

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI**

Company Appeal (AT) (Insolvency) No. 1730 of 2025

[Arising out of the Impugned Order dated 21.06.2024 passed by the Adjudicating Authority, National Company Law Tribunal, Ahmedabad Bench in I.A. No. 63/2022 and I.A. No. 94/2022 in C.P. (IB) No. 59 of 2019]

In the matter of:

1. Fivebro Water Services Pvt. Ltd.

GF 9-10, Sigma Corporate,
Near Courtyard Opp. Pakvan - 2,
SG Highway, Bodakdev,
Ahmedabad - 380054
e-mail adityaexports@fivebro.org

2. Gondwana Engineers Ltd.

82, Abhyankar Nagar,
Park Road, Nagpur,
Maharashtra - 440010
e-mail siddhant@doshionpoly.com

...Appellant

Versus

1. Bijay Murmuria

Liquidator of Doshion Pvt. Ltd. {CD}
Having address:
Sumedha Management Solutions Pvt. Ltd.
8B, Middleton Street, 6A Geetanjali Apartment,
Kolkata, West Bengal,
India 700071
e-mail ip.doshionpvtltd@gmail.com

2. Ashit Dhirajlal Doshi

A 103 10 Tirth Bhoomi,
Law Garden, Ellisbridge,
Ahmedabad 380006
e-mail ashit@doshion.com

3. Rakshit Dhirajlal Doshi,

27 Ramila Baug, Basant Bahaar - 3,
Homeopathic Medical College,
Parul University,
Bopla - Ghuma Road,
Bopal, Ahmedabad 380058
e-mail rakshit@doshion.com

.... Respondents

Present:

For Appellant : Mr. Arjun R. Sheth and Ms. Somya Jain, Advocates.

For Respondent : Mr. Kunal Vaishnav and Mr. Yuvraj Thakar, Advocates for R-1.

Mr. Bijay Murmuria, Liquidator.

WITH

Company Appeal (AT) (Insolvency) No. 1814 of 2025

[Arising out of the Impugned Order dated 21.06.2024 passed by the Adjudicating Authority, National Company Law Tribunal, Ahmedabad Bench in I.A. No. 94 of 2022 in C.P. (IB) No. 59 of 2019]

In the matter of:

Gondwana Engineers Ltd.

82, Abhyankar Nagar,
Park Road, Nagpur, Maharashtra- 440010

...Appellant

Versus

1. Bjjay Murmuria

Liquidator of Doshion Pvt. Ltd. (CD)
Having address:
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27 Rami Ia Baug, Basant Bahaar- 3,
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Bopal, Ahmedabad 380058
rakshit@doshion.com

.... Respondents

Present:

For Appellant : Mr. Arjun R. Sheth and Ms. Somya Jain, Advocates.

For Respondent : Mr. Kunal Vaishnav and Mr. Yuvraj Thakar, Advocates for R-1.

Mr. Bijay Murmuria, Liquidator.

J U D G M E N T
(Hybrid Mode)

Per: Barun Mitra, Member (Technical)

The present appeal filed under Section 61 of Insolvency and Bankruptcy Code 2016 (**'IBC'** in short) by the Appellant arises out of the Order dated 21.06.2024 (hereinafter referred to as **'Impugned Order'**) passed by the Adjudicating Authority (National Company Law Tribunal, Ahmedabad Bench-I) in I.A. No. 63 of 2022 and I.A. No. 94 of 2022 in C.P. (IB) No. 59 of 2019. By the common impugned order, the Adjudicating Authority allowed both I.A.s filed by the Liquidator and directed the Appellants to handover possession of the leased/licensed premises to the Liquidator and make payment of rental/licence fees dues. Aggrieved by the impugned order, the present appeals have been preferred by the Appellants.

