



**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, COURT-I, CHANDIGARH**

**I.A. No. 1975 of 2023
AND
I.A. No. 1991 of 2023
in
CP (IB) NO. 66/CHD/PB/2019
(Admitted)**

*[Applications under Section 60(5)
read with Sections 18 and 25 of
the Insolvency and Bankruptcy
Code 2016]*

IN THE MATTER OF IA No. 1975 of 2023

Pramod Kumar Misra

Liquidator of Venus Garments (India) Limited

R/o 5203 DLF Phase-4 Gurgaon, Haryana

Email: - office.nahushjain@gmail.com

...Applicant

Versus

1. M/S DUKE FASHIONS (INDIA) LTD.

NEAR JALANDHAR BYE PASS G.T. ROAD WEST, LUDHIANA
(PUNJAB)- 141008.

Email: karan@dukeindia.com

...Respondent No.1

2. SH KOMAL KUMAR JAIN,

Director M/S DUKE FASHIONS (INDIA) LTD

NEAR JALAN D HAR BYE PASS G.T. ROAD WEST, LUDHIANA
(PUNJAB)- 141008.

Email: karan@dukeindia.com

...Respondent No.2

3. SMT KANCHAN JAIN,

Director M/S DUKE FASHIONS (INDIA) LTD



NEAR JALAN D HAR BYE PASS G.T. ROAD WEST, LUDHIANA
(PUNJAB)- 141008.

Email: karan@dukeindia.com

...Respondent No.3

4. SH DHEERAJ BAGGA,

Director M/S DUKE FASHIONS (INDIA) LTD
NEAR JALAN D HAR BYE PASS G.T. ROAD WEST, LUDHIANA
(PUNJAB)- 141008.

Email: karan@dukeindia.com

...Respondent No.4

5. SH ASHISH JAIN,

Director M/S DUKE FASHIONS (INDIA) LTD
NEAR JALAN D HAR BYE PASS G.T. ROAD WEST, LUDHIANA
(PUNJAB)- 141008.

Email: karan@dukeindia.com

...Respondent No.5

IN THE MATTER OF IA No. 1991 of 2023

Mr. Pramod Kumar Misra,
Liquidator of Venus Garments (India) Limited
R/o 5203 DLF Phase-4 Gurgaon, Haryana

...Applicant

Versus

1. M/S UV & W PRODUCTS PRIVATE LIMITED,
Through Its Directors
House No. B-3 2 8/ 1, Dr. Sha m Singh Road Civil
Lines, LUDHIANA, Punjab, 141001, India
Email: sanjeev@vgil.com

...Respondent No.1

2. SMT SHWETA JAIN, DIRECTOR
M/S UV & W PRO DUCTS P RIVATE LIMITED,
House No. B-3 2 8/ 1, Dr. Sham Singh Road Civil



Lines, LUDHIANA, Punjab, 141001, India

Email: sanjeev@vgil.com

...Respondent No.2

3. SMT BHUMIKA JAIN, DIRECTOR
M/S UV & W PRO DUCTS P RIVATE LIMITED,
House No. B-328/ 1, Dr. Sham Singh Road Civil
Lines, LUDHIANA, Punjab, 141001, India
Email: sanjeev@vgil.com

...Respondent No.3

IN THE MAIN MATTER OF CP (IB) NO. 66/CHD/PB/2019 (Admitted)

State Bank of India

... Financial Creditor

Versus

Venus Garments (India) Limited

... Corporate Debtor

Order delivered on: 11.06.2026

Coram: SH. KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)
SH. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)

Present:

For the Applicant/Liquidator
In IA 1991/2023 & 1975/2023 :

Mr. Aalok Jagga, Advocate
Mr. Nahush Jain, Advocate
Mr. Sahil Lohan, Advocate
Mr. Aryaman Jagga, Advocate
Mr. Madhav Singal, Advocate
Mr. APS Madaan, Advocate

Mr. Parmod Kumar Misra, Liquidator
(online)

For the Respondent in
IA No.1991/2023, 1975/2023

: Mr. Vaibhav Sharma, Advocate



COMMON ORDER

The two Interlocutory Applications before this Tribunal, **IA No. 1975 of 2023** and **IA No. 1991 of 2023**, were initially filed by Sh. Navneet Gupta, the then Resolution Professional (*hereinafter referred to as the 'RP'*) of M/s Venus Garments (India) Limited (*hereinafter referred to as the 'Corporate Debtor' / 'CD'*) under Section 60(5) read with Sections 18 and 25 of the Insolvency and Bankruptcy Code, 2016 (*hereinafter referred to as the 'IBC' / 'Code'*). Since, common issues arise from the same liquidation proceedings initiated in the Petition bearing **CP(IB) No. 66 of 2019**.

