



**THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-I**

IA 1718/2025

Under Section 60(5) of the Insolvency and Bankruptcy
Code, 2016 and Rule 11 of NCLT Rules

Stressed Assets Stabilization Fund

...Applicant

V/s

M/s Krystal Stone Exports Limited

...Respondent

In the matter of

COMPANY PETITION (IB)903/MB)/2019

SUMAN KUMAR VERMA
(RESOLUTION PROFESSIONAL)

...Petitioner

V/s

RAJASTHAN STATE INDUSTRIAL DEVELOPMENT
AND INVESTMENT CORPORATION LIMITED
(RIICO) & ORS.

...Respondent

Order delivered on: 12.09.2025

Coram:

Shri Prabhat Kumar
Hon'ble Member (Technical)

Shri Sushil Mahadeorao Kochey
Hon'ble Member (Judicial)



Appearances:

For the Applicant : Mr. Sundeip Bhatt, Mr. Kamal Deep Tyagi
For the Respondent : Mr. Mitul Jain, Ms. Harshita Dixit

ORDER

1. This Application IA 1718/2025 was filed by Suman Kumar Verma, the Resolution Professional (“Applicant/RP”) of Krystal Stone Exports Limited (“Corporate Debtor”) under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (“Code”) r/w Rule 11 of the NCLT Rules, 2016 in Corporate Insolvency Resolution Process (“CIRP”) for re-allotment of the cancelled land by Rajasthan State Industrial Development And Investment Corporation Limited (in short “RIICO” or “Respondent No. 1”) after taking their dues. The Applicant has sought following reliefs:

- a) *To order the respondent to reallocate the land in favour of the Corporate debtor after taking their dues as cancellation done on 31.05.2000 is never enforced and is not in accordance with the specified procedure as per RIICO land Disposable Rules and no third party right has been created;*
- b) *To allow waiver of interest and other penalties in calculating dues by the Respondent no 1;*
- c) *To direct the Respondent to provide all relevant information, documents, orders passed by them till date in compliance of the section 17(2) (d) of the IB Code, 2016;*
- d) *To direct the Respondent to facilitate the successful buyer in transferring property in his name within 15 days of filing the application to Respondent no 1 or within such period as this Hon’ble Adjudicating Authority deems fit;*



e) Pass such other orders and instructions as this Hon'ble Adjudicating Authority deems fit and proper in the interest of Justice, equity and fair play;

2. The Respondent no 2, Omkara Asset Reconstruction Pvt Ltd, is the Financial Creditor having first charge over the properties of the CD. Initially, the corporate debtor was extended credit facilities by IDBI, which was assigned to SASF in 2004, and thereafter to Respondent No. 2 vide assignment deed dated 31.08.2024.
3. Initially, the CIRP commenced on 24.09.2019 on an application filed by the Stressed Assets Stabilization Fund being assignee of IDBI Bank Limited and Mr. Vijay P Lulla was appointed as IRP and then on 17.02.2023 then CMA Sandeep Kr Bhatt was appointed as RP, however, the Order dated 24.09.2019 was set aside by Hon'ble NCLAT vide order dated 26.09.2023 with a direction to decide the application u/s 7 of the Code afresh. Accordingly, the moratorium ceased to be in effect and whole CIRP process became nullity. This Tribunal heard the Application afresh and passed an Order dated 03.05.2024 admitting the Corporate Debtor to CIRP Process thus commencing moratorium in terms of Section 14 of the Code from that date. Mr. Suman Kr Verma being the applicant was appointed as IRP and was confirmed to RP vide order dated 19.09.2024.
4. The Corporate Debtor is lease holder of the Land for 99 years situated at SP-2, RIICO Industrial Area, Shivdaspura, Tonk Road, Kilkipura, Rajasthan ("Shivdaspura Plot") admeasuring 14028 Sq Mtrs of Land where the factory Building and Plant & Machinery is situated. Further, the CD was allotted a lease hold plot at BS, Industrial Area, Bapi Dausa, Sudarshanpura, Rajasthan admeasuring 8000 Sq Mtrs of Land ("Dausa Plot") on 29.11.1995 and lease deed in relation to this plot was executed on 09.02.1996.



5. The Respondent No. 1 has filed its claim in relation Shivdapura Plot in the first round of CIRP, however, had not filed any claim in relation to Dausa Plot and the then RP was informed that the Dausa Plot allotment has been cancelled on 31.5.2000. It is claimed by the Applicant that neither served on RP or Corporate Debtor or its financial creditor holding security interest in the said plot, however, the said letter dated 19.05.2019 clearly states that the intimation of cancellation of lease deed in relation to Dausa Plot was made to IDBI vide cancellation letter dated 31.5.2000.
6. On 17.10.2024, the applicant filed the application as per RIICO land Disposable Rules by mail and by post duly delivered for restoration of plot situated at BS, Industrial Area, Bapi Dausa, Sudarshanpura, Rajasthan as per RIICO Land Disposal Rules requesting to reallocate the Land as the same is under possession of the CD and has not been re-allotted to any other body till date. It is for this relief, the applicant is before us.
7. Indubitably, the cancellation of lease deed dated 9.2.1996 pertaining to Dausa Plot took place on 31.5.2000, which was prior to commencement of CIRP even in the first round (though same became nullity after setting aside of initial order by Hon'ble NCLAT).
8. It is pertinent to refer to decision in case of Neesa Leisure Ltd. v. Rajasthan State Industrial and Investment Corporation, (2022) ibclaw.in 1018 NCLAT, wherein RIICO allotted institutional land to Corporate Debtor vide allotment letter dated 11.07.2007 and executed a lease deed dated 21.06.2008. The RIICO also issued no objection certificate (NOC) to the Appellant on 19.07.2008 for creation of equitable mortgage over the land to avail financial assistance from financial institution/scheduled banks for carrying out the development. The Corporate Debtor developed a hotel under the name and style of 'Cambay Sapphire' over the land under the lease. However, the RIICO, vide its letter dated 01.12.2015, cancelled the lease deed pertaining to the land and eventually the hotel constructed thereon for the reasons stated therein. In that case, CIRP



commenced on 26.04.2019, much after cancellation of lease deed. The Hon'ble NCLAT distinguishing the decision in case of **Mr. Rajendra K. Bhutta Vs. Maharashtra Housing Area Development & Anr. (2020) 13 SCC 208** held that :

