NATIONAL COMPANY LAW APPELLATE TRIBUNAL,
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No.686 of 2026

In the matter of:

Raman Khangura **...Appellant**
Vs.
Navneet Gupta & Ors. **...Respondents**

For Appellant: **Mr. Gaurav Mitra, Sr. Advocate with Mr. Nipun Gautam, Advocates**

For Respondents: **Mr. Krishnendu Datta, Sr. Advocate with Mr. Abhishek Anand, Mr. Siddhant Kant, Mr. Saurav Panda, Mr. Moulshree Shukla, Ms. Gayathri Balasubramaniam, Mr. Yash Tandon, Advocates for R1**
Mr. Abhijeet Sinha, Sr. Advocate with Ms. Ridhima Mehrotra, Ms. Heena Kochar, Advocates for CoC
Mr. Navneet Gupta, Advocate for RP

WITH

Company Appeal (AT) (Insolvency) No.801 of 2026

In the matter of:

Jagpal Singh Khangura **...Appellant**
Vs.
Navneet Gupta & Ors. **...Respondents**

For Appellant: **Mr. Kumar Anurag Singh, Mr. Zain A Khan, Mr. Abran Khan, Advocates**

For Respondents: **Mr. Krishnendu Datta, Sr. Advocate with Mr. Abhishek Anand, Mr. Siddhant Kant, Mr. Saurav Panda, Mr. Moulshree Shukla, Ms. Gayathri Balasubramaniam, Mr. Yash Tandon, Advocates for R1**
Ms. Ridhima Mehrotra, Advocate for CoC
Mr. Navneet Gupta, Advocate for RP

J U D G M E N T

(29th May, 2026)

Ashok Bhushan, J.

These two Appeals have been filed challenging the same order dated 17.03.2026 passed by the Adjudicating Authority (National Company Law Tribunal) Chandigarh Bench (Court II), Chandigarh in IA (IBC)/2486(CH)/2024 filed in CP(IB) No.180/Chd/Pb/2022. Application filed by the Resolution Professional being IA No.2486 of 2024 seeking a direction of eviction of the Respondent to the application who are now Appellant had been allowed by the impugned order. Company Appeal (AT) (Insolvency) No.686 of 2026 has been filed by Raman Khangura who was arrayed as Respondent No.4 to the IA No.2486 of 2024 whereas Company Appeal (AT) (Insolvency) No.801 of 2026 has been filed by Jagpal Singh Khangura who is father-in-law of Mrs. Raman Khangura. By the impugned order, Adjudicating Authority allowed the application filed by the Resolution Professional and directed the Appellant herein to vacate the premises within a period of two weeks failing which, the Resolution Professional was to seek assistance from Commissioner of Police, Ludhiana. Aggrieved by the said order, these Appeals have been filed.

2. Brief facts of the case necessary to be noticed for deciding these Appeals are:-

2.1. The Corporate Debtor- Majestic Hotels Limited owns five star hotel namely— Hotel Majestic Park Plaza situated in Ludhiana. The Corporate Debtor had taken financial facilities from Punjab and Sind Bank. Mrs.

Raman Khangura director of the Corporate Debtor mortgaged her residential property situated at Chandigarh as security for the loan. Punjab and Sind Bank for recovering its dues from the Corporate Debtor sold the mortgaged assets on 07.09.2015. Mrs. Raman Khangura, her husband Jasbir Singh Khangura and other family members including Jagpal Singh Khangura have been residing in 9th floor of the Hotel. UV Asset Reconstruction Company Ltd. claiming two separate assignment agreement dated 12.12.2017 from Tourism Finance Corporation of India and Tourism Finance Corporation of India filed Section 7 application against the Corporate Debtor being CP(IB) No.180 of 2022 claiming a default of Rs. 14,35,57,30,109/- as on 28.02.2022 which Section 7 application was admitted by Adjudicating Authority, Chandigarh vide order dated 03.07.2024. Mr. Navneet Gupta was appointed as an IRP who was confirmed as Resolution Professional of the Corporate Debtor. The Resolution Professional constituted the CoC which consisted sole Financial Creditor- UV Asset Reconstruction Company Ltd. 1st meeting of the CoC was held on 02.08.2024 where one of the Suspended Director Jasbir Singh Khangura along with others participated. Resolution Professional informed the CoC that the principal place of business of Corporate Debtor on 08.07.2024 i.e. Majestic Park Plaza and he has taken custody and control of various properties except for certain rooms and areas on 8th and 9th floor of Hotels which are in the possession of the Suspended Directors and their family/friends/associates from whom possession could not be taken. The CoC in the 1st CoC meeting advice the Resolution Professional to take appropriate action within the ambit of IBC with respect

to the assets of the Corporate Debtor. The Resolution Professional issued a notice dated 04.10.2024 to Jasbir Singh Khangura seeking vacation of the premises including rooms at the 9th floor. In the 3rd CoC meeting held on 11.10.2024, the Resolution Professional brought into the notice of the CoC that notice dated 04.10.2024 has already been issued to the ex-directors for vacating the premises from the Hotel room. The premises having not been vacated by ex-director and their family an application was filed by the Resolution Professional being IA No.2486 of 2024 seeking a direction to suspended director of the corporate debtor along with family, friends, relatives to handover the vacant and peaceful possession of the corporate debtor premises. In the application, subsequently, under the orders of the Adjudicating Authority, the Resolution Professional impleaded other Respondent namely— Mrs. Raman Khangura as Respondent No.4 to the application. The application filed by the Resolution Professional was replied by Jasbir Singh Khangura, member of suspended director as well as Mrs. Raman Khangura wife of Jasbir Singh Khangura. Mrs. Raman Khangura in its reply claimed right to continue in the occupation of the 9th floor on the basis of MoU dated 05.11.2015 entered with the Corporate Debtor and Arbitration Award dated 19.03.2019 between Mrs. Raman Khangura and the Corporate Debtor. Resolution Professional filed its rejoinder-affidavit to the reply submitted by Mrs. Raman Khangura and it is pleaded that in the record of the Corporate Debtor, MoU and Arbitration Agreement are not available nor the said has been disclosed in the financial statement of the Corporate Debtor. Mrs. Raman Khangura being director of the Corporate

Debtor was related party and required to be disclosed under the provisions of Section 188 of the Companies Act. Being a related party, transactions which were not disclosed, Resolution Professional pleaded that the said documents are sham and there is no right to the Respondent to continue to reside. Adjudicating Authority heard the parties and by impugned order dated 17.03.2026 has allowed the application.