2. Coming to the relevant factual matrix for consideration of the present matter at hand, it is relevant to notice that the Corporate Debtor-M/s Doshion Pvt. Ltd. prior to being admitted into the rigours of Corporate Insolvency Resolution Process (**'CIRP'** in short), it had executed an unregistered lease deed on 29.09.2020 in favour of one of its subsidiary-Fivebro Water Services Pvt. Ltd. (hereinafter referred to as **"Fivebro"**) in respect of its Ahmedabad premises for

a period of two years. The Corporate Debtor had also executed another license agreement on 20.07.2021 in favour of another of its subsidiary-Gondwana Engineers for a term of five years in respect of its Mumbai premises. The Corporate Debtor was subsequently admitted into CIRP on 31.08.2021 and moratorium was declared under Section 14 of the IBC. The Resolution Professional (**'RP'** in short) appointed for the purpose of conducting CIRP sent a mail on 24.11.2021 followed by reminders thereafter to Fivebro and Gondwana Engineers to deposit monthly rent including past arrears and license fee into the CIRP account of the Corporate Debtor for occupation of the Ahmedabad and Mumbai premises. Both Fivebro and Gondwana Engineers confirmed to the RP on 14.12.2021 that rent and license fee was being deposited into the CIRP account of the Corporate Debtor. However, the RP filed IA No. 63 of 2022 and IA No. 94 of 2022 before the Adjudicating Authority against Fivebro and Gondwana Engineers respectively seeking possession of subject premises respectively occupied by them and for payment of pending arrears of rent and licence fees by them. As the Corporate Debtor could not be resolved, it was sent into liquidation on 21.11.2023 and thereafter the Liquidator continued to pursue both IA Nos. 63 and 94 of 2022. Both Fivebro and Gondwana Engineers opposed the respective IAs filed against them and contested the jurisdiction of the Adjudicating Authority to adjudicate on the purported contractual dispute arising out the Lease agreement and Licence agreement and their eviction from the subject premises and recovery of rent/licence fees. When the matter was eventually considered by the Adjudicating Authority, it, however, passed a common order dated 21.06.2024 by which both IA Nos. 63 & 94 of 2022 were

allowed and Fivebro and Gondwana Engineers were directed to vacate and handover the possession of the Ahmedabad and Mumbai premises to the Liquidator and pay rent/licence fees to the Liquidator as well as AMC, Society dues etc. Aggrieved by the common impugned order, Fivebro and Gondwana Engineers filed their respective Company Appeals vide Nos. 1730 and 1814 of 2025 respectively assailing the impugned order dated 21.06.2024 passed by the Adjudicating Authority.

3. Making submissions on behalf of both Appellants-Fivebro and Gondwana Engineers, the Ld. Counsel contended vehemently that the Adjudicating Authority had exceeded its jurisdiction by adjudicating disputes arising out of lease and license agreement. Submission was pressed that disputes arising out of lease and license agreements being in the nature of contractual disputes, adjudication of any such dispute stemming from such contracts lied within the competent jurisdiction of the Civil Court or any forum as provided under the lease deed/license agreement. Thus, when disputes arising out of the present lease and license agreements were triable by the Civil Court and not by the Adjudicating Authority, the impugned order passed by the Adjudicating Authority suffered from jurisdictional errors. It was submitted that when the lease and license agreements expressly contained arbitration clauses, the disputes between themselves were required to be arbitrated and not adjudicated by the Adjudicating Authority. The Appellants in the present case were in occupation of the subject premises at Ahmedabad and Mumbai under valid subsisting agreements, these agreements could not have been disregarded by the Adjudicating Authority to wrongfully initiate coercive action of eviction.

Submitting that Section 60(5) of the IBC cannot be invoked to circumvent ordinary civil remedies, it was pressed that the Adjudicating Authority could not have decided on the alleged breach of the lease deed/license agreement to direct eviction of the Appellants from the Ahmedabad and Mumbai premises. It was also contended that determination of non-payment of lease rent and license fee payable by the Appellants and conclude the occurrence of a breach or default committed by them could not have been made by the Adjudicating Authority. In any case, it was the Corporate Debtor who had not abided by the terms of the lease and license agreement and not paid property tax, maintenance and sinking fund charges besides failure to file GST returns. In support of their submissions, it was pointed out that the Hon'ble Supreme Court of India in its judgment in ***Gujarat Urja Vikas Nigam Ltd. Vs. Amit Gupta (2021) 7 SCC 209*** has held that the jurisdiction of the Adjudicating Authority under Section 60(5) of the IBC is strictly confined to matters having a direct nexus with the insolvency resolution or the liquidation process and does not cover each and every contractual dispute.

