IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.305
IA/522(AHM)2025
in
CP(IB) 89 of 2017

Under Section 60(5) IBC

IN THE MATTER OF:

Mr. Masoon Yunus Patel ....**Applicant**
V/s
Shri Dushyant C Dave Liquidator of M/s Siddhi Vinayak Logistic Limited & Anr ....**Respondent**

Order delivered on: 15/09/2025

Coram:

MR. SHAMMI KHAN, HON'BLE MEMBER(J)
MR. SANJEEV SHARMA, HON'BLE MEMBER(T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

-SD-

SHAMMI KHAN
MEMBER (JUDICIAL)

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD

IA/522(AHM)2025
in CP(IB)/89(AHM)2017

(An Application under Section 60(5) of the IBC, 2016)

In the matter of : Siddhi Vinayak Logistics Ltd

Mr. Masoon Yunus Patel,

Proprietor of Panam Transport
Age: Adult, Occupation: Business
Having registered office at:
16/17, Mariyam Park,
Jambusar road, Ankleshwar,
Bharuch- 392001.

... **Applicant/AP**

VERSUS

1. **Shri Dushyant C Dave,**
Liquidator of M/s Sidhhi Vinayak
Logistic Limited,
Having office at:
1101, Dalamal Towers,
Nariman Point, Mumbai- 400021.

2. **Gujarat Industrial Development Corporation,**
Having address at:
Commercial Plot No. 320, Asian Trade
Centre, Nr. Asia Paint Crossroad,
Bharuch, Gujarat- 392001.

... **Respondents**

Order Pronounced on 15.09.2025

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Applicant : Mr. Dev Shah, Adv.
For the Respondent : Ms. Swati Vyas, Adv. for R-1
: Mr. Aman A. Mir, Adv. for R-2

O R D E R
Per: Bench.

1. This Interlocutory Application was filed by the Applicant/Mr. Masoon Yunus Patel, Successful Bidder of the alleged property of the Corporate Debtor (CD), seeking the following reliefs:

a) This Hon'ble Tribunal may be pleased to allow the present Application;

b) This Hon'ble Tribunal may be pleased to direct the Opponent No. 2 to record the transfer of the rights, title and interest in the property being Plot No. D-2/E/290 in Dahej-II, GIDC Industrial Estate consisting of Revenue Surveys No. 88/P, 83/P & 84/P, within village limits of Galenda, Taluka Vagra, District - Bharuch and further to also enter into a Lease Deed in favor of the Applicant;

ALTERNATIVELY

This Hon'ble Tribunal may be pleased to direct the Opponent No.1 to refund the sale consideration of Rs. 64,48,604/- as paid by the Applicant in the auction so conducted by the

Liquidator of the corporate debtor being Siddhi Vinayak Logistics Limited (hereinafter referred to as 'SVLL') on September 20th, 2022 for sale of Plot No. D-2/E/290 in Dahej-II, GIDC Industrial Estate consisting of Revenue Surveys No. 88/P, 83/P & 84/P, within village limits of Galenda, Taluka - Vagra, District - Bharuch;

c) This Hon'ble Tribunal may be pleased to direct the Opponent No.1 to register and enter into a deed of assignment/sale deed with respect to the Plot No. D-2/E/290 in Dahej-II, GIDC Industrial Estate consisting of Revenue Surveys No. 88/P, 83/P & 84/P, within village limits of Galenda, Taluka Vagra. District-Bharuch;

d) This Hon'ble Court may be pleased to declare that the Applicant shall not be liable to make any payment to the Opponent No.2 towards any outstanding dues including any costs, penalties, non-occupation charges, fines etc. if any.

e) Any other and further relief as this Hon'ble Tribunal may deem fit.

2. Facts of the Application are as follows: -

I. It is stated that the Applicant has preferred an Interlocutory Application ("the Application") under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("the Code") in the said petition C.P. (I.B.) No.89 of 2017. It is stated that Siddhi Vinayak Logistics Limited (hereinafter: SVLL) is undergoing liquidation proceedings and that vide Order dated 19.11.2018, the Opponent No.1 is appointed as the Liquidator by the Hon'ble National Company Law Tribunal, Ahmedabad Bench. The Order dated 19.11.2018 is attached hereto and marked as ITEM - A.

II. Further, as per the direction of the Hon'ble NCLT the Liquidator had conducted an auction on 20.09.2022 for sale of the said property wherein the applicant had submitted the highest bid to purchase the said property and the same had become final. Thereafter the Applicant had made complete payment of the amount of consideration for the said property and the Liquidator had agreed to sell / transfer / convey and assign all the rights title and beneficial interest in the said property to the present applicant. The copy of the e-auction advertisement dated 06.09.2022 is attached hereto and marked as "ITEM B". It is stated that pursuant to the same the applicant had made a payment of Rs. 64,48,604 /-(UTR NO. UTIBR52022102500351995) post which the Liquidator had provided Certificate of Sale of Immovable Property. The copy of the certificate of sale of immovable property dated 27.03.2023 is attached hereto and marked as "ITEM C". Pursuant to the said sale certificate on 28.03.2023 the Liquidator had issued the possession letter to the Applicant herein for the said property, however it is pertinent to note that the said letter was issued only as a formality but in fact the actual physical possession of the said property was never handed over to the Applicant. The communication dated 28.03.2023 is attached hereto and marked as "ITEM D".

III. It is pertinent to note that thereafter the Applicant had preferred transfer application before the Opponent No.2 which was rejected on 03.07.2023 on the grounds that neither the Lease Deed was executed nor the permission for mortgage under clause of 2r was issued by Opponent No.2. The online order dated 03.07.2023 is attached hereto and marked as "ITEM E." It is pertinent to note that the Applicant being unaware about the said fact had sought required clarification from the Opponent No.1 and as a reason of which the said fact was apprised to the Opponent NO. 1 by the Applicant herein pursuant to which a communication was addressed by the Liquidator i.e. Opponent No.1 to Opponent No.2 wherein the Applicant was also marked. The communication dated 20.07.2023 is attached hereto and marked as "ITEM F".

IV. It is stated that till date the Applicant has not been able to utilize the property by taking over the possession of the same since the required steps towards the compliance for the purposes of transfer are not taken by the Opponents.

V. Thereafter vide E-mail dated 11.09.2023, the Applicant had sought various clarifications from the liquidator with respect to the said asset and its transfer. It was also pointed out as to how without execution of the lease deed, the liquidator could consider the same as an asset of the CD. Against the same, the liquidator vide its e-mail dated 26.09.2023 has solely relied upon the Allotment Letter to include the said property as an asset of the CD. It is submitted that the Opponent No.1 has wrongly relied upon Section 35 (f) to justify inclusion of the property as an asset which is dehors the provisions of Section 36 (4)(a)(iv) of the IBC. The Opponent No.1 categorically stated that he cannot be made responsible for the non-cooperation by Opponent No.1 and asked the Applicant to seek appropriate remedy. The copies of the E-mail communications dated 11.09.2023 and 26.09.2023 are annexed hereto as "Item No. G".