2.2. Apart from vacation of 9th floor, there were other prayers in the application filed by the Resolution Professional for vacation of shops in 3rd floor and 8th floor. In these two Appeals, we are only concerned with rooms in 9th floor of the hotel. Adjudicating Authority after hearing the parties and noticing the respective contentions, held that the Respondent No.4 cannot be allowed to continue in the occupation of the premises on the strength of purported memorandum granting occupancy right to Respondent No.4. It was held that admittedly the assets belong to the corporate debtor and as per process provided in the Code, management of the CD is to be handed over to the Resolution Professional. The case of Mrs. Raman Khangura on the basis of MoU dated 05.11.2015 and Addendum dated 12.11.2025 and Arbitral Award dated 19.03.2019 was noticed. Adjudicating Authority observed that noticing the arrangement claimed by Mrs. Raman Khangura and the fact that Mrs. Raman Khangura has been shareholder and director, collusive/ fabricated nature of arrangement is reflected. In paragraphs 10 and 13, following has been held:-

> *"10. We are conscious of the fact that issue before us here is not as regards to whether the documents are genuine or fabricated, rather the issue is as to whether*

following the initiation of CIRP, the R1 and R4 and/or any other family members could be allowed to continue with their possession of the assets of the CD under the provisions of the Code. In that context we note that even if the residential house of R4 was auctioned by Punjab and Sind Bank, as the same was mortgaged as against the loan availed by the Corporate Debtor, the only recourse left to R4 was to file her claim before the Resolution Professional (RP). It is to be noted that R1 is Suspended Member of the Board of Directors of the CD, R4 is his wife who too have remained some time prior to CIRP as Director of the CD and both are continuing as a Shareholders also. As such they are amongst the ones responsible for the failure of the Corporate Debtor. The intent as per the provisions of the IBC is that if the Corporate Debtor has failed to meet its obligations in payment to the Creditors, then following the process as provided in the Code, management of the CD is to be handed over to a third person who could resolve the condition of insolvency of the said Corporate Debtor. Accordingly, R1 and R4 either individually or jointly cannot claim to be treated at par with third party creditors as they are the ones responsible for the failure of the CD and bringing it to the condition of insolvency. Their dues, if any, cannot get priority over other stakeholders such as Financial Creditors and other Creditors and therefore, they cannot be permitted to continue the possession over the properties of the CD on the strength of the said alleged agreements/purported Memorandum granting the occupancy right to R4. If they are allowed to continue their possession, then that would tantamount giving

her the priority over other stakeholders which would go against very intent of the Code.

13. Considering all these facts, we find that the Respondent Nos.1, 3 and 4 are illegally occupying the premises of the CD and are interfering in the process of finding resolution to the Corporate Debtor under the IBC. We accordingly direct R1, R3 and R4 and/or any third party who are occupying the premises on the strength of any further arrangement with these respondents to vacate the premises of the hotel, particularly the salon in second floor, 12-13 shops in third floor, the 5 rooms i.e. 1802 to 1806 on the 8th floor used for residence by Amandeep Khangura and the 9th floor portion used as such by R1 and R4 and their families as residence, within a period of two weeks from the date of pronouncement of this order.

We also direct that if the said premises are not vacated within the said period, the RP shall seek the assistance from the Commissioner of Police, Ludhiana and the Commissioner of Police Ludhiana is directed to ensure that requisite Police assistance is provided to the RP in getting the premises vacated within next two weeks. The Commissioner of Police as well as applicant Resolution Professional shall file a report thereon before this adjudicating authority forthwith."

2.3. Aggrieved by the impugned order, these two appeals have been filed.

3. For deciding both the appeals, it shall be sufficient to notice pleadings in Company Appeal (AT) (Insolvency) No.686 of 2026.

4. We have heard Shri Gaurav Mitra, Learned Counsel and Shri Kumar Anurag Singh, Learned Counsel for the Appellants in Company Appeal (AT) (Insolvency) No.686 of 2026 and Company Appeal (AT) (Insolvency) No.801 of 2026 respectively, Shri Krishnendu Datta, Learned Senior Counsel with Shri Abhishek Anand, Learned Counsel for the Resolution Professional and Shri Abhijeet Sinha, Learned Senior Counsel for the CoC.

5. In Company Appeal (AT) (Insolvency) No.686 of 2026, Resolution Professional has also filed an Affidavit bringing certain materials including minutes of the CoC meeting.