4. Refuting the contentions of the Appellant, it was submitted by the Ld. Counsel for the Respondent-Liquidator that the lease deed and license agreements in possession of both the Appellants were unregistered documents which had been simply notarised and could not be the basis for disallowing the Liquidator from taking possession of the concerned subject premises finding mention therein. It was also asserted that in terms of Section 35 of the IBC, it was the duty of the Liquidator to take charge of the assets of the Corporate Debtor and hence it was incumbent upon the liquidator to make both the

Ahmedabad and Mumbai premises a part of the liquidation estate. It was also contended that when the Ahmedabad premises lease agreement dated 29.09.2020 had a life span of two years lasting upto September 2022, substitution of this subsisting agreement by a new lease agreement and that too soon after initiation of CIRP of the Corporate Debtor was done for reasons which were not bonafide. The tearing hurry to enter into a fresh lease agreement and that too after having full knowledge of the declaration of moratorium clearly reveals *malafide* on the part of the Appellant to hold on to the property of the Corporate Debtor and keep it out of the purview of the liquidation estate. In such circumstances, eviction of the Appellant-Fivebro as sought by the Liquidator was justified. In so far as, the Mumbai premises was concerned, it was contended that the occupation of the said premises by Gondwana Engineers was also illegal since the licence agreement was admittedly unregistered and failed to meet the requirements of registration mandated by the provisions of the Maharashtra Rent Control Act. It is further contended that the contention of the Appellants that they had not breached the lease and license agreements is also misplaced since the Appellants had themselves agitated this issue before the Gujarat High Court which in its order dated 26.06.2024 in SCA No. 9402 of 2024 had found that rental dues were payable to the Liquidator and clearly directed the Appellants to pay the rental arrears and license fees dues as well as municipal and AMC dues. This clearly evidences that both the Appellants had breached the terms of lease and license agreement. Adding further that the attempts by the Liquidator to take possession of the subject property of the Corporate Debtor on 15.10.2025 being foiled on the frivolous ground of non-availability of the

suspended management of the Corporate Debtor shows the dishonest motive on part of the suspended management trying to siphon off the subject property of Corporate Debtor. The Appellants being the subsidiaries of the Corporate Debtor, they were hands in glove to keep the subject property out of the reach of the Liquidator. It was emphatically asserted that the Adjudicating Authority had rightly exercised its residuary jurisdiction under Section 60(5) of the IBC to decide on the eviction of Appellants from the Ahmedabad and Mumbai premises of the Corporate Debtor as this question had a direct nexus with and arose in relation with the liquidation proceedings.

5. We have duly considered the arguments advanced by the Learned Counsel for the parties and perused the records carefully.

6. The short question to be answered is whether the directions of the Adjudicating Authority to both the Appellants to vacate the premises of the Corporate Debtor and recovery of rent/licence fees etc. from them is sustainable or not.

7. Before we dwell into the rival submissions made by both parties, we feel that it would be constructive to see how the Adjudicating Authority in the impugned order has dealt with the prayers contained in IA Nos 63 and 94 of 2022 seeking vacation/handing over of the possession of the Ahmedabad and Mumbai premises of the Corporate Debtor and for release and recovery of licence fees/rent of the above two premises. The Adjudicating Authority while passing the impugned order took the view that it enjoyed the jurisdiction to adjudicate on matters relating to recovery of rents/licence fees and eviction from the premises of the Corporate Debtor under liquidation in the light of the provisions

contained in Section 60(5) of the IBC. The Adjudicating Authority has further observed that in view of the over-riding feature of IBC under Section 238 and the bar on the jurisdiction of the civil court in terms of Section 231 of IBC, the Adjudicating Authority could exercise the jurisdiction of deciding on the question of eviction and rent recovery.

8. It would also be useful at this stage to glance at Section 60(5) of the IBC which is as extracted below:

Section 60: Adjudicating Authority for corporate persons.