2. **IA No. 1975 of 2023** has been filed against the Respondents, M/s Duke Fashions (India) Ltd., (*hereinafter referred to as the 'M/s Duke Fashions'*) and its Directors. The reliefs prayed for by the Applicant, extracted verbatim from the Application, are as follows:

"(i) To pass order and direct the Respondents to handover Property i.e. 2 Kanal 3 Marla Or 1300.75 Square Yards And Building Constructed thereon situated at Village Karabara, Bhadur Ke Road, Ludhiana.

(ii) To pass order directing the respondents to pay rent to the tune of Rs. 50 lacs with interest @ 18% per annum on the overdue amount from the date of non payment/default.

(iii) To impose cost on the Respondent; and/or

(iv) Issue such other necessary orders as may be deemed fit in the facts and circumstances of the case."

3. **IA No. 1991 of 2023** has been filed by the Applicant against the Respondents, M/s UV & W Products Private Limited, (*hereinafter referred to as the 'M/s UV & W Products'*) and its Directors. The reliefs prayed for, reproduced verbatim from the Application, are set out below:



"(i) To pass order and direct the Respondents to handover First Floor, 2nd Floor and 4th Floor of Annexe/utility building at Village Hussainpura, Opposite Hotel Amaltas, GT Road(West), Ludhiana, Punjab

(ii) To pass order directing the respondents to pay rent to the tune of Rs. 15 lacs with interest @ 18% per annum on the overdue amount from the date of non-payment/default;

iii) To impose cost on the Respondent; and/or

(iv) Issue such other necessary orders as may be deemed fit in the facts and circumstances of the case."

4. In pursuance to the Liquidation Order dated 22.07.2025 passed by this Tribunal, Sh. Pramod Kumar Misra was appointed as Liquidator of the Corporate Debtor, Venus Garments (India) Limited, who stands substituted as Applicant in place of the erstwhile Resolution Professional, Sh. Navneet Gupta, by way of an Amended Memo of Parties dated 26.03.2026, filed in both the Applications.

5. The brief facts, as stated by the Applicant, which are relevant for the adjudication of the present Applications, i.e. **IA No. 1975 of 2023** and **IA No. 1991 of 2023**, are set out hereunder:

(i) The specific particulars of each Application are set out in a comparative format below for ease of reference:

<u>Particulars</u>	<u>IA No. 1975 of 2023</u>	<u>IA No. 1991 of 2023</u>
Respondent (alleged tenant)	M/s Duke Fashions (=India) Ltd.	M/s UV & W Products Private Limited
Related Party Directors	a) Sh. Komal Kumar Jain (brother of Suspended Director),	(a) Smt. Shweta Jain (wife of Sh. Tarun Jain) and



(Relation with respect to the suspended director of the CD, Sh. Anil Kumar Jain)	b) Smt. Kanchan Jain (sister-in-law), c) Sh. Ashish Jain (nephew)	(b) Smt. Bhumika Jain (wife of Sh. Varun Jain). *Both Sh. Tarun Jain and Sh. Varun Jain are also the Suspended Directors of the Corporate Debtor who are sons of Sh. Anil Kumar Jain
Subject Property	2 Kanals 3 Marlas (1300.75 sq. yds.) and building at Village Karabara, Bahadur Ke Road, Ludhiana, hereinafter referred to as the “Karabara Property”	1st, 2nd and 4th Floors, Annexe/Utility Building, Village Hussainpura, Opp. Hotel Amaltas, GT Road (West), Ludhiana hereinafter referred to as the “Hussainpura Property”
Date of Alleged Lease Deed	05.05.2014	01.09.2018
Claimed Lease Duration	30 years (05.05.2014 to 12.05.2044)	30 years (01.09.2018 to 31.08.2048)
Annual Rent Stated (per annum)	Rs. 10,00,000/-	Rs. 3,00,000/-
Rent Arrears Claimed by the Applicants	Rs. 50,00,000/- (last 5 years) with interest @ 18% per annum	Rs. 15,00,000/- (last 5 years) with interest @ 18% per annum



Alleged Mode of Rent Discharge	Mutual book adjustment of inter-se dues between the CD and Duke Fashions (stated by the Suspended Director)	Payment of electricity bills of the premises and mutual adjustment of inter-se dues (stated by the Suspended Director)
Stamp Duty on Lease Deed	Rs. 100 (rupees hundred only)	Rs. 100 (rupees hundred only)

(ii) The Corporate Debtor is admittedly the lawful and absolute owner of both the **Karabara Property** and the **Hussainpura Property**. Both properties are reflected in the balance sheets of the Corporate Debtor, are acknowledged as its assets by the Respondents themselves in their respective pleadings, and form part of the liquidation estate within the meaning of Section 36 of the Code.