6. Shri Gaurav Mitra, Learned Senior Counsel appearing on behalf of Mrs. Raman Khangura in support of the Appeal submits that immovable property of Mrs. Raman Khangura which was mortgaged to the Punjab & Sind Bank situated at House No.237, Sector 9C, Chandigarh which was mortgaged to the Punjab & Sind Bank against the loan availed by the Corporate Debtor was sold by Bank on 07.09.2015. It is submitted that the MoU was entered between company and Mrs. Raman Khangura where Corporate Debtor acknowledged the loss suffered by the Appellant and agreed to pay compensation amounting to Rs.49,98,02,186/-. Memorandum granted occupancy rights and the compensation amount was to be paid by 05.11.2018. The MoU further provided that in case Corporate Debtor failed to pay the compensation amount in full within the agreed period then as per clause 5.4, Rs.10 Crore out of the compensation amount would be treated as commuted and shall be deemed to have been paid as an advance

payment made by the Appellant for continued occupancy of the premises i.e. 9th floor of the hotel premises. Dispute arose between the parties regarding memorandum and matter was referred to an arbitrator who gave an award on 19.03.2019 holding that the Corporate Debtor has defaulted in its obligation to pay compensation. Appellant- Mrs. Raman Khangura is entitled to continue occupying the premises in question. It is submitted by Learned Counsel that Mrs. Raman Khangura has obtained occupancy rights by virtue of MoU dated 05.11.2015 and in view of the Arbitral Award dated 19.03.2019, the right of appellant to continue to reside in the premises 9th floor along with his family members and friends cannot be disputed. Occupation of 9th floor by Mrs. Raman Khangura and her family members was based on valid contractual agreement with the corporate debtor with which contractual arrangement Resolution Professional is bound. It was not open for the Adjudicating Authority to set aside the Arbitral Award dated 19.03.2019 and direct eviction of the Appellant. Arbitral Award can be set aside only by an application under Section 34 of the Arbitration & Conciliation Act. Adjudicating Authority erred in holding that there is no dispute between the parties which would have prompted them to approach the arbitrator. Observation of the Adjudicating Authority that the memorandum regarding occupancy rights and the arbitral award were collusive in nature are not correct. Resolution Professional cannot be allowed to short-circuit the due process of law. It was open for the Resolution Professional to file proceeding for setting aside the arbitral award. Appellant has right to continue on 9th Floor.

7. Shri Kumar Anurag, Learned Counsel appearing for the Appellant in Company Appeal (AT) (Insolvency) No.801 of 2026 submits that the occupancy arrangement were granted to Mrs. Raman Khangura and the Appellant- Jagpal Singh Khangura was residing with Mrs. Raman Khangura and was not made party to the application nor was issued any notice or opportunity by the Adjudicating Authority. Under the direction passed by the Adjudicating Authority. Appellant is also likely to be evicted, hence, he has filed the appeal. Adjudicating Authority could not have returned the finding that occupancy agreement and arbitral award were collusive/ fabricated and self-serving.

8. Shri Krishnendu Datta, Learned Senior Counsel appearing for the Resolution Professional opposing the submissions of the Appellant submits that admittedly the Hotel is the asset of the Corporate Debtor which asset is duly reflected in the financial document of the Hotel Majestic Park Plaza. It is shown in the balance sheet of F.Y. 2022-2023 and 2023-2024, the corporate debtor being undisputed owner. After initiation of the CIRP, Resolution Professional is fully competent to take possession of the assets of the corporate debtor under Section 25 of the IBC. The impugned order has rightly doubted authenticity of document as collusive/fabricated MoU and Arbitral Award. Arbitral Award was sham/ collusive. It is submitted that there is no disclosure of the MoU and in the company record including director report being related party transaction. There is no mention in the financial statement of 2015-2016, whereas it was executed when Mrs.

Raman Khangura was a director and 11.05% shareholder and her husband was 28.81% shareholder and Managing Director of the Corporate Debtor. Being related party transaction it required express approval of the shareholders with strict disclosure under Section 188 of the Companies Act. The document which has been received by the Resolution Professional does not contain the MoU or the Arbitral Award. Absence of disclosure about the MoU and Arbitral Award which was related party transaction makes the whole things suspicious and unbelievable. The document has surfaced only when application was filed by the Resolution Professional in the reply filed by Mrs. Raman Khangura. It is submitted that in the 1st CoC meeting, Jasbir Singh Khangura husband of Mrs. Raman Khangura was present as Suspended Director when he was enquired about the possession of 9th floor, he was ignorant of any contractual arrangement rather he stated that the suspended directors are occupying as perquisite of the office. MoU is neither registered document under the Registration Act, 1908 nor is stamped. The document is wholly inadmissible. MoU itself being non-existent, Arbitral Award becomes questionable and meaningless. Learned Counsel for the Respondent further submitted that the serial continuity in notarial/ stamp records of the documents makes the whole thing doubtful. Mrs. Raman Khangura is related party creditor and entitled to file claim in the CIRP. Illegal occupation by the Appellant is in violation of Code. Mrs. Raman Khangura and her family members have no right to occupy the assets of the Corporate Debtor. Even the so-called commuted sum of Rs.10 Crore as claimed by the Appellant- Mrs. Raman Khangura stand adjusted which is

apparent from ledger account of Mrs. Raman Khangura maintained by the corporate debtor. It shows that payment of Rs.19.35 Crores has been made to the corporate debtor between 2015-2016 to 2024-2025. Resolution Professional was fully entitled to take possession of the asset of the corporate debtor which was unauthorisedly occupied by Mrs. Raman Khangura and her family members. Jagpal Singh Khangura is father of Jasbir Singh Khangura, husband of Mrs. Raman Khangura and was former shareholder and director of the corporate debtor. In the application filed by the Resolution Professional, there was prayer for eviction of Jasbir Singh Khangura along with his wife, friends, relatives and acquaintances which shall specifically cover Jagpal Singh Khangura. No separate right has been claimed by Jagpal Singh Khangura except relying on rights of Mrs. Raman Khangura by virtue of MoU. MoU claimed by Appellant- Mrs. Raman Khangura for occupancy right in the hotel premises being unregistered, no rights can flow by the said document in favour of Mrs. Raman Khangura. In any view of the matter even if the case of Mrs. Raman Khangura for argument sake is that the compensation amount was agreed to be paid is not paid, she was required to file claim in the CIRP and cannot be allowed to continue in possession for alleged realisation of her compensation amount. Both the appeals have no merits and deserve to be dismissed.