5) Notwithstanding anything to the contrary contained in any other law for the time being in force, the National Company Law Tribunal shall have jurisdiction to entertain or dispose of—

- a) any application or proceeding by or against the corporate debtor or corporate person;*
- b) any claim made by or against the corporate debtor or corporate person, including claims by or against any of its subsidiaries situated in India; and*
- c) any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under this Code.*

9. We also notice that the Adjudicating Authority has held that there is no dispute that the Ahmedabad and Mumbai premises belonged to the Corporate Debtor which had been admitted into the rigours of CIRP. Since the Corporate Debtor was presently undergoing liquidation, it was held by the Adjudicating Authority that the Liquidator was statutorily empowered under Section 35 of the IBC to take custody and control of the said premises and recover the outstanding rent from those in possession of the said premises which unambiguously belonged to the Corporate Debtor. At this juncture, we may take note of the relevant provisions of Section 35 of the IBC which confers jurisdiction upon the

Liquidator to take charge of the assets of the Corporate Debtor including recovery of actionable claims like rent, maintenance dues and file application before the Adjudicating Authority as necessary for progressing the liquidation which reads to the effect:

Section 35: Powers and duties of liquidator.

(1) Subject to the directions of the Adjudicating Authority, the liquidator shall have the following powers and duties, namely: —

- b) to take into his custody or control all the assets, property, effects and actionable claims of the corporate debtor;*
- c) to evaluate the assets and property of the corporate debtor in the manner as may be specified by the Board and prepare a report;*
- d) to take such measures to protect and preserve the assets and properties of the corporate debtor as he considers necessary;*
- k) to institute or defend any suit, prosecution or other legal proceedings, civil or criminal, in the name of or on behalf of the corporate debtor;*
- m) to take all such actions, steps, or to sign, execute and verify any paper, deed, receipt document, application, petition, affidavit, bond or instrument and for such purpose to use the common seal, if any, as may be necessary for liquidation, distribution of assets and in discharge of his duties and obligations and functions as liquidator;*
- n) to apply to the Adjudicating Authority for such orders or directions as may be necessary for the liquidation of the corporate debtor and to report the progress of the liquidation process in a manner as may be specified by the Board; and*
- o) to perform such other functions as may be specified by the Board.*

10. This brings us to the principal contention raised by both Appellants-Fivebro and Gondwana Engineers respectively that the Adjudicating Authority had no jurisdiction to enter into the contractual dispute arising out of operational terms of the lease deed and licence agreements. It was contended by Fivebro that the Adjudicating Authority had failed to appreciate that Fivebro and the Corporate Debtor had entered into a fresh lease deed on 31.08.2021, which deed being validly registered, there was no cogent basis for the Adjudicating

Authority to order eviction of Fivebro from the Ahmedabad premises. Further examination of the validity of the license agreement executed with Gondwana Engineers in respect of the Mumbai premises in the context of Maharashtra Rent Control Act also could not have been done by the Adjudicating Authority merely on such a prayer raised by the Liquidator. Furthermore, since the Appellants held possession of the subject premises based on valid agreements, their possession could not have been disturbed. The Adjudicating Authority could not have ordered their eviction and recovery of possession.

11. Coming to the Ahmedabad premises, which is the subject matter of IA 63 of 2022, it is the contention of the Appellant-Fivebro that it is an uncontested fact that an unregistered lease agreement dated 29.09.2020 in respect of the Ahmedabad premises was already in place by virtue of which they were occupying the said premises. However, since this lease agreement of September 2020 was unregistered, with a view to cure this defect, they chose to execute a fresh registered lease agreement with the Corporate Debtor on 31.08.2021 for a tenure of 10 years effective from 01.09.2021. Hence, the intention behind execution of the new lease agreement was bonafide as it sought to remove the lacuna in the earlier lease agreement for being an unregistered document.

12. Per contra, it is the case of the Liquidator that the new lease agreement of 31.08.2021 in respect of the Ahmedabad premises of the Corporate Debtor was executed after the moratorium had come into place. This was clearly not permissible under Section 14(1)(b) of the IBC and was so done with the sinister design to keep the Ahmedabad premises of the Corporate Debtor out of the liquidation proceedings. Moreover, when there was already a lease agreement

dated 29.09.2020 which was subsisting there was no need for executing yet another lease by the Appellant-Fivebro. It was contended that the Adjudicating Authority had therefore rightly held the new lease agreement to be an eyewash which was entered into by the suspended management of the Corporate Debtor with the ulterior motive of not handing over possession of the premises to the Liquidator.