VI. It is submitted that thereafter again Letter dated 07.02.2024, the Applicant had requested the Opponent No.2 to co-operate in transferring the said land in favor of the Applicant however till date the Opponent No.2 has failed to take any action in response to the same. The copy of the Letter dated 07.02.2024 along with the white postal slip is annexed hereto as "Item No. H".

VII. Thereafter, the Applicant's father was facing various health problems which led to his sad demise on 17.01.2025. It was due to such drastic circumstances that the Applicant could not approach this Hon'ble Court immediately and therefore, delay if any, is only due to exceptional circumstances. The death certificate of the father of the Applicant is attached hereto and marked as "ITEM No. I".

VIII. The Applicant states that the Opponent No.2 by their inactions have obstructed the Liquidation process which has caused grave hardship and loss to the Applicant who even after investing a huge sum of Rs.64,48,604/- is still deprived of his legal rights over the said property in light of being a bona fide purchaser.

IX. In light of the Form of agreement as issued by the Opponent No.2 to SVLL on 14.09.2011 the CD was very much entitled to the Lease of the said property and that any procedure or steps which were to be undertaken by the CD could have been undertaken by the Opponent No.1

on behalf of the CD. The form of agreement is attached hereto and marked as "ITEM No. J".

X. The CD had only entered into a license agreement for a period of three years with a further right to have a Lease Deed for a period of 99 years in his favor. Therefore, the CD was only in possession of the said property as a licensee and did not have any title over the said property. Therefore, the opponent no.1 had no right to auction the said property treating it as an asset of the CD. Without prejudice to the forgoing, even as per the Regulation 33 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 the Liquidator has to ordinarily sell the assets of the Corporate Debtor through an auction in manner specified in Schedule 1, wherein the Regulation 13 of the said Schedule specifically mentions that on payment of the full amount, the sale shall stand completed, the Liquidator shall execute certificate of sale or sale deed to transfer such assets and the assets shall be delivered to the purchaser in the manner specified in the terms of sale. It is stated that the said provisions are not effectively followed since the Applicant is till date deprived of his rights even after making the full payment of consideration.

XI. The inactions / delay in recording the transfer of the said property in favour of the Applicant has obstructed the Liquidation process under the code and that the said action / inaction defeats the purposes of Insolvency and Bankruptcy Code, 2016. Further, in case even after any order of the Hon'ble Tribunal, in case, any further penalties are imposed by the Opponent No.2 the Applicant in light of being a bona fide purchaser shall not be made liable to bear the said penalties, costs, etc. Further, Opponent No.2 has not raised any dispute or claim in the Liquidation Process with regards to the said property. In fact, the Applicant has already made payment of Rs. 1,88,077/- to the Opponent No.2 which were the outstanding dues of the CD as on 18.01.2023. The document showcasing the dues of the Opponent No.2 along with the acknowledgement of the payment towards dues as done by the Applicant is attached hereto and marked as ITEM NO. K.

XII. The Applicant on several occasions has made required communications to the Opponent No.1 to provide the Applicant with the refund of the sale consideration which has not been acted upon with by the Opponent No.1 as a reason of which the Applicant till date is suffering and is now constrained to initiate the present Interlocutory Application before this NCLT.

XIII. It is submitted that the no harm or prejudice would be caused to the Opponents if the present application is allowed however, the Applicant would suffer from irreparable losses if the present application is not allowed.

3. Pursuant to the filing of the Application by the Applicant, the Respondent no. 1 filed its affidavit in Reply on 13.06.2025 vide inward diary no. D3735, The Contents of the Replies are as follows:

a. This Affidavit-in-Reply ("Reply") is being filed in response to the application preferred by Mr. Masoon Yunus Patel ("Applicant") under Section 60 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). The Application has been filed against the Liquidator of the Corporate Debtor ("Respondent No. 1/ Liquidator") and Gujarat Industrial Development Corporation ("Respondent No. 2/ GIDC"). The Applicant, who is the successful bidder and purchaser of plot no. D-2/E/290 admeasuring 5716.82 sq. mtrs. (Tentative) in Dahej-II, GIDC Industrial Estate, comprising revenue survey numbers 88/P, 83/P & 84/P within the limits of Village Galenda, Taluka Vagra, District Bharuch ("Said Property"), seeks directions from this Hon'ble Tribunal for GIDC to record the transfer of rights, title, and interest in the Said Property in favor of the Applicant. Alternatively, the Applicant seeks a direction against the Liquidator for refund of the sale consideration of Rs.64,48,604/- and other reliefs.

b. That, the Corporate Debtor was undergoing Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the IBC and the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("Tribunal") vide its order dated 12 September 2017 appointed Mr. Dushyant C. Dave, the Respondent No. 1, as the interim resolution professional ("CIRP Admission Order"). Pursuant to this, the appointment of the Respondent No. 1 as the resolution professional ("Resolution Professional") was confirmed by the committee of creditors ("CoC") of the Corporate Debtor. Since no resolution plan could be placed before the Hon'ble Tribunal, the CoC approved the initiation of liquidation proceedings against the Corporate Debtor and vide an order dated 19 November 2018 ("Liquidation Order") the Hon'ble Tribunal appointed Mr. Dushyant C. Dave as the Liquidator.

c. It is submitted that each of the averments made in the Application against the Respondent No. 1 are denied in its entirety, and nothing contained in the Application may be deemed to be admitted for want of specific traverse.

No claim filed by GIDC

d. The Liquidator, upon commencement of the liquidation process, diligently discharged all statutory duties including taking custody of assets, issuing public announcements, inviting claims, and conducting the e-auction process. GIDC, despite having full knowledge and ample opportunity, failed to file any claim before the Liquidator.

e. It is not disputed that GIDC allotted the Said Property to the Corporate Debtor and executed the Agreement dated 5 August 2011 for grant of license ("Agreement"). GIDC also transferred possession in respect of the Said Property in favour of the Corporate Debtor and executed possession receipt no. GIDC/DEE (road) / BRH /327 on 21 September 2011 ("Possession Receipt"). A copy of Possession Receipt along with Agreement is annexed as Annexure-A of the said Reply.

f. Thereafter, upon initiation of CIRP vide order dated 12 September 2017, the Resolution Professional, in discharge of his duties under Section 23 read with Section 25 of the IBC, immediately took custody and control of all assets of the Corporate Debtor, including the Said Property.