9. Learned Counsel for the CoC refuting the submissions of the Appellant submits that there is statutory mandate of Section 18(1)(f) of the Code to take control and custody of all assets of the Corporate Debtor even the assets which may not be in possession of corporate debtor but over

which the corporate debtor has ownership rights has to be taken in possession. The CoC has authorised the Resolution Professional to take appropriate action. Resolution Professional has issued eviction notice and thereafter filed an application. Alleged MoU and Arbitral Award are collusive unenforceable and cannot defeat the IBC. Arbitral award has never been enforced, no execution proceedings were ever initiated and no right of possession ever crystallized. Adjudicating Authority after considering the submissions of both the parties in detail have issued direction to the Appellant to vacate the premises which is in accordance with law.

10. We have heard Learned Counsel for the parties and perused the record.

11. Learned Counsel appearing for Mrs. Raman Khangura has contended that the immovable property of Mrs. Raman Khangura situated in Chandigarh was mortgaged for the loan obtained by the corporate debtor from Punjab & Sind Bank. Punjab & Sind Bank has auctioned the House No.237, Sector 9C, Chandigarh on 07.09.2015 for Rs.43.69 Crores. Financial assistance provided was of Rs.19.15 Crore. It is on the record that access amount received from sale of the mortgaged assets of Mrs. Raman Khangura was paid by the Bank to Mrs. Raman Khangura amounting to Rs. 14,20,87,814/-. The mortgage made by Mrs. Raman Khangura was third party mortgage and Mrs. Raman Khangura was not guarantor of the loan so as to have any right to claim any payment from the Corporate Debtor. The basis of claim by Mrs. Raman Khangura is MoU which is claimed to have

been entered between Mrs. Raman Khangura and the corporate debtor on 05.11.2015. According to Mrs. Raman Khangura, under the said MoU, the corporate debtor agreed to pay compensation on account of residential property of Mrs. Raman Khangura having been auctioned. Compensation amount as referred is Rs.49,98,02,186/-. The compensation period was mentioned as 36 months from 05.11.2015. According to MoU, the corporate debtor agreed to make the payment of compensation or transfer a property. When default of obligation under Clause 5.4, following was provided:-

> *"**5.4 Default by First Party of its Obligations Under this Agreement.***
>
> - *If the First Party fails to fulfil the First Party's Obligation in full within the Compensation Period, the outstanding amount up to Rs. 10,00,00,000 (Rupees Ten Crores), or such lesser sum as remains due, shall be deemed the Commuted Sum, treated as an advance by the Second Party for continued occupancy of the Premises in Question.*
> - *The Commuted Sum shall be adjusted at Rs. 3,00,000 per month, with a 12% annual escalation starting from 05/11/2018, against occupancy charges until the Commuted Sum is exhausted or the First Party fulfils its obligations.*
> - *The Second Party and her Direct Family Members shall be entitled to fully serviced accommodation in the Premises in Question until the Commuted Sum is exhausted or the First Party's Obligation is fulfilled."*

12. In the reply which was filed by Mrs. Raman Khangura to the application filed by the Resolution Professional for the first time, the defence relying on MoU and Arbitral Award was taken. Resolution Professional has filed a rejoinder-affidavit to the reply of Mrs. Raman Khangura and has made specific pleadings which need to be noted. At the very outset, Resolution Professional has pleaded that Occupancy Agreement is not part of the statutory records, books of account or official documents of the Corporate Debtor. Neither the Arbitral Award is part of the records of the corporate debtor. Occupancy Agreement is neither registered nor adequately stamped. In paragraph 6, following was stated:-

> *"6. At the outset, the Applicant questions the veracity and authenticity of the Occupancy Agreement along with the Addendum as they are not part of the statutory records, books of account, or official documents of the Corporate Debtor. Similarly, that Arbitral Award is not part of the records of the Corporate Debtor either. The Occupancy Agreement is neither registered under the Registration Act, 1908 nor adequately stamped as required by the Indian Stamp Act, 1899 and therefore, it cannot be relied upon to establish or enforce any purported rights accruing to the Respondents. Further, the Arbitral Award is also not sufficiently stamped under the Indian Stamp Act, 1899 and therefore, cannot be relied upon and it is liable to be impounded."*

13. The Resolution Professional has also referred to and relied on 1st CoC meeting held on 02.08.2024. In the 1st CoC meeting, the husband of Mrs.

Raman Khangura, Jasbir Singh Khangura who was Managing Director of the Corporate Debtor was present. It is relevant to notice the minutes of the 1st CoC meeting which is part of the application filed by the Resolution Professional. Resolution Professional before the CoC has informed that it visited the hotel premises on 08.07.2024 and taken over the custody and control except 8th and 9th floor of the hotel which is in possession of the Suspended Director. Jagpal Singh Khangura, the Suspended Director who was present in the CoC meeting was questioned as to on what basis family of Mrs. Raman Khangura was occupying the premises. It is useful to notice following part of the minutes of the 1st CoC meeting:-

> *"He further informed that during his visit on 08.07.2024 he had taken a round around the hotel unit & assets of the CD along with GM and CFO of the Company and a detailed report was asked from the GM of the unit and it had been informed to the IRP that the Mr. Khangura & his family/friends/associates are residing at the 8th & 9th Floor of the Hotel unit building which is owned by the Corporate Debtor, IRP further submitted that instruction has been passed to complete the inventory list of each and every deptt. of the unit, and same is received except few items, subsequently independent verification of the assest of the CD can also be made through professional firm,*
>
> *Members representing UVARC expressed their concern regarding this and enquired as to how and in what capacity the Suspended Directors and/or their relatives are in the possession of the assets belonging to the Corporate Debtor.*

To this Mr. Khangura submitted premises in occupation of Suspended Director was the farmily home of Mr. Khangura,

Members representing UVARC enquired whether the same had been disclosed in the balance sheet or any other statutory filing of the Corporate Debtor and whether any consideration is being paid in respect of the same to the Corporate Debtor. To which Mr. J.S. Khangura submitted that he is not aware.

