreme Court in Anjali Rathi & Ors. v. Today Homes & Infrastructure Pvt. Ltd. and Ansal Crown Heights Flat Buyers Association v. Ansal Crown Infrabuild Pvt. Ltd.

12. The counsel for the Landowners has filed a reply opposing the application. At the outset, they deny all allegations made by the complainant and submit that the application is frivolous, misconceived and an abuse of the process of law. It is contended that the Landowners are merely owners of the project land and that all development rights were assigned to the Promoter under the Development Agreement dated 29.05.2013.

13. The Landowners submit that, under the Development Agreement, the Promoter alone was responsible for planning, construction, marketing, sale of units, collection of monies, completion of the project and delivery to homebuyers. The Landowners had no role whatsoever in construction or dealings with allottees.



14. It is further submitted that the consideration payable to the Landowners was only a defined percentage of the gross revenue as consideration for transfer of development rights, which does not render them liable for delays or defaults attributable to the Promoter.

15. The Landowners place reliance on various clauses of the Development Agreement, including indemnity provisions, to contend that the Promoter expressly acknowledged its sole responsibility for completion of the project and agreed to indemnify the Landowners against all third-party claims.

16. Reliance is also placed upon the Office Order dated 30.06.2020 to argue that even if a landowner is treated as a promoter, its liability is limited strictly to the extent of its contractual obligations, and since construction and timelines were not within their scope of responsibility, no liability can be fastened upon them.

17. Learned Counsel for the Directors contended that the present application is barred by Section 14 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). The Hon'ble National Company Law Tribunal, vide order dated 29.09.2025, as clarified on 29.10.2025 in CP (IB) No. 386/ND/2025, admitted the insolvency



petition against the Promoter Company, appointed an Interim Resolution Professional, and declared moratorium. Upon such declaration, all proceedings against the Corporate Debtor stood stayed and its management vested exclusively with the Interim Resolution Professional.

18. Section 14(1)(a) of the IBC expressly prohibits the institution or continuation of any suit or proceeding against the Corporate Debtor before any court or authority. The moratorium is intended to preserve the status quo, prevent parallel proceedings, and ensure that all claims are adjudicated exclusively within the insolvency framework.

19. Without prejudice thereto, it is submitted that the complaint was consciously instituted only against the Corporate Debtor. No relief was sought against the Directors in their personal capacity, nor are there any pleadings or particulars establishing independent liability.

20. The Complainant's dealings were exclusively with the Corporate Debtor, a distinct juristic entity. In the absence of statutory provision, specific pleadings, or grounds to lift the corporate veil, no personal liability can be fastened upon the



Directors for acts done in the company's corporate capacity. Mere designation as a Director does not create personal liability. Proceedings against a company cannot be subsequently expanded to impose personal liability upon its Directors without adjudication on merits. The impleadment sought constitutes an impermissible alteration of the nature of the lis.

21. The timing of the application clearly shows it to be an afterthought, filed to circumvent the moratorium and exert undue pressure upon individuals, amounting to abuse of process. Even under the Real Estate (Regulation and Development) Act, 2016, personal liability cannot be fastened upon Directors where the project is developed and registered exclusively in the name of the corporate entity.

22. During the subsistence of the CIRP, all claims of the Complainant are required to be pursued strictly in accordance with the IBC. The Complainant is at liberty to lodge its claim before the Resolution Professional.

23. Therefore, in view of Section 238 of the IBC, the Code overrides all other enactments. The present impleadment



application is therefore barred by law, suffers from lack of jurisdiction, and is liable to be dismissed

24. Having heard the parties and on perusal of records available, this Authority finds two issues for determination:

- 1) Whether the Landowners are necessary or proper parties to the complaint; and
- 2) Whether the directors of the Promoter company can be impleaded as parties to the complaint during the pendency of insolvency proceedings.

25. As regards the first issue of Impleadment of Landowners, this Authority observes as follows:

25.1 Section 2(zk) of the RERA Act defines the term "promoter" in expansive terms so as to include not only the person who constructs the project but also any person who causes such construction to be undertaken for sale.

25.2 The Explanation to Section 2(zk) makes it abundantly clear that where construction and sale are undertaken by different persons, both are deemed to be promoters and are jointly liable for the obligations under the Act.