13. Coming to our analysis and findings, we find that it is an undisputable fact that an unregistered lease agreement dated 29.09.2020 in respect of the Ahmedabad premises was already in place. It is also an admitted fact that the Adjudicating Authority had reserved its orders on the Section 7 application on 24.08.2021 as placed at page 177 of Appeal Paper Book (“**APB**” in short). The suspended management of the Corporate Debtor was thus fully aware that the order in CP No. 59 of 2019 dealing with Section 7 application was already reserved and likely to be pronounced any time soon. Yet on 25.08.2021, the suspended management of the Corporate Debtor chose to apply for registration of the new lease before the competent registration authority with the Appellant-Fivebro which was their subsidiary having commonality of management and that too just one day after the order was reserved by Adjudicating Authority. This is borne out from the date endorsed on the e-challan for payment of registration fees which clearly depicts the date as 25.08.2021 as can be seen at page 147 of APB. What becomes more intriguing is that while the Adjudicating Authority pronounced its orders in CP No. 59 of 2019 in the early forenoon of 31.08.2021, the suspended management the Corporate Debtor proceeded to register the new lease agreement on the same day evening at 5:45 pm as may be seen at page

173 of APB. By this time, the order initiating CIRP and moratorium was clearly in public domain having been openly pronounced in the court. Thus, there can be no reason to entertain any doubt that the Appellant inspite of being fully aware that the Adjudicating Authority had already admitted the Corporate Debtor into CIRP and moratorium had come into play, they still raced ahead with the registration of the fresh lease agreement and that too when the term of the existing lease agreement still remained unexpired. The explanation offered by the Appellant that it was sheer coincidence that the date of signing of the new lease agreement and the date of admission of the Corporate Debtor into CIRP had fused is therefore not as simple and honest as is sought to be portrayed.

14. Once CIRP is commenced, there is complete prohibition on any action for transferring, encumbering, alienating or disposing of by the Corporate Debtor of any of its assets or creating any legal right or any beneficial interest therein. We are therefore of the view that the Corporate Debtor or the Appellant could not have executed the fresh lease agreement once CIRP was initiated and moratorium was ordered. The motive and intent of the Corporate Debtor and the Appellant with respect to the timing of the execution of the lease agreement and the tenure of the fresh agreement not only lacked transparency but was in the teeth of moratorium provisions of IBC. This by itself constituted sufficient basis for holding the fresh lease agreement to be invalid and unenforceable.

15. The Adjudicating Authority has relied on the decision of this Tribunal in ***Jhanvi Rajpal Automotive Pvt. Vs RP of Rajpal Abhikaran Pvt. Ltd. in CA(AT)(Ins) No. 1417 of 2022*** in allowing IA No 63 of 2022. It was however contended by the Appellant that the ratio of the judgment in ***Jhanvi supra*** does

not apply in the present case because in that case the lease tenure had ended. We are not persuaded by this argument canvassed by the Appellant as in the present case too, though the two-year lease agreement of September 2020 had come to an end, the Appellant had sought to continue occupation of the Ahmedabad premises on the basis of a lease agreement which was legally invalid as it had been executed with the Corporate Debtor after it had been admitted into moratorium.

16. We are therefore of the considered view that the Adjudicating Authority had rightly held the lease deed dated 31.08.2021 to be an eyewash which was executed with an ulterior motive to keep the property of the Corporate Debtor out of the liquidation estate. Hence the Adjudicating Authority had not committed any infirmity in allowing the Liquidator to take custody of the Ahmedabad premises and directing vacation of the premises by the Appellant.

17. Now coming to the Mumbai premises which is the subject matter of IA No. 94 of 2022, this application was filed before the Adjudicating Authority to bring this property under his control as it was admittedly an asset of the Corporate Debtor. It is the case of the Respondent-Liquidator that the license agreement entered into by Gondwana Engineers was never registered and therefore not in conformity with the tenets of the Maharashtra Rent Control Act. The occupation of the Mumbai premises by Gondwana Engineers tantamount to illegal and unlawful occupation hinged that it was on an unregistered document. It is therefore the contention of the Respondent that the Adjudicating Authority enjoyed jurisdiction under Section 60(5) of the IBC to decide on the propriety of

the occupation of the Mumbai premises by the Appellant basis an unregistered licence agreement when the Corporate Debtor was under liquidation.