Members representing UVARC asked Mr. Khangura that he is occupation of the premises, not paying and how come he is not aware this information & whether this fact has been ever disclosed by the Corporate Debtor to its shareholders, Regulators and to the Ministry of Corporate Affairs.

To this Mr. Khangura submitted that it is the benefit enjoyed by the Promoters and he further replied that there is no statutory obligation to disclose the perks enjoyed by the promoter to shareholders.

Members representing UVARC contested and emphasized that this is not permissible since the company is a separate legal entity from its owners and assets of the company are not the assets of the promoters and if any property is being utilized or any transactions are being done with the related parties, it should be completely on an arm's length basis.

Members representing UVARC requested IRP to check what kind of consideration is being paid with respect to the premises occupied by the suspended director/their relatives. Members representing UVARC also inquired from IRP whether in terms ofmBI regulations is it permissible to not take over the assets of the CD which

are in possession of Suspended Directors. IRP responded that in tenns of provisions of Section 18 of me, it is the duty of an IRP to take control and custody of any asset over which the corporate debtor has ownership rights. To this member representing UVARC instructed and directed the IRP that since it is not permissible as per law, the IRP shall initiate appropriate & adequate steps for vacating the premises which is in occupation of family and friends of CD.

Mr. Khangura further clarified & submitted that the occupation on 9th Floor is his perquisite as Promoter and occupation on 8th floor is at arm's length basis commercial arrangement.

The Member representing UVARC emphasized that the CoC meeting is the appropriate forum and also advised the IRP to take appropriate actions within the ambit of me."

14. It is relevant to notice that the meeting took place on 02.08.2024 immediately after commencement of the CIRP on 03.07.2024 and Suspended Director of the Corporate Debtor who was present. Jasbir Singh Khangura, the husband of Mrs. Raman Khangura was present who was also Director and Managing Director of the corporate debtor when enquired, informed that the directors are residing as perquisite of promoters on 9th floor. Had there been any MoU or Arbitral Award as claimed by Mrs. Raman Khangura in existence. There was no reason as to why the same could not have disclosed as first opportunity which was given to suspended director to explain on to what basis they are residing in 9th floor. It is to be noted that Jagpal Singh Khangura thereafter did not participate in any meeting of the

CoC and absented himself. Another Suspended Director Mr. Kewal Krishan Sharma who attended the subsequent meeting of the CoC was continuously asked as to on what basis the Suspended Directors are residing in the premises. We may refer to 3rd CoC meeting held on 11.10.2024 where Mr. Kewal Krishan Sharma was present and notice for vacation given by Resolution Professional to Suspended Director was noticed and Mr. Kewal Krishan Sharma was asked as to why Jasbir Singh Khangura is not vacating the premises. Mr. Kewal Krishan Sharma expressed its ignorance. It is useful to notice following part of Agenda Item No.3 which is as follows:-

> ***"2. Notice for vacating the premises in possession of Suspended Directors of Corporate Debtor***
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> *The Resolution Professional informed the committee that acting on the advice/suggestion of Committee during the 1 and 2nd meeting, the Resolution Professional, through his legal counsel has issued legal notice on 04.10.2024 to the Director (powers suspended) of the Corporate Debtor, Mr. Jasbir Singh Khangura and others for vacating the premises of Corporate Debtor which is in his possession.*
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> *The Resolution Professional screen shared the said legal notice issued on 04.10.2024 whereby 5 days notice period was given to Mr. Jasbir Singh Khangura for vacating the premises of Corporate Debtor. The said notice was discussed and deliberated in the meeting in detail.*
>
> *The CoC member asked the RP, to appraise committee about the areas which is still not being handed over to the RP, the Resolution Professional informed the committee that as per his knowledge a saloon at the 2nd floor, thirteen shops at the 3rd floor, which is the main lobby area, coffee shop and front office is there apart from other amenities, and room Nos. 1802 to 1806 at the 8th floor and all rooms at the 9th floor of Majestic Park Plaza, Bhai Bala Chowk Ferozpur Road, Ludhiana -141002 are in unauthorised and illegal*

occupation Mr. Jasbir Singh Khangura and his family/friends/relatives/acquaintances. Further, the Resolution Professional apprised the committee that said 5 days' notice expired on 10.10.2024. However, neither any response has been received from Mr. Jasbir Singh Khangura in respect of the said legal notice nor he has vacated the premises of the Corporate Debtor in his occupation.

Member representing UVARC were displeased with the conduct of Mr. Jasbir Singh Khangura and enquired from Mr. Kewal Krishan Sharma if he is aware as to why Mr. Jasbir Singh Khangura is not vacating the premises of Corporate Debtor in his occupation. Mr. Kewal Krishan Sharma informed the committee that Mr. Khangura will be the right person to answer this question and as such he is not aware about the affairs of Mr. Jasbir Singh Khangura.

The member representing UVARC further enquired from Mr. Kewal Krishan Sharma that being a director of Corporate Debtor, he must be aware about all the affairs concerning the Corporate Debtor. Mr. Kewal Krishan Sharma submitted that before the commencement of CIRP he was handling and has full knowledge of matters pertaining to the Corporate Debtor. However, post initiation of CIRP all the management of affairs of Corporate Debtor is vested with Resolution Professional. Mr. Sharma clarified that he is not residing in the premises of Corporate Debtor and it is Mr. Khangura who is occupying the premises of the Corporate Debtor."