g. Pursuant to the Liquidation Order dated 19 November 2018, the Resolution Professional was appointed as Liquidator. Accordingly, the Said Property remained in the custody of the Liquidator since 2017. The Liquidator thereafter issued a public announcement inviting claims from creditors on 24 November 2018, in accordance with the IBC. The last date for filing claims was 23 December 2018. A copy of the Public Announcement in Form B is annexed as Annexure B of the Reply.

h. Upon taking custody of the assets, the Liquidator engaged with GIDC, including with respect to surrender of rights in the Said Property. This was recorded in letters dated 20 November 2020 and 1 December 2020 and reiterated in email dated 22 January 2022, following which there were multiple meetings and communications with GIDC for the surrender/transfer of the Said Property. It is pertinent to note that in the letters dated 20 November 2020 and 1 December 2020 by the Liquidator to GIDC, it was also specifically mentioned that as the Corporate Debtor was in liquidation and as the Liquidator was required to sell its assets therefore if GIDC was inclined to buy back the Said Property, then the assets of the Corporate Debtor can be sold to GIDC at market price. Copies of letters dated 20 November 2020 and 1 December 2020 along with emails dated 22 January 2022 to 24 January 2022 is annexed as Annexure C Colly of the Reply.

i. Pursuant to the discussions/meeting with GIDC and in view of Section 35(1)(f) of IBC and based on advice from GIDC, the Liquidator initiated an e-auction process to transfer the Said Property. In exercise of powers under Sections 35(1)(b) and 35(1)(f) of the IBC, the Liquidator issued an E-Auction Advertisement dated 6 September 2022 inviting public bids for transfer of the Said Property ("E-Auction Advertisement").

j. The Applicant participated in and was the successful bidder. Immediately thereafter, the Liquidator informed GIDC vide email dated 24 September 2022 that as per confirmation received from GIDC, the Liquidator has transferred rights in respect of the Said Property and is in the process of complying with post transfer formalities and further sought guidance for the same. A copy of the said email dated 24 September 2022 is annexed as Annexure-D of the Reply.

k. The liquidator and applicant also sent an undertaking to GIDC dated 27 February 2023 and 25 February 2023 (“**Undertakings**”) stating that the Said Property was allotted to the Corporate Debtor and seeking permission to transfer the Said Property to the Applicant herein. Even at this stage, GIDC did not file any objection or raise any claim regarding such transfer. Copies of the Undertakings dated 27.02.2023 and 25.02.2023 are annexed as Annexure-E of the said Reply.

l. Thus, GIDC was fully aware and sufficiently notified of the proposed transfer of the Said Property, but failed to raise any dispute or objection.

m. In view of the above, the Liquidator in bona fide manner, transferred all rights in respect of the Said Property in favour of the Applicant herein for consideration of Rs.64,48,604/- (Rupees Sixty-Four Lacs Forty-Eight Thousand Six Hundred and Four Only). Therefore, the Liquidator proceeded to transfer the rights under the Agreement in favour of the Applicant vide Agreement to Transfer and Sale Certificate dated 27 March 2023 in terms of Clause 1(13) of Schedule I of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 ("Liquidation Regulations"). A copy of the Agreement to Transfer is annexed as Annexure-F of the said Reply.

n. Thereafter, the Applicant approached GIDC and made payments towards outstanding dues of the Corporate

Debtor in respect of the Said Property to the tune of Rs. 1,88,077/- (Rupees One Lac Eighty-Eight Thousand and Seventy-Seven Only) on 18.01.2023 which has been accepted by GIDC. Even at that time, GIDC has failed to intimate or initiate any action against the Applicant. Thereafter the Liquidator has received a bill dated 7 June 2025 which also records that the Said Property was allotted to the Corporate Debtor on 28 March 2011 and it is still recorded in the name of Corporate Debtor. A copy of the said bill is annexed as Annexure-G of the said Reply.

o. It is submitted that GIDC have not filed any claim before the Liquidator at any point including,

   (i) upon issuance of Form-B by Liquidator,

   (ii) upon Liquidator contacting GIDC for transferring the Said Property,

   (iii) upon publication of E-Auction Advertisement and

   (iv) at the time Applicant approached GIDC and made payment of outstanding dues.

The conduct of GIDC shows that it was fully aware and acquiesced in the transfer of Said Property by Liquidator.

p. It is in this background that the Applicant, being a bona fide transferee of the Said Property under the liquidation process, has acquired lawful rights in the Said Property, which GIDC is now inexplicably refusing to acknowledge. Such inaction on part of GIDC cannot defeat the legitimate transfer affected in accordance with law. Accordingly, the rights in respect of Said Property stood fully and absolutely transferred in favour of the Applicant and therefore GIDC was required to record such transfer in its records. The objection that "neither the lease deed was executed nor the permission for mortgage under the clause of 2r was issued" taken by GIDC is at a belated stage and not tenable.

Liquidator transferred rights in respect of the Said Property on "as is where is basis, whatever there is and no complaint basis"

q. Without prejudice to the contentions above, it is submitted that the auction was conducted on "as is where is, whatever there is, without recourse and no compliant basis", which is clearly specified in the auction catalogue provided along with E-Auction Advertisement ("Auction Catalogue").

r. It may be noted that the E-Auction Advertisement was issued on 6 September 2022 and the auction was scheduled on 20 September 2022. The Auction Catalogue clearly provided that the bidders/ buyers were required to satisfy themselves through proper due diligence and enquiries about the ownership/title of the seller/ owner of the properties put up for sale/ lease. It was further specified that the bidder/ buyer will not have any recourse after the submission of the bid on Office of Siddhi Vinayak Logistic Limited for any deficiency in the documents. or title of the property. The prospective buyer was put to notice that the interested bidders to carry out their own due diligence in respect of the property and that no complaint whatsoever in this regard would be entertained after submission.

s. Accordingly, the Applicant had sufficient time from the date of e-auction advertisement ie. 6 September 2022 to scheduled auction day i.e. 20 September 2022, to conduct the due diligence. It was also open for the Applicant to conduct inspection of the Said Property from 11 AM to 4 PM in the presence of officials of Corporate Debtor.

t. Further it was also clarified that liabilities of all creditors shall be borne by the successful bidder and that after full payment of sale consideration by the successful buyer, all the approvals, consents, licenses, permissions required for effectively transferring the property to the buyer shall be responsibility of the buyer only.

u. In view of the above, the Applicant had sufficient opportunity to conduct its due diligence. The Applicant participated in the bid with the condition of Caveat Emptor (Buyer Beware) clearly stipulated in the Auction Catalogue and having sufficient notice and opportunity to conduct the inspection and due diligence. Further it was also clarified that any further permissions/ approvals shall be the responsibility of the Applicant only. In view thereof, all risks associated with the transfer of the Said Property lies only with the Applicant and the Applicant cannot make any claim against the Liquidator. Accordingly, the Applicant is not entitled to the alternative prayer as sought in prayer para 21(B) of the Application by

Applicant and any claim against the Liquidator is not tenable.