18. Per contra, it is the contention of the Appellant-Gondwana Engineers that the Adjudicating Authority had erred in deciding the voidability of the license agreement by analysing the requirements postulated in the Maharashtra Rent Control Act. It was contended that this adjudicatory power to decide whether the license agreement met the requirements of the Maharashtra Rent Control Act was clearly beyond the jurisdiction of the Adjudicating Authority and the latter could not have held the licence agreement to be void-ab-initio and non-est in terms of law.

19. Coming to our findings in this regard, we notice that it is an admitted fact that the Mumbai premises belonged to the Corporate Debtor and was under occupation of the Appellant basis an unregistered licence agreement. Admittedly, the licence agreement in the present case was simply notarized and was not a registered document. In terms of the Maharashtra Rent Control Act, this licence agreement was compulsory registrable and since this was not done it rendered the licence agreement void. It is the entrenched obligation and right of the Liquidator under Section 35 of IBC to take possession of the assets of the Corporate Debtor, hence, the filing of IA No.94 of 2022 by the Liquidator seeking the intervention of the Adjudicating Authority by invoking Section 60(5)(c) was in order. There cannot be any dispute in the present case that application which was filed by the Liquidator to take possession of the assets of the Corporate Debtor arose out of insolvency/liquidation process against the Corporate Debtor. The Licence Agreement being unregistered was an invalid document and legally

unenforceable and as the Appellant continued in possession of subject property, the directions issued by the Adjudicating Authority under Section 60(5) of IBC to handover peaceful and vacant possession of the property to the Liquidator to make it a part of the liquidation estate was not arbitrary. The Adjudicating Authority had therefore rightly exercised its jurisdiction under Section 60(5) of the IBC giving consequential directions to Gondwana Engineers to vacate the premises and handover the possession.

20. Further when we look at IA Nos. 63 and 94 of 2022, we find that it has been pleaded by the Respondent that despite e-mails sent by them to both Fivebro and Gondwana Engineers for remittance of rent and arrears of the leased/licenced premises from September 2021 onwards and for depositing the same in a separate account of the Corporate Debtor, there was no response from them and hence compelled to invoke the jurisdiction of the Adjudicating Authority. Since the issue of recovery of rent/other dues arose out of the liquidation proceedings initiated against the Corporate Debtor, it is the case of the Respondent that adjudication on this subject matter lay well within the jurisdiction of the Adjudicating Authority.

21. Repelling the contentions of the Respondent-Liquidator, the Appellants claimed that they had paid the rent, the license fee, AMC, Municipal Taxes and Society dues and that there was sufficient proof by way of bank transactions to show that these payments had been made. While admitting that they had stopped paying rent and license fee for a short period, it was asserted that it was not intentional but triggered by certain disputes which arose with respect to the dues raised by the Municipal Corporation and disputes over GST input credit.

Yet the Adjudicating Authority wrongfully held that there was a breach of the agreement for non-payment of rent. In any case, the Adjudicating Authority could not have gone into the operation of the terms of lease deed and licence agreement and adjudicate on the breach of lease/licence terms and direct termination of the lease including handing over of the premises.

22. When we look at the prayer made for recovery of rent etc. in IAs 63 and 94 of 2022 as filed by the Liquidator, we do not find this prayer to be de hors of the insolvency/liquidation proceedings. It is not denied that Ahmedabad and Mumbai property had been in the enjoyment and possession of the Appellants and hence the obligation on their part for payment of rental and usage charges was a given. When we peruse the material on record and submissions made by rival parties, we find that the Adjudicating Authority on noticing that payment of rent was due qua the premises occupied by the Appellants, it had ordered vacation of the premises by them which decision of the Adjudicating Authority was challenged by the Appellants before the Gujarat High Court. The Appellants challenging the jurisdiction exercised by the Adjudicating Authority for allowing IA Nos.63 & 94 of 2022 had filed a Special Civil Application No. 9402 of 2024 (herein after referred to as **“SCA”**) before the Gujarat High Court. Initially, the Gujarat High Court in its interim order dated 28.06.2024 deferred the handing over of possession by the Appellants but directed them to deposit lease rent/license fees with the Liquidator. However, what is noteworthy is that the Gujarat High Court in its final orders dated 13.10.2025 refused to extend the interim relief granted on 28.06.2024 and dismissed the SCA giving liberty to Fivebro and Gondwana Engineers to exhaust their remedy under the statutory

framework of IBC. This makes it abundantly clear that lease rent/license fees were actually due and payable by the Appellants. Therefore, the submission of Fivebro and Gondwana Engineers that the issue of breaches in the lease and licence agreement arising out of non-payment of rent/licence fees cannot be decided by the Adjudicating Authority is clearly without any merit.