15. Further, the Resolution Professional has categorically pleaded in his Affidavit filed in IA No.2486 of 2024 that neither MoU nor Arbitral Award is part of the records of the Corporate Debtor. Further, it was also pleaded by Resolution Professional that Mrs. Raman Khangura being Director at the time when MoU is claimed to have been executed, the said transaction was related party transaction but there is no disclosure of any related party

transaction. In paragraphs 11 and 12 of the rejoinder-affidavit, following has been pleaded:-

> *"11. Further, R-2 changed the minutes of meeting of 4th meeting of Committee of Creditors before filing these in this Tribunal. There was no item in the Agenda to discuss about the filing of application for extension of time for CIRP proceedings and it was discussed in the meeting without agenda and it was agreed to file for extension of 45 days but later on he changed the time to 90 days of extension.*
> *12. It was thereafter prayed that either the Committee of Creditors or the resolution process should not continue any further and the same should be suspended forthwith. It was also prayed that R-2 (RP) has failed to initiate penal action under Section 236 of the Code as PNB and Reconstruction Companies are liable for punishment under Section 74(2) of the Code. Even the Committee of Creditors has failed to take action against R-2 - RP under Section 70(2) of the Code. The application has been filed with a prayer to appoint independent valuer, suspend the Committee of Creditors and resolution proceedings; restrain the RP to continue the resolution process and initiate criminal prosecution against the respondents."*

16. The above facts clearly throw a considerable doubt over contemporaneous existence of the MoU and the Arbitral Award. It is also the view expressed by the Adjudicating Authority. Adjudicating Authority has rightly observed that "*We fail to understand that how there could have arisen a dispute as regards to the terms and conditions whereby occupancy right is*

stated to have been given to R4 through the said alleged agreement/purported memorandum dated 05.11.2015 and more so, when her husband happens to be the Director of the CD." Adjudicating Authority, however, has observed that "*the issue before us is not as regard to whether is not as regards to whether the documents are genuine or fabricated, rather the issue is as to whether following the initiation of CIRP, the R1 and R4 and/or any other family members could be allowed to continue with their possession of the assets of the CD under the provisions of the Code.*" In paragraph 10 of the impugned order, the Adjudicating Authority made following observations:-

> *"10. We are conscious of the fact that issue before us here is not as regards to whether the documents are genuine or fabricated, rather the issue is as to whether following the initiation of CIRP, the R1 and R4 and/or any other family members could be allowed to continue with their possession of the assets of the CD under the provisions of the Code.*
> *In that context we note that even if the residential house of R4 was auctioned by Punjab and Sind Bank, as the same was mortgaged as against the loan availed by the Corporate Debtor, the only recourse left to R4 was to file her claim before the Resolution Professional (RP). It is to be noted that R1 is Suspended Member of the Board of Directors of the CD, R4 is his wife who too have remained some time prior to CIRP as Director of the CD and both are continuing as a Shareholders also. As such they are amongst the ones responsible for the failure of the*

Corporate Debtor. The intent as per the provisions of the IBC is that if the Corporate Debtor has failed to meet its obligations in payment to the Creditors, then following the process as provided in the Code, management of the CD is to be handed over to a third person who could resolve the condition of insolvency of the said Corporate Debtor. Accordingly, R1 and R4 either individually or jointly cannot claim to be treated at par with third party creditors as they are the ones responsible for the failure of the CD and bringing it to the condition of insolvency. Their dues, if any, cannot get priority over other stakeholders such as Financial Creditors and other Creditors and therefore, they cannot be permitted to continue the possession over the properties of the CD on the strength of the said alleged agreements/purported Memorandum granting the occupancy right to R4. If they are allowed to continue their possession, then that would tantamount giving her the priority over other stakeholders which would go against very intent of the Code."

17. We need to look into the rights of occupation as claimed by Mrs. Raman Khangura on basis of MoU dated 05.11.2015 and to examine as to whether such MoU can give right to continue with the possession after initiation of CIRP on 03.07.2024. The MoU is unregistered, unstamped document. MoU noticed the sale of the mortgaged assets of Mrs. Raman Khangura by Punjab & Sind Bank on 07.09.2015 for an amount of Rs.43,69,00,000/-. Mrs. Raman Khangura also received an amount of Rs.14,20,87,814/- that was balance of clearance of liability. As per MoU, the

corporate debtor decided to grant compensation to Mrs. Raman Khangura to the extent of Rs.49,98,02,186/- which compensation amount to be paid within three years i.e. upto 05.11.2018. We have already noticed Clause 5.4 which deals with 'default by first party of its obligations under the agreement'. Thus, after 05.11.2018, the right of occupation is being claimed by Mrs. Raman Khangura on basis of alleged amount commuted sum of Rs.10 Crores which was treated as an advance.

18. The occupancy rights in any immovable property can be claimed by means of a lease/license in the property. The Transfer of Property Act provides that the lease which is a lease for a period of more than a year can be only by registered agreement. The MoU being unregistered agreement, no right of occupancy can be claimed by an un-registered document. No right of occupation in the immovable property can be claimed and further after commencement of the CIRP it is the obligation of the Resolution Professional to take possession of all assets of the corporate debtor on which corporate debtor has ownership right. The ownership right of the corporate debtor is not even disputed by any of the parties. The MoU cannot be said to give any occupancy right in immovable property in favour of Mrs. Raman Khangura, the shareholder and ex-director of the corporate debtor. Learned Counsel for the Respondent No.1 has rightly submitted that even if the claim of Mrs. Raman Khangura is accepted that she had certain unpaid dues as per MoU, it was open for Mrs. Raman Khangura to file a claim in CIRP whereas no claim has been filed in the CIRP by Mrs. Raman Khangura or any other family members who is residing in 9th floor of the hotel.