The sale is duly conducted by Liquidator and the Applicant being auction purchaser is entitled to all rights in respect of the Said Property.

v. The Liquidator has conducted the sale through auction as per Regulation 33 (1) of Liquidation Regulations and has auctioned the Said Property in compliance of Schedule I of the Liquidation Regulations. The Liquidator provided to the prospective bidder, access of the Said Property to facilitate its inspection and due diligence as per Regulation (IE) of Schedule I of Liquidation Regulations.The Applicant made payment of the full amount and accordingly, the transfer stood completed and the Liquidator executed Certificate of Sale for transfer of the Said Property.

w. GIDC has failed to challenge the auction proceedings or seek cancellation of the Agreement to Transfer or Sale Certificate, therefore also, GIDC cannot restrain the Applicant from using the Said Property or create hindrance in Applicant's enjoyment of the Said Property. The Applicant being the auction purchaser is fully and absolutely entitled to use and possess the Said Property without any hindrance from any third party.

x. Thus, the Liquidator conducted auction fully in accordance with the provisions of IBC and having transferred the Said Property to the highest bidder the Applicant herein, the sale is absolute and conclusive.

Liquidation process has concluded and proceeds have been distributed

y. It is submitted that the liquidation process of the Corporate Debtor has concluded, and the proceeds of sale have already been distributed to the secured creditors of the Corporate Debtor. Additionally, the Liquidator has assigned all the "not readily realizable assets" ("NRRA") of the Corporate Debtor in competence with Regulation 37A of the Liquidation Regulations, to Value wise Consultancy Private Limited ("NRRA Successful Assignee") through a transparent process in consultation with the SCC of the Corporate Debtor and in accordance with Regulation 31A of the Liquidation Regulations. The Liquidator is currently pursuing an application for dissolution of the Corporate Debtor before this Hon'ble Tribunal. Therefore, the present Application will only result in further derailment of the already concluded liquidation process. It is submitted that, at this stage in the Liquidation process the Applicant does not have the right to seek any relief against the Liquidator.

z. It is also pertinent to point out that as the liquidation process has concluded and the Liquidator has sold/disposed all the realizable assets of the Corporate Debtor and utilized the proceeds thereof to repay the dues of the stakeholders of the Corporate Debtor as per the waterfall mechanism under Section 53 of the IBC Therefore, without prejudice to the submissions made herein above, it is submitted. that at this stage it may not be feasible to refund the sale consideration to the Applicant as sought in alternative prayer para 21(B) of the Application,

aa. In light of the above, the present transfer of the Said Property being a genuine transaction, it is said that R-1 does not oppose the grant of Prayers (b) by which the

Applicant seeks direction against GIDC to record the transfer of right, little and interest in the said property and to enter into a lease deed in favour of Applicant. The alternative prayer at para 21(B) of the Application seeking refund of sale consideration from the Liquidator is not in accordance with the provisions and scheme of the IBC and regulations made thereunder. Thus, the claims and dues of the Applicant, so far as the Liquidator is concerned is liable to be extinguished and waived off.

4. Respondent No. 2 filed their Affidavit-in-Reply on 25.07.2025 vide inward diary no. D4989. The contentions of the Respondent no.2 are as follows:

I. It is submitted that unless specifically and categorically admitted hereinafter, the Deponent denies each and every averments made in the captioned application and the same be treated as traversed, seriatim, and denied in toto. The Deponent is not dealing with the captioned application paragraph-wise, however, non-dealing with the same in such a manner may not be construed as if any of the contentions and/or averments made in the captioned application are accepted by the Deponent, save and except the ones which are specifically admitted hereinafter. It is further submitted that the present Affidavit-in-Reply is filed only with a view to oppose the admission of the captioned application and grant of any further interim relief in favour of the Applicant and the Deponent reserves its right to file other and further Affidavit(s) as and when necessity so arises.

II. The captioned application is liable to be dismissed on the threshold for **gross suppression of material facts and misrepresentation** by both the Applicant and Respondent No. 1 – the Liquidator. It is contended that neither the Corporate Debtor nor the Applicant holds any legal entitlement to the reliefs claimed, as the Corporate Debtor possessed only a **license to use the plot**, with ownership continuing to vest with GIDC.

III. The relief sought, i.e., **directions for transfer of the plot**, is untenable in law. GIDC is empowered to act under its policies and the Gujarat Industrial Development Act, 1962, and such policy decisions of a statutory authority are **not amenable to interference** by the Adjudicating Authority under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (IBC).

Furthermore, the issues raised involve **interpretation of a License Agreement dated 05/08/2011**, which falls outside the purview of jurisdiction under Section 60(5) of the IBC and requires adjudication by a civil court through a proper trial and evidentiary process.

IV. In view of these facts and the **consistent noncompliance and defaults** by the Corporate Debtor, the Liquidator, and the Applicant, the impugned actions of GIDC are legally valid, justified, and do not warrant any interference by this Tribunal under the IBC or its inherent powers under Rule 11 of the NCLT Rules, 2016.

V. An Offer cum Allotment dated 28/03/2011 was issued to the Corporate Debtor company for the plot in question i.e. Plot No. D-II/E/290 admeasuring 5716.82 sq. mtrs. in Dahej-II Industrial Estate pursuant to which the License Agreement dated 05/08/2011 came to be executed between GIDC and the Corporate Debtor company (Annexure J).

VI. Thereafter, owing to the non-utilisation of the plot in question in accordance with the License Agreement dated 05/08/2011, GIDC issued Notice of Non-Utilisation dated 28/08/2017 to the Corporate Debtor company to which GIDC received no response from the Corporate Debtor company. The copy of the Notice of Non-Utilisation dated 28/08/2017 (Annexure R-1).

VII. Subsequently, as mentioned in the captioned application, Corporate Insolvency Resolution Process ("CIRP") was initiated against the Corporate Debtor company by this Hon'ble Tribunal on 12/09/2017. Thereafter, vide letters dated 17/10/2017 and 19/06/2018, the Corporate Debtor company informed GIDC about the CIRP led ensuing moratorium prevailing over it. The copies of the letters dated 17/10/2017 and 19/06/2018 of the Corporate Debtor company (Annexure R-2 (Colly)).

VIII. Owing to the prevailing CIRP led ensuing moratorium over the Corporate Debtor company, GIDC abstained from initiating any further action, however, after learning about the fact that the moratorium was over and CIRP was no more in operation, GIDC issued Notice of Non-Utilisation dated 14/01/2022 to the Corporate Debtor company followed by the subsequent Notice of Non-Utilisation dated 31/05/2022 to which GIDC received no response from either the Corporate Debtor company or

Respondent No. 1-Liquidator. The copies of the Notices of Non-Utilisation dated 14/01/2022 and 31/05/2022 (Annexure R-3 (Colly)).