23. The contention of the Appellant that the Adjudicating Authority lacked jurisdiction to decide the validity of the lease deed and licence agreement as well as breaches in the terms of the lease/licence agreement is without basis. As long as the residuary jurisdiction of the Adjudicating Authority is invoked in respect of a contract which has nexus with the insolvency/liquidation of the Corporate Debtor, the invocation of this jurisdiction cannot be questioned.

24. We are guided by the judicial precedent laid down in the judgment of the Hon'ble Apex Court in the **Gujarat Urja Vikas Nigam Limited vs Amit Gupta and Others 2021 7 SCC 209** wherein it has held that the Adjudicating Authority may decide all questions of law or fact arising out of or in relation to insolvency or liquidation under the statutory framework of IBC. The relevant excerpts of the above judgement are as reproduced below:

“69. The institutional framework under IBC contemplated the establishment of a single forum to deal with matters of insolvency, which were distributed earlier across multiple fora. In the absence of a court exercising exclusive jurisdiction over matters relating to insolvency, the corporate debtor would have to file and/or defend multiple proceedings in different fora. These proceedings may cause undue delay in the insolvency resolution process due to multiple proceedings in trial courts and courts of appeal. A delay in completion of the insolvency proceedings would diminish the value of the debtor's assets and hamper the prospects of a successful reorganisation or liquidation. For the success of an insolvency regime, it is necessary that insolvency proceedings are dealt with in a timely, effective and efficient

manner. Pursuing this theme in Innoventive [Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407: (2018) 1 SCC (Civ) 356] this Court observed that: (SCC p. 422, para 13)

“13. One of the important objectives of the Code is to bring the insolvency law in India under a single unified umbrella with the object of speeding up of the insolvency process.”

The principle was reiterated in ArcelorMittal [ArcelorMittal (India) (P) Ltd. v. Satish Kumar Gupta, (2019) 2 SCC 1] where this Court held that: (SCC p. 88, para 84)

“84. ... The non obstante clause in Section 60(5) is designed for a different purpose: to ensure that NCLT alone has jurisdiction when it comes to applications and proceedings by or against a corporate debtor covered by the Code, making it clear that no other forum has jurisdiction to entertain or dispose of such applications or proceedings.”

Therefore, considering the text of Section 60(5)(c) and the interpretation of similar provisions in other insolvency related statutes, NCLT has jurisdiction to adjudicate disputes, which arise solely from or which relate to the insolvency of the corporate debtor. However, in doing so, we issue a note of caution to NCLT and Nclat to ensure that they do not usurp the legitimate jurisdiction of other courts, tribunals and fora when the dispute is one which does not arise solely from or relate to the insolvency of the corporate debtor. The nexus with the insolvency of the corporate debtor must exist.”

25. Section 60(5) of the IBC vests a wide jurisdiction on the Adjudicating Authority to decide any application by or against the Corporate Debtor on any question of priorities or any question of law or facts arising out of or in relation to the insolvency resolution of the Corporate Debtor. The expressions “relating to” and “arising out of” has to be interpreted to mean that it facilitates resolution of the Corporate Debtor or liquidation of the Corporate Debtor, as the case may be, in a manner that the speed in the resolution/liquidation process of the Corporate Debtor is not undermined nor the objective of preserving the maximum value of the assets of the Corporate Debtor is frustrated. Having said that in the present case, we do not find any infirmity in the decision of the

Adjudicating Authority to allow the prayers contained in IA No. 63 and 94 of 2022 in exercise of its jurisdiction under Section 60(5) of the IBC.

26. In this backdrop, we find no good reasons to interfere in the impugned order passed by the Adjudicating Authority. Both the Appeals are devoid of merit and stand dismissed. No costs.

**[Justice Ashok Bhushan]
Chairperson**

**[Barun Mitra]
Member (Technical)**

Place: New Delhi

Date: 07.01.2026

Abdul/Harleen