19. In the above reference, we need to notice two recent judgments of this Tribunal relied by Counsel for Respondent No.1, ***"Gir Vanvaso Resort v. Pancard Clubs Ltd.- 2025 SCC OnLine NCLAT 2091"*** was a case where after initiation of the CIRP, Resolution Professional had filed an application to take possession of the assets of the Corporate Debtor which was in possession of the Appellant- Gir Vanvaso Resort who claim the possession on basis of MoU dated 06.12.2013 entered with the corporate debtor under which Appellant has advance certain amounts to the corporate debtor who in event was unable to return the amount was liable to execute transfer the assets in favour of the Appellant. Resolution Professional has filed an application for taking the possession of the assets which was allowed by the Adjudicating Authority against which appeal was filed by Gir Vanvaso Resort. This Tribunal in the above judgment held that MoU dated 06.12.2013 was not a registered document on which basis no right or possession in the assets of the corporate debtor could be claimed and Appellant was treated to be unauthorised occupant. In paragraph 38, following was held:-

> *"38. We having found that the MoU dated 06.12.2013 is not legally valid document to claim any right of possession of the said assets of the Corporate Debtor. Appellant has to be treated to be in unauthorised and wrongful possession of the assets....."*

20. Another judgment which has been relied by the Respondent is judgment of this Tribunal dated 27.03.2026 in Company Appeal (AT)

(Insolvency) No.187 of 2026 ***"Classic Marble Company Pvt. Ltd. vs. Truvisory Insolvency Professional Pvt. Ltd. & Anr."***. In the above case, Corporate Debtor's assets were occupied by Classic Marble who claimed that he is to continue in possession as per permission and there being dues on the corporate debtor, Appellant was entitled to continue till dues are cleared which was the case set up by the Appellant. This Tribunal held that the Resolution Professional could have taken steps to take possession of the assets belonging to the corporate debtor. In paragraphs 15, 16 & 17, following was held:-

> *"15. Counsel for the Respondent has relied on judgment of this Tribunal in "M/s. Jhanvi Rajpal Automotive Pvt. Ltd. vs. R.P. of Rajpal Abhikaran Pvt. Ltd. Company Appeal (AT) (Ins.) No.1417 of 2022" decided on 05.01.2023. In the said judgment, issue of similar nature came for consideration. One of the questions which was framed by this Tribunal in paragraph 8(i) was 'whether the Adjudicating Authority had jurisdiction to entertain IA filed by the RP seeking direction to the Appellant to handover the possession of the premises which premises was owned by the Corporate Debtor?'. Question 8(i) is as follows:-*
>
> > *"i. Whether the Adjudicating Authority had jurisdiction to entertain I.A. No. 200 of 2022 filed by the RP seeking direction to the Appellant to hand over the possession of the premises which premises was owned by the Corporate Debtor?"*
>
> *16. This Tribunal heard the parties, noticed Section 18, Section 25 as well as Section 60(5) of the IBC. In paragraph 14, it was held that when there is no dispute*

that assets in question is owned by the Corporate Debtor, Resolution Professional can take steps for taking possession of the assets of the Corporate Debtor. In the above case, this Tribunal had also noted one of the judgments relied by the Appellant. The submission of the Appellant that Resolution Professional has to file a suit to get eviction order was also considered and negated. In paragraphs 20 and 21, following was held:-

> *"20. Accepting the contention of the Learned Counsel for the Appellant that RP is obliged to file a suit for eviction of the Appellant under MP Accommodation Control Act, 1961 even though lease in favour of the Appellant has expired shall be unduly prolonging the insolvency process which is a time bound process. When the Corporate Debtor has the ownership rights over the premises which premises can be taken in control by IRP/RP, we are of the view that for eviction of the Appellant especially in event when lease in favour of the Appellant has come to an end, filing a suit is not contemplated in the statutory scheme contained in IBC.*
>
> *21. Thus, the contention of the Appellant that RP has to file a suit for eviction of the Appellant under the MP Accommodation Control Act, 1961 can not be accepted. We thus, in view of the foregoing discussions are of the considered opinion that Adjudicating Authority has rightly allowed the Application filed by the RP directing the Appellant to vacate from the premises so that Resolution Plan which has been approved can be implemented. We thus do not find any merit in the Appeal, the Appeal is dismissed."*

17. The above judgment was also affirmed by the Hon'ble Supreme Court by its judgment and order dated 10.02.2023 in "Jhanvi Rajpal Automotive P. Ltd. vs. R.P. of Rajpal Abhikaran P. Ltd. & Anr.- 2023 SCC OnLine SC 1535".”

21. Further in paragraph 30, following was held:-

“30. In any view of the matter, the permission granted by the Corporate Debtor to occupy the premises shall be treated to have come to an end after winding up petition were initiated by the order of the Bombay High Court dated 05.10.2016 and liquidator was directed to take possession of the assets by the High Court and liquidator proceeded to premises on 04.06.2011 to take possession and symbolic possession was taken. After initiation of CIRP when the Resolution Professional has issued two notices to the Appellant to vacate, any permission to occupy the premises shall not continue and shall come to an end. Insofar as reliance of the Appellant on various registration including registration under MTNL, GST registration, Insurance Policy, shop registration are concerned, they were registrations obtained by the Appellant to carry out its business and the said registration in no manner help the Appellant to prove any kind of right in the premises. Registration Certificate dated 01.01.2017 under Maharashtra Shop and Establishment Act 2017 was filed by the Appellant before the Bombay High Court. The said registration certificate in paragraph 3 clearly provided as follows:-……”

22. The above judgment of this Tribunal was affirmed by the Hon’ble Supreme Court in Civil Appeal No.4499 of 2026 decided on 24.04.2026 by

affirming the judgment and granting three months time to Appellant to vacate the premises. In the present case, the assets belong to the corporate debtor which is undisputed fact. After 1st meeting of the CoC held on 02.08.2024, Resolution Professional issued a notice on 04.10.2024 to Jasbir Singh Khangura, the Suspended Director who was residing in the premises to vacate.