IX. Thereafter, as mentioned in the captioned application, Respondent No.1 - Liquidator conducted an auction of the plot in question without taking prior permission and approval of GIDC despite being aware of the fact that the plot in question is owned by GIDC, not the Corporate Debtor company. Inter alia, on this ground the transfer application dated 01/03/2023 was rejected by GIDC vide order dated 03/07/2023 (Annexure E).

X. From the facts mentioned above, it becomes manifestly clear that both the Applicant and Respondent No. 1 - Liquidator have misapprehended and misinterpreted the License Agreement dated 05/08/2011 executed between GIDC and the Corporate Debtor company (Annexure J). It is submitted that GIDC neither transferred ownership nor leasehold rights over the plot in question to the Corporate Debtor company which is admitted by the Applicant himself in paragraph no. 13 of the captioned application, the relevant portion of which is reproduced as follows:

"13. The Applicant states that the CD had only entered into a license agreement for a period of three years with a further right to have a Lease Deed for a period of 99 years in his favor. Therefore the CD was only in possession of the said property as a licensee and did not have any title over the said property. Therefore, the opponent no.1 had no right to auction the said property treating it as an asset of the cd...."

Therefore, the captioned application has been rendered infructuous by the very submissions and admissions of the Applicant entailing no indulgence of this Hon'ble Tribunal in the present matter.

XI. Moreover, the law is very well settled that a licensee has no interest in the property, apart from the right to do or continue to do something on such licensed property. Section 52 of the Easements Act, 1882 defines the term "licence" as "Where one person grants to another, or to a definite number of other persons, a right to do, or continue to do, in or upon the immoveable property of the grantor, something which would, in the absence of such right, be unlawful, and such right does not amount to an easement or an easement or an interest in the property, the right is called a licence."

XII. In furtherance to Section 52 of the Easements Act, 1882 and the revocability of license, Hon'ble Supreme Court in the case of Mumbai International Airport Pvt. Ltd, v.

Golden Chariot Airport, (2010) 10 SCC 422, held as follows:

"39. The very idea of a licence being irrevocable is a bit of a contradiction in terms. From the clauses of the licence referred to above, it is clear that by its terms the licence is revocable. It is well known that a mere licence does not create any estate or interest in the property with which it is concerned. Normally a licence confers legality to an act, which would otherwise be unlawful. A licence can be purely personal, gratuitous or contractual. Whether a contractual licence is revocable or not, would obviously depend on the express terms of the contract. A contractual licence is normally revocable, except in certain circumstances that are expressly provided for in the Easements Act, 1882."

XIII. Furthermore, in the case of Orissa IIDC v. Mesco Kalinga Steel Ltd., (2017) 5 SCC 86, Hon'ble Supreme Court held as follows:

"13.... In spite of receiving the advance possession, there was failure on the part of Mesco to execute the lease deed though draft lease deed was sent to it in January, 1996 for execution. The relationship of lessor and lessee never came into being, in the absence of execution of lease deed. The execution of lease deed was necessary as the State Government had only accorded in principle approval and advised IDCO to allot the land that could only be done by execution of lease deed. As a matter of fact, IDCO ought not to have handed over advance possession of the land to Mesco without execution of lease deed. However, for the reasons best known to IDCO, advance possession was given. The allotment letter itself contemplated the execution of the lease deed as a condition precedent. As provided in section 33 of the Orissa Industrial Infrastructure Development Corporation Act, 1980 (for short 'the Act'), the Corporation can dispose of the land subject to directions given by the State Government in such a manner and subject to such terms and conditions as may be necessary. The condition precedent was that of execution of lease deed, and as it was so directed by State Government also, in our considered

opinion, no concluded contract came into being and the transaction became void due to failure on the part of Mesco to execute a formal lease deed.

...

17. IDCO is a statutory authority and it can act only on the basis of written lease deed. The execution of lease deed is necessary and it is in public interest to prevent unauthorized leasing out of property on its behalf. Lease is required to be executed in a prescribed format in the shape of formal document which is sine qua non. In the absence thereof, it would not be permissible to hold that relationship of lessor and lessee came into being...."

XIV. In *Pankaj B. Mangrolia v. Gujarat Industrial Development Corporation* (SCA No. 2857 of 2013), the Hon'ble Gujarat High Court held that GIDC retains ownership of its allotted plots, and allottees merely acquire limited leasehold rights, subject to GIDC's terms. The Court found that the Debts Recovery Tribunal (DRT) had no authority to auction Plot No. 417/1 at Panoli, as GIDC had already resumed possession in 2003 due to the original allottee's (M/s Hetal Textiles Pvt. Ltd.) default. Consequently, the borrower and the DRT lacked any transferable interest in 2012. This decision was upheld by a Division Bench in LPA No. 643 of 2013, and no appeal was preferred before the Hon'ble Supreme Court.

XV. Further, in line with this and the ruling in *SEL Manufacturing Co. Ltd. v. Punjab Small Industries & Export Corporation Ltd.* (Company Appeal (AT) (Insolvency) No. 881/2022), it is reiterated that allottees, transferees, and resolution applicants are bound by the contractual terms of the concerned authority (like GIDC), and no transfer can occur unless such conditions are fulfilled. The IBC does not override these requirements or compel public authorities to part with their assets without due compliance and payment.

XVI. Accordingly, GIDC's refusal to transfer the plot is legally justified and in conformity with applicable policies, rendering the application against it devoid of merit and liable to be dismissed at the threshold. The Respondent has acted in accordance with relevant circulars and policy guidelines, and no relief is warranted from the Hon'ble Tribunal.

5. After the Reply filed by the Respondent no.1, the Applicant filed a Rejoinder as an Additional Affidavit on 30.07.2025 vide diary no. D5016. The Applicant in his Rejoinder stated as under:

i. With reference to the contents of para-1-4 of the Reply, the applicant do not wish to offer any comment at this juncture.

ii. With reference to the contents of para-5-18 of the Reply, it is stated that the averments, allegations and contentions are directed towards GIDC and as such applicant do not have any dispute with regard to the same. However, it is pertinent to note that from the documents produced by the Respondent herein, it clearly transpires that the subject land was only allotted by GIDC vide the Allotment Letter with a condition to carry out construction within a period of 3 years and that only upon observance of all the terms and conditions, the CD would be entitled to have lease deed executed in their favor. The Respondent herein has failed to produce any evidence of the fact that any such conditions were fulfilled for which a lease deed could be executed in favor of the CD. The Respondent herein has not provided any response to the issue at hand i.e. as to how the subject land could be treated as an asset of the CD so as to auction the same. It is submitted that in spite of the specific provision in the IBC i.e. Section 36(4)(a)(iv) there is no explanation provided as to how the subject property has been treated as an asset of the CD.

iii. With reference to the contents of para-18,19 and 20 of the Reply, it is denied all averments, allegations and contentions except what is specifically admitted herein. The term "as is where is, whatever there is, without recourse and no complaint basis" does not entitle the Respondent No.1 to auction any property which is not considered as an asset of the CD. The Applicant while purchasing the property had relied upon the assurance of the Respondent No.1 as also the Certificate of sale of immovable property dated 27.03.2023 (Item-C to the main IA) which refers the subject property as "Leased premises" and therefore the Applicant was under a bon-fide belief that the CD had leasehold rights in the subject property and had purchased the same under such assumption.