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25.3 In order to determine whether the landowners are liable to be treated as promoters of the subject project, reliance is placed upon various clauses of the Development Agreement dated 29.05.2013, as also the principles laid down in the Authority's Office Order dated 30.06.2020.

25.4 Clause 5 read with sub-clauses 5.2.1 and 5.2.2 of the Development Agreement dated 29.05.2013 stipulates that the landowners are entitled to 29.50% of the revenue generated from parking charges, as well as from the developed units and any additional area in excess of the saleable area.

25.5 Clause 8.4 of the said Agreement mandates that PDL and GBPL shall execute tripartite agreements with the promoter and the allottees for execution of sale deeds and title documentation, including the creation of undivided interest in favour of the allottees in their respective units.

25.6 Clause 10 of the Agreement confers upon the developer the right to market and allot the units to prospective purchasers, albeit in consultation with PDL, thereby indicating the continued involvement of the landowners in the sale process.



25.7 Clause 11.2 of the Agreement further provides that the developer shall not create any mortgage or charge over the project land or the receivables from the units for obtaining financial assistance from any financial institution until the entire sale consideration is paid to PDL.

25.8 A conjoint reading of Clauses 5, 8, 10 and 11 of the Development Agreement dated 29.05.2013 clearly demonstrates that the landowners did not completely divest themselves of their interest in the project. On the contrary, the development was permitted under a revenue-sharing arrangement, with the landowners retaining significant rights relating to title and conveyance.

25.9 It is also pertinent to note that the building plan for the project was approved by UIT, Bhiwadi vide letter dated 31.12.2015 in the name of the landowner, namely, Nutan Jain.

25.10 Further, a perusal of the Assignment Agreement dated 31.03.2023 executed between ECL Finance Ltd. and Invent Assets Securitisation and Reconstruction Pvt. Ltd. indicates that the landowners were also reflected as mortgagors in relation to the said project. In particular, reliance is placed



upon Schedule-II of the said Agreement, which records the names of Gauresh Buildwell Pvt. Ltd., Ms. Nutan Jain, and Parsvanath Developers Ltd. as landowners of the project, who, along with M/s GRJ Distributors and Developers Pvt. Ltd. (Respondent Promoter), had created mortgage over the project in favour of ECL. The aforesaid documents prima facie demonstrate that the mortgage was not confined solely to the promoter entity but also involved the landowners in whose name the project approvals stood, thereby having a direct bearing on the rights and liabilities arising out of the secured transaction.

25.11 Further reliance has been placed upon the Facility Agreement dated 19.01.2018 executed between M/s GRJ Distributors and Developers Pvt. Ltd. and ECL Finance Limited. A perusal of Clause 1.1.3 of Schedule-II of the said Agreement clearly records that the landowner, namely Parsvanath Developers Ltd. (PDL), and the Respondent Promoter were acting as partners in a Joint Venture for the development of the subject project.

25.12 The said stipulation, therefore, prima facie establishes that the landowner was not a passive title holder but was associated



with the development of the project in a joint venture capacity along with the Respondent Promoter, thereby bearing relevance to the rights and obligations arising out of the project and the financing arrangements.

25.13 The Office Order dated 30.06.2020 issued by this Authority clarifies that landowners who share revenue or profits from a project, or who retain rights in relation to sale or conveyance, may be treated as promoters for the purposes of the RERA Act. Although the said Office Order limits the ultimate liability of landowner-promoters to the extent of their contractual obligations, such limitation is relevant at the stage of final adjudication and cannot preclude their impleadment where their role requires examination.

25.14 At the stage of deciding an application under Order I Rule 10 CPC, the Authority is not required to conclusively determine liability but only to ascertain whether the presence of the proposed parties is necessary or proper for effective adjudication.

25.15 In view of the statutory framework, the contractual arrangement, and the allegations regarding receipt and



utilisation of project funds, this Authority is of the considered view that the Landowners are proper and necessary parties to the proceedings.

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, by 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 31.03.2023 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-borrowers.

26.3 The Hon'ble Supreme Court, in Anjali Rathi and Ansal Crown Heights, has clarified that while coercive or execution proceedings against directors may not be permissible in the absence of adjudication, directors can be proceeded against



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.

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 construed as an expression on the merits of the case.



  
(Veenu Gupta)  
Chairperson