“13. In the case of Rajendra K. Bhutta (Supra), the application under Section 7 was admitted on 24.07.2017 and notice of termination was issued on 12.01.2018. The Appellant wherein filed an application before the NCLT to restrain MHADA from taking over possession till completion of the CIRP, on the ground that recovery of possession shall be in derogation of the moratorium imposed under Section 14 of the Code but the said application was dismissed. Further, NCLAT also dismissed the appeal holding that it cannot be treated to be the asset of the Corporate Debtor for the application of provisions of Section 14(1)(d) of the Code. The Hon'ble Supreme Court, however, allowed the appeal.

14. We have carefully gone through the aforesaid decision which is in fact not applicable to the facts of this case because in the reported case the termination notice was issued by MHADA after the CIRP whereas in the present case the lease deed was terminated way back on 01.12.2015, constructive possession was taken, the Corporate Debtor was admitted into CIRP and moratorium was imposed on 26.04.2019. It has also been observed by the Tribunal that the Corporate Debtor had lost possessory rights more than three years prior to the initiation of the CIRP. The property of third party, occupied by the Corporate Debtor had been expressly excluded from the purview of term asset.

15. Thus, in view of the aforesaid facts and circumstances, since the demised premises ceased to be the property of the Corporate Debtor much prior to the initiation of CIRP, therefore, it cannot be covered under Section 14 much less 14(1)(d) of the Code.



9. The facts of this case are similar to the facts in case of Neesa Leisure (Supra). In this case also, the lease has been cancelled much prior to commencement of CIRP. In that case also, the Hon'ble NCLAT took note of mortgage over the cancelled plot in favor of financial creditor. Accordingly, following the decision in case of Neesa Leisure (Supra), we hold that Dausa Plot ceased to be property of the Corporate Debtor from the date of cancellation of lease deed, which happened approx. 9 year prior to first round of CIRP (which has become nullity) and 14 years prior to current CIRP.
10. Now coming to question, whether this Tribunal can issue directions to the Respondent No. 1 in relation to an assets which has ceased to be property of the Corporate Debtor much prior to commencement of CIRP. It is relevant to refer to decision in case of ***Embassy Property Developments Private Limited vs. State of Karnataka and Others- (2020) 13 SCC 308*** where the issue pertaining to jurisdiction of NCLT in relation to a matter covered by 'Mines and Minerals (Development and Regulation) Act, 1957' (MMDR Act, 1957) was under consideration. This Tribunal had issued directions to State of Karnataka for extension of lease expiring during Moratorium period. It was held that "46. *Therefore, in fine, our answer to the first question would be that NCLT did not have jurisdiction to entertain an application against the Government of Karnataka for a direction to execute Supplemental Lease Deeds for the extension of the mining lease. Since NCLT chose to exercise a jurisdiction not vested in it in law, the High Court of Karnataka was justified in entertaining the writ petition, on the basis that NCLT was coram non judice.*"
11. ***In the case of Maharashtra Industrial Development Corporation v. Santanu T. Ray RP & Anr., (2022) ibclaw.in 420 NCLAT***, the Hon'ble NCLAT held that "8. *From the law of the Hon'ble Supreme Court as laid down in "Embassy Property Developments Private Limited" and "Tata Consultancy Services Limited" (supra), the Adjudicating Authority has no jurisdiction to judicial review of any action taken by the Government or Statutory Authority in relation to matters which is in the realm of public law. Thus, in the facts of the present*



case, the Appellant who had granted a lease to the Corporate Debtor is well within its jurisdiction to take appropriate action on account of breach of conditions by the Corporate Debtor but limited question for consideration is as to whether it has to stay its hand from taking such action during currency of CIRP.”

12. In the present case, the Applicant has sought directions to Respondent No. 1 from this Tribunal contending that cancellation done on 31.05.2000 is never enforced and is not in accordance with the specified procedure as per RIICO land Disposable Rules and no third party right has been created. However, it is undisputed fact that such cancellation was in force prior to commencement of CIRP and the erstwhile Management or the financial creditor (having security interest therein) had right to challenge the same before the competent court in terms of said Rules, the violation of which is agitated before us. Nonetheless, this Tribunal does not have jurisdiction to decide on legality of such termination in view of ratio of decision(s) in case of Embassy Property Developments Private Limited (Supra) and Maharashtra Industrial Development Corporation (Supra), which are binding precedents. Accordingly, this application is not maintainable before us. It is clarified that the dismissal of present application shall not prejudice the right of Applicant Resolution Professional or Corporate Debtor or Financial Creditor having security interest in the Dausa Land, if any, to challenge the said termination before any competent forum or court.
13. In view of the foregoing, IA 1718 of 2025 is dismissed and disposed of accordingly.

-Sd/-

Prabhat Kumar
Member (Technical)

-Sd/-

Sushil Mahadeorao Kochey
Member (Judicial)