However, it was only when GIDC vide their Communication dated 03.07.2023 rejected the Transfer Application on the ground that lease deed was not executed, the Applicant was constrained to approach this Hon'ble Court.

iv. With reference to the contents of para-21 and 26 of the Reply, it is denied that all averments, allegations and contentions except what is specifically admitted herein. Without prejudice to the contention that the subject property cannot be treated as the subject property of the CD even as per schedule 1 clause 13 of the IBC (Liquidation Process Regulations, 2016) it is pertinent to note that the Liquidator is duty bound to transfer as well as deliver the concerned subject property to the auction purchaser which the present case was not complied with by the Respondent No.1 and therefore, he cannot be absolved from his statutory duty.

v. With reference to the contents of para-27 of the Reply, it is denied all averments, allegations and contentions except what is specifically admitted herein. Even otherwise the liquidator process of the CD is not concluded as of yet and that the dissolution application is still pending before this Tribunal and even therefore, it is more so imperative at the present stage to consider the present Application with utmost importance and urgency before the hearing of the dissolution application so transpires which would otherwise lead to irreparable loss to the Applicant who after having invested such a big amount will never receive the access to the property nor the amount that were invested at relevant time.

6. Applicant herein filed the Affidavit in rejoinder against the reply of the R-2 on 18.08.2025 vide inward diary no. D5568, the contents of the rejoinder are as follows:

I. At the outset the Applicant deny all contentions, allegations and averments made except what is specifically admitted herein.

II. It is stated that the Respondent No.2 has alleged that there is gross suppression of material facts and misrepresentation by the Applicant which is false and denied the same. The Respondent No.2 has failed to point out any specific fact or document that has been suppressed by the Applicant.

III. It is stated that the Respondent No.2 has relied upon Letter dated 28.08.2017 addressed to the erstwhile management of Respondent No.1 Company i.e. the CD. It is pertinent to note that the said Letter was never provided to the Applicant and in case the Applicant would have been aware regarding the same, he would not have invested such a huge amount qua the subject property.

IV. It is further stated that the Respondent No. 1 has issued letter dated 17.10.2017 and 19.06.2018 informing the Respondent No.2 about the initiation of CIRP process against the CD. However, the Respondent No. 1 has not provided any response to the same and after a period of 4 years has only issued Notices dated 14.01.2022 and 31.05.2022 alleging non-utilization of the subject property and providing one last opportunity to the Respondent No.1 before terminating the agreement. Although these Notices are addressed to the CD, the Respondent No.1 would be in receipt of these Notices dated 14.01.2022 and 31.05.2022. The Respondent No.1 has been made aware of these Notices which only showcases the conduct of the Respondent No.1 who in spite of having received such Notices proceeded to auction the subject property vide E-Auction Advertisement which was sent on 06.09.2022 just after these Notices for Termination.

V. It is pertinent to note that Respondent No.1 had addressed a Letter to the Respondent No.2 on 20.07.2023 pursuant to which the Applicant herein had also addressed a Letter dated 07.02.2024 in which GIDC was asked to transfer the subject land in favor of the Applicant. However, Respondent no.2 till date has not provided any response to the same nor has provided any other letter or correspondence to the

Applicant regarding the subject property.

VI. Therefore, it is under no circumstance that the Applicant was made aware regarding the alleged Notices for Termination by the Respondent No.2. I state the Applicant would not have invested such huge amount towards purchase of the subject property if such Notices were brought to the notice of the Applicant. Therefore, suppression if any is only on part of the Respondent No. 1 and not the Applicant.

7. The Applicant filed their Written Submission on 18.08.2025 vide Inward Diary no. D5576. Applicant has relied upon the following:

a. Max Infra (1) Limited vs IVRCL limited and Ors. (NCLT, Hyderabad Bench); CP (IB) No. 294/7/HDB/2017 dated 03.04.2024 (Paras 11, 12, 13 and 17)

b. State Bank of India vs. BS Ltd. (NCLT, Hyderabad Bench); IA (IBC)/152/2021 in CP (IB) No. 278/7/HDB/2018 dated 30.06.2023 (Para 2(iv))

c. Chamanlal Singhal vs Haryana Urban Development Authority (HUDA); Civil Appeal No. 803 of 2009 dated 09.02.2009 (Para 21)

8. The written submissions filed by the Respondent No.1 on 18.08.2025, vide Inward No. D-5575.

9. The written submission filed by the Respondent No.2 GIDC on 13.08.2025, vide Inward No. D-5510. R-2 has relied upon the following Judgments:

i. Mumbai International Airport Pvt. Ltd. Vs. Golden Chariot Airport (2010) 10 SCC 422.

ii. Orissa IIDC vs Mesco Kalinga Steel Ltd. (2017) 5 SCC 86.

iii. Pankaj B. Mangrolia vs Gujarat Industrial Development Corporation, Special Civil Application No. 2857 of 2013 (2013) SCC OnLine Guj 1524.

iv. SEL Manufacturing Company Ltd. vs Punjab Small Industries & Export Corporation Ltd. (2024) ibclaw.in 186 NCLAT.

10. We have heard Ld. Counsel for the Applicant/Auction purchaser, Ld. Counsel for the Respondent No.1/Liquidator, Ld. Counsel for the Respondent No.2/GIDC and considered the oral as well as written submissions of the parties and perused the material on record. The following issues are framed for adjudication: -

(i) Are the license rights assets of the Corporate Debtor under the Code, or GIDC-owned and excluded under Section 36(4)(iv), and was their inclusion in the auction lawful per the Liquidator's duties?

(ii) Were pre-CIRP proceedings validly concluded, and did GIDC's post-CIRP/liquidation actions violate the Section 33(5) moratorium, preserving license rights?

(iii) Is GIDC entitled to any claim pre-CIRP and post the auction sale dated 20.09.2022, and is the Applicant obligated to clear dues and renew the licence?

(iv) Does this Tribunal have jurisdiction under Section 60(5), considering the concluded liquidation and pending dissolution?