(iii) Both the Respondent No.1 in the respective IAs viz., *M/s Duke Fashions* in **IA No. 1975 of 2023** and *M/s UV & W Products* in **IA No. 1991 of 2023**, were inducted into physical possession of the respective subject properties by the Corporate Debtor. **Both Lease Deeds are admittedly in writing, unregistered and purport to create leasehold interests for a fixed term of 30 years bearing a stamp duty of merely Rs. 100.**

(iv) The Respondent Directors in both the IAs are **related parties** of the Corporate Debtor within the meaning of Section 5(24) of the Code. The directors of *M/s Duke Fashions* are the brother, the sister-in-law,



and the nephew of the Suspended Director of the CD. The directors of *M/s UV&W Products* are the daughters-in-law of the Suspended Director and the wives of two other Suspended Directors of the CD. The Respondent No.1, therefore, *M/s Duke Fashions* in IA No. 1975 of 2023 and *M/s UV & W Products* in IA No. 1991 of 2023 are entities controlled by the same Jain family that promoted and managed the Corporate Debtor.

(v) The Applicant alleges that no rent has been paid by either Respondent, i.e. *M/s Duke Fashions* and *M/s UV&W Products*, in cash, cheque, bank transfer, or any other negotiable instrument at any time since the dates of the respective alleged Lease Deeds. No entry of rent income from the Respondents appears in the financial statements of the Corporate Debtor. No entry of rent expense payable to the Corporate Debtor appears in the financial statements of the Respondents. No TDS has been deducted under Section 194-I of the Income Tax Act, (mandatory where annual rent exceeds Rs. 2,40,000/-). No Form 26Q/26AS entry reflects TDS on rent. No bank record evidences any such payment. The arrangement for discharge of rent obligations, mutual book adjustment of inter-se dues in the case of *Duke Fashions*, and payment of electricity bills plus mutual adjustment in the case of *M/s UV&W*, is recorded in the minutes of a CoC meeting with the Suspended Director, which are reproduced by the Applicant in the applications themselves.



(vi) No possession, symbolic or otherwise, has been taken from either Respondent at any stage prior to or during the CIRP. Both Respondents namely, *M/s Duke Fashions* in **IA No. 1975 of 2023** and *M/s UV & W Products* in **IA No. 1991 of 2023**, are in active physical occupation of the respective properties, i.e. ***Karabara property*** and the ***Hussainpura property***, respectively and are using them for their commercial operations. No application has been filed by the Applicant before the Rent Controller, Ludhiana, under the East Punjab Urban Rent Restriction Act, 1949 ('EPURRA' / 'Rent Act') in respect of either of the subject properties.

(vii) The CIRP was commenced against the Corporate Debtor by this Tribunal vide Order dated 24.11.2022. The Liquidation Order was passed on 22.07.2025. Accordingly, the Liquidator has conducted five auction attempts in respect of the Corporate Debtor's assets; all five have failed.

Reply of the Respondent(s)

6. The case of the Respondent(s), as emerging from the Replies filed and the submissions advanced by Ld. Counsel, is summarised as under:

(i) It is contended that both Applications have become infructuous by virtue of the Liquidation Order dated 22.07.2025 passed in the case. The provisions of the Code under Sections 18 and 25 apply exclusively to the Resolution Professional by their express language. The Liquidator's powers flow from Section 35 of the Code, which is a distinct provision. No fresh application has been filed under the correct



provisions and no amendment application has been filed before this Tribunal, though an Amended Memo of Parties has been filed. Reliance is placed on ***Kiran Singh v. Chaman Paswan, AIR 1954 SC 340.***

(ii) The tenancy stands admitted on the face of both applications. The Applicant has annexed the Alleged Lease Deeds as Annexure A-2 to each application, claimed 'rent' in the prayer, sought interest on 'overdue rent,' and reproduced CoC meeting minutes referring to 'absence of rent.' A party that pleads rent, annexes the lease deed, records rent adjustments, and seeks interest on overdue rent has unequivocally admitted the tenancy and cannot simultaneously characterise the same occupation as 'illegal and unauthorised.' The CoC minutes reproduced in both applications further record that the representatives of PNB and SBI advised the RP to 'file suit for vacation of the premises & engage a suitable lawyer for the same' a contemporaneous acknowledgment that the proper remedy lies not before this Tribunal but before a competent civil or rent control forum.

(iii) It is contended that this Tribunal lacks subject-matter jurisdiction over both applications. The landlord-tenant relationships predate the CIRP by several years the ***Karabara*** tenancy from 2014 and the ***Hussainpura*** tenancy from 2018 and the landlord's insolvency is the context, not the cause, of the dispute. Section 60(5)(c) is confined by ***Embassy Property Developments Pvt. Ltd. v. State of Karnataka, (2020) 13 SCC 308*** and ***Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta, (2021) 7 SCC 209***, to matters arising solely from or in relation to the insolvency of the Corporate Debtor, and the distinction



between the RP's statutory duties and the NCLT's jurisdiction is expressly