23. Initially in the application IA No.2486 of 2024 which was filed by the Resolution Professional only Jasbir Singh Khangura was impleaded but subsequently other Respondents including Mrs. Raman Khangura was included who filed reply to which rejoinder was also filed. The prayers which were made in the IA No.2486 of 2024 were to the following effect:-

> *"(a) Pass an order directing the Respondent No. 1, the suspended director of the Corporate Debtor, along with his family/ friends/relatives/ acquaintances to forthwith vacate the CD Premises and hand over the vacant and peaceful possession of the CD Premises to the Applicant in terms of the provisions of the Code; and/or*
> *(b) Pass an order directing the police authorities to provide necessary assistance and cooperation in obtaining the vacant and peaceful possession of the CD Premises by the Applicant; and/or*
> *(c) Pass an ad-interim order allowing physical access of the CD Premises to the Applicant to (i) obtain valuation of the CD Premises; and (ii) take inventory of the assets lying in the CD Premises, during the pendency of the present application; and/or*

(d) Pass any such other orders as this Hon'ble Tribunal may deem fit."

24. The prayer was made for eviction of suspended director of the corporate debtor along with family, friends, relatives, acquaintances.

25. From the materials brought on record and plea raised by the Respondent to the application of Resolution Professional, the claim was based on MoU dated 05.11.2015 entered with the corporate debtor with Mrs. Raman Khangura and Arbitral Award claim to be passed on 19.03.2019. We have already noticed the claim based on MoU and held that on the said MoU, no right of occupation can be claimed in the immovable property of the corporate debtor. As noted above, at best Mrs. Raman Khangura could have claimed on the basis of MoU that she has certain amount to recover from the corporate debtor as per agreement between the corporate debtor and Mrs. Raman Khangura for which amount, it was open for Mrs. Raman Khangura to file a claim in the CIRP but that cannot be a ground to occupy the premises of the CIRP on suppose ground that her commuted sum of Rs.10 Crore is to be exhausted by deducting amount of Rs.3 lakhs per month. The hotel is mortgaged to the secured creditors and no encumbrances on the assets have been disclosed to the secured creditor and in any other documents which clearly belies the case set up by Mrs. Raman Khangura of obtaining occupancy right from the corporate debtor.

26. Much reliance has been placed by the Learned Counsel for the Appellant on Arbitration Award dated 19.03.2019. Adjudicating Authority

has rightly expressed its doubt about any dispute between Mrs. Raman Khangura and the corporate debtor which could have given rise to the arbitration proceeding. Arbitration award is not part of the record of the corporate debtor and for the first time has been filed in the reply filed by Mrs. Raman Khangura to the IA filed by the Resolution Professional. Husband of Mrs. Raman Khangura in the 1st meeting of the CoC held on 02.08.2024 has not even disclosed any such claim of Mrs. Raman Khangura his wife to occupy the premises rather he stated before the CoC that promoters are residing in the premises as perquisite of the promoters which exposes the entire case set up by Mrs. Raman Khangura which clearly appears to be an afterthought and is not acceptable. Adjudicating Authority is also right in its observation that MoU and Arbitral Award appear to be collusive. When MoU itself cannot give any right to Mrs. Raman Khangura, on the immovable property, Arbitral Award could not have granted any higher right to Mrs. Raman Khangura. Entire facts or sequence of the events and circumstances of the case indicate that no reliance can be placed on MoU as well as the Arbitral Award which were prepared only for the purpose of the case and do not find mention in any of the records of the Corporate Debtor nor in any annual report or the financial statement. MoU being related party transaction was required to be disclosed by virtue of Section 188 of the Companies Act. Resolution Professional has specifically pleaded that neither MoU nor Arbitral Award is part of the record of the Corporate Debtor nor has been reflected in any of the financial statement or annual

report of the corporate debtor which clearly throws considerable doubt over their contemporaneous existence as has been pleaded by the Respondent.

27. Insofar as submission raised by the Counsel for the Appellant in Company Appeal (AT) (Insolvency) No.801 of 2026 that Appellant has not been issued any separate notice nor was made party to the application. We have already noticed the prayers made in the application filed by the Resolution Professional which prayer clearly pleaded that direction against the suspended director, their family members and relatives. There were no independent right claimed by Jagpal Singh Khangura except reliance on the right of Mrs. Raman Khangura to occupy the 9th floor. Prayer was seeking direction to vacate Suspended Director along with family, friends, relatives, acquaintances which prayer clearly included the direction to vacate by any other family member of the suspended director, we having not found any merit in the appeal filed by Mrs. Raman Khangura, the Appeal filed by Jagpal Singh Khangura also needs to meet the same fate.

28. In view of the foregoing discussions, we do not find any error in the order passed by the Adjudicating Authority allowing the application filed by the Resolution Professional directing the Appellant to vacate the premises. Both the appeals are dismissed. Adjudicating Authority by the impugned order having granted two weeks' time to the Appellant to vacate the premises, Appeal being decided by order of the date. We grant further two weeks' time from today to the Appellant to vacate the premises, failing

which, the Resolution Professional to seek assistance of the Commissioner of Police, Ludhiana to get premises vacated.

29. Subject to the above, both the appeals are dismissed. Parties shall bear their own costs.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

New Delhi

Anjali