(v) Does the parties' conduct affect reliefs, and does it align with the Code's revival and value maximization objectives?

11. **<u>Analysis and Findings on Issue No. (i):</u>**

11.1. Section 3(27) and 18(f) of the IBC, 2016 reads as under:-

> "3(27) "property" includes money, goods, actionable claims, land and every description of property situated in India or outside India and every description of interest including present or future or vested or contingent interest arising out of, or incidental to, property;
>
> **"18. Duties of interim resolution professional. -**
> The interim resolution professional shall perform the following duties, namely: -

(f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including -

(i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;

(ii) assets that may or may not be in possession of the corporate debtor;

(iii) tangible assets, whether movable or immovable;

(iv) intangible assets including intellectual property;
(v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;

(vi) assets subject to the determination of ownership by a court or authority;"

11.2. Thus, it defines "property" to include intangible assets like license rights. Section 18(f) mandates the IRP to control assets, including license rights, per the Licence Agreement dated 05.08.2011. GIDC's Section 36(4)(a)(iv) argument applies to liquidation exclusion of third-party owned assets, but here the license rights, while subject to the contractual arrangement under the License Agreement dated 05.08.2011, constitute a valuable intangible interest owned by the CD, includable in the estate for value maximization, as distinguished from mere possession of third-party assets. Their inclusion in the auction was lawful, despite the Liquidator's omission of non-utilization notices dated 28.08.2017, 14.01.2022, 31.05.2022.

11.3. The Licence Agreement dated 05.08.2011 grants license rights for industrial use, with GIDC retaining land title. ***Swiss Ribbons Pvt. Ltd. and Anr Vs Union of India and Ors. (2019) ibclaw.in 03 SC*** emphasizes liquidation's value maximization, making license rights critical. Section 36(4)(iv) is inapplicable, as license rights are CD's asset. Liquidator omission of notices dated 28.08.2017, 14.01.2022, 31.05.2022 does not invalidate sale under Regulation 33 as sale completed with payment and a sale certificate. License rights valid at liquidation commencement on 19.11.2018 vested with the Applicant on the Sale Certificate dated 27.03.2023, subject to the agreement terms.

11.4. In ***SEL Manufacturing Company Ltd. v. Punjab Small Industries & Export Corporation Ltd., (2024) ibclaw.in 186 NCLAT,*** NCLAT held that allottees are bound by terms and no transfer without compliance and payment, noting that a clean slate does not absolve contractual obligations to the land authority but in a liquidation context, assets include rights subject to Code provisions.

11.5. Thus, it is held that License Rights are Corporate Debtor assets under Section 18(f) which are rightly included in the auction. This aligns with Regulation 32 of the Liquidation Regulations, 2016, which permits sale of assets individually or in parcels, and Regulation 33(1), mandating auction as the ordinary mode for value maximization. The provisions of Section 36(4)(iv) of the IB Code, 2016 are inapplicable. The Liquidator's omission of mention of non-utilization notices is a mistake but the assets were rightly auctioned.

12. Analysis and Findings on Issue No. (ii):

12.1. GIDC's notice dated 28.08.2017 under clause 5(a) of the Agreement was pre-CIRP commencement date. But, no enforcement as no further action was taken by the Respondent No.2/GIDC before commencement of the CIRP period. However, notices dated 14.01.2022, 31.05.2022, are post-CIRP (12.09.2017) and during liquidation (19.11.2018), violating the moratorium under Section 33(5), which prohibits institution or continuation of suits or proceedings. License rights remained intact for the auction as the moratorium preserves assets that were rightly included in the auction.

12.2. The notices issued by the GIDC are void, as they sought enforcement during the moratorium, preserving license rights for liquidation. Notice dated

28.08.2017 is valid but not acted upon, as such unenforced notices did not terminate the license, ensuring its inclusion in the auction held on 20.09.2022, critical for value maximization. The Liquidator's non-disclosure under Regulation 33 provided incorrect information, but the rights were not terminated as the notices were not enforced pre-moratorium.

12.3. Thus, it is held that the notice dated 28.08.2017 was valid. But no further action was taken by the Respondent No.2/GIDC on the said notice before commencement of the CIRP period. However, the notices dated 14.01.2022, 31.05.2022, during the liquidation period are void in terms of the moratorium period U/s 33(5) of the IB Code, 2016. Further, it is held that the License rights persisted during liquidation.

13. Analysis and Findings on Issue No. (iii):

13.1. It is seen that the GIDC has not filed any claim either before the RP during CIRP Proceedings or before the Liquidator at any stage. The GIDC's pre-CIRP/liquidation claim, raised on notices dated 28.08.2017, comprises non-utilization penalties. The claim submission deadline was 23.12.2018, per public announcement dated 24.11.2018. GIDC's belated communications were rejected by the Liquidator.

13.2. In the matter of ***M/s Shiv Shakti Inter Globe Exports Pvt. Ltd. v. KTC Foods Pvt. Ltd. Liquidator Mr. Anup Kumar Singh, (2022) ibclaw.in 192 NCLAT***, Corporate Debtor was sold in e-auction and the liquidator allocated payment to respective creditors in terms of Section 53 and the liquidation process was prayed to be closed and thereafter on 18.06.2021, 'Uttar Haryana Bijli Vitran Nigam' informed that an amount of Rs. 81,34,157/- is overdue against the Corporate Debtor. Hon'ble Supreme Court held that, there being no claim having been filed by 'Uttar Haryana Bijli Vitran Nigam', the claim stands extinguished.

13.3. Moreover, in the judgment of ***Southern Power Distribution Company of Andhra Pradesh Ltd. v. Rakesh Kumar Singla (Liquidator) and Ors., (2025) ibclaw.in 92 NCLAT*** stated that *when all claims* which *relate to liquidation commencement date has to be dealt with as per Section 53 of the I&B Code and claims of all stakeholders has been satisfied, we are of the view there is no error in the observation of the Adjudicating Authority that remaining unpaid outstanding liabilities of the Corporate Debtor shall be extinguished without putting the individual/authority* *concerned to notice.*

13.4. Further, in ***Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Company Ltd. & Ors. , (2021) ibclaw.in 54 SC,*** the Supreme Court held that unsubmitted claims are extinguished, ensuring a clean slate. Vaibhav Goel (2025) reaffirmed this for statutory dues, barring post-sale enforcement. The auction on 20.09.2022 extinguished GIDC's pre-CIRP/liquidation claims, as they were not included, aligning with the Code's objective of finality.

13.5. Thus, Pre-CIRP/liquidation claims are extinguished, as they were not submitted by the deadline of 23.12.2018 and were excluded from the auction held on 20.09.2022, aligning with the clean slate principle established in ***Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss Asset Reconstruction Company Ltd. & Ors. , (2021) ibclaw.in 54 SC*** and ***Vaibhav Goel v. Deputy Commissioner of Income Tax, (2025) ibclaw.in 90 SC.***

13.6. The Liquidator has already submitted that the Liquidation proceeds have already been distributed among the creditors in accordance with Section 53 of the Insolvency & Bankruptcy Code, 2016. Therefore, any Pre-CIRP/liquidation claims that survive by the GIDC will get extinguished in view of the above findings.

13.7. However, Post-liquidation dues accruing after the liquidation commencement date (19.11.2018), detailed in GIDC's bill dated 07.06.2025, including transfer fees, notified area taxes, water charges, and non-utilization penalties, are enforceable under the License Agreement dated 05.08.2011, as the Applicant, as successor, steps into the CD's shoes and is bound by its terms, per ***SEL Manufacturing Company Ltd. v. Punjab Small Industries & Export Corporation Ltd., (2024) ibclaw.in 186 NCLAT***). The Applicant's partial payments, evidenced by receipts, do not cover all dues. The sale terms mandate the Applicant to clear these dues and negotiate license renewal to retain rights essential for use. Judicial intervention ensures compliance with the Code's objectives.

13.8. The sale certificate dated 27.03.2023, at "as is where is", directed the Applicant to approach authorities for reliefs or renewals of license rights, indicating that post-liquidation obligations persist. GIDC's bill dated 07.06.2025 lists dues, including transfer fees, taxes, water charges, and penalties. These dues, arising from ongoing license use, are enforceable under the agreement, binding the Applicant as the successor.

13.9. The Applicant's payment of Rs. 1,92,046/- on

01.03.2023 (per Respondent No.1) cover some dues, but GIDC's rejection on 03.07.2023 indicate unresolved dues. GIDC shall provide a detailed breakup of remaining dues within 15 days of the Applicant's approach, to facilitate compliance. The Applicant must clear these dues pertaining to the period post initiation of the liquidation and negotiate license renewal, as mandated, to retain rights critical for use, balancing GIDC's rights and the Code's objectives.

14. Analysis and Findings on Issue No. (iv):

14.1. It is the contention of the GIDC that this Tribunal does not have jurisdiction under section 60(5) of Insolvency & Bankruptcy Code, 2016 to interpret and rule over any matter entailing interpretation of the agreements executed by GIDC pursuant to its circulars/notifications under the powers vested in it by the Gujarat Industrial Development Act, 1962.

14.2. Section 60(5) provides jurisdiction over the CIRP and liquidation issues, including auction validity and dues as it covers questions of law or fact arising out of or in relation to liquidation. The dispute relates to estate composition, Leasehold rights, including auction validity, Applicant obligations and Liquidator duties under Section 35, which are core to liquidation.

14.3. The concluded liquidation does not divest jurisdiction; the Tribunal controls pre-dissolution. GIDC's policies under the Gujarat Industrial Development Act, 1962, yield to IBC Section 238 for estate disputes. This overriding effect ensures uniform resolution of insolvency-related disputes, as held in ***Divyesh Desai (RP) v. Gujarat Industrial Development Corporation Bhuj, (2025) ibclaw.in 202 NCLAT,*** where NCLT jurisdiction extended to GIDC lease disputes. Jurisdiction exists for directing payment and transfer, ensuring IBC objectives.

14.4. In ***Biotor Industries Ltd. v. Gujarat Industrial Development Corporation, (2023) ibclaw.in 87 HC*** Hon'ble High Court held that the reading of the Section 60(5)(c) indicates that the NCLT shall have a jurisdiction to entertain or dispose of any question arising out of or in relation to insolvency resolution.

14.5. Thus, this Tribunal has jurisdiction under Section 60(5) to adjudicate this dispute, as it pertains to the liquidation's integrity, including the auction's validity and the Applicant's obligations post-sale dated 20.09.2022. The Code's framework prioritizes NCLT jurisdiction for insolvency matters, and as the issue concerns an asset important for value maximization.

Therefore, the matter is decided by this Tribunal to ensure uniform and full resolution.

15. Analysis and Findings on Issue No. (v):

15.1. The parties' conduct includes Liquidator's engagements with GIDC (letters 20.11.2020, 01.12.2020; emails 22.01.2022-24.01.2022) and post-auction undertakings (25.02.2023, 27.02.2023), with GIDC acquiescing by non-objection. Applicant's emails (11.09.2023) and letter (07.02.2024) sought resolution, but Liquidator (26.09.2023) and GIDC remained non-responsive.

15.2. Liquidation concluded with distribution under Section 53 and NRRA assignment under Regulation 37A, making refund not feasible, but pre-dissolution jurisdiction allows directions for negotiation. Conduct shows Liquidator's good faith but erroneous rejection by GIDC; settlement efforts failed. Relief balances stakeholder equity, per IBC's value maximization, favouring directions for negotiation over refund.

15.3. The parties' conduct during settlement discussions, including GIDC's insistence on compliance and the Applicant's responses (emails dated 11.09.2023 to 26.09.2023), indicates challenges in achieving good faith negotiations, undermining the Code's revival and value maximization objectives, per ***Swiss Ribbons ((2019) ibclaw.in 03 SC).*** GIDC's rejection (03.07.2023) contradicts acquiescence, while the Applicant's failure to propose a settlement delays transfer. Judicial directions are necessary to enforce the auction terms, balancing GIDC's rights as licensor with the Applicant's use obligations.

16. In view of the above analysis and findings on the above issues, the following order is passed, which is as under:

(a) The primary prayer of the Applicant for transfer and lease execution by Respondent No. 2/GIDC is allowed, subject to payment of post-liquidation dues of the Respondent No. 2/GIDC, as the license rights were assets of the Corporate Debtor which were validly auctioned, and post-liquidation actions violate the Section 33(5) and Section 238 IBC's overriding effect, per ***Innoventive Industries Ltd. v. ICICI Bank and Anr., (2017) ibclaw.in 02 SC***

(b) The alternative prayer for refund from Respondent No. 1/Liquidator is rejected, as the auction was valid, and the Applicant must clear post-liquidation dues to GIDC for transfer.

(c) The Applicant bears liability for GIDC post-liquidation dues, penalties, or costs beyond Rs.

1,88,077/- paid on 18.01.2023.

(d) The Respondent No.2/GIDC shall facilitate negotiation and provide a detailed breakup of remaining post-liquidation dues within 15 days of the Applicant's written request from the date of the order. The Applicant shall clear such dues within 30 days thereafter, post which GIDC shall execute the transfer and lease deed within 15 days.

17. Accordingly, **IA/522(AHM)2025** in CP(IB)/89(AHM)2017 is **partly allowed** and **disposed of** in terms of the above order. No order as to costs.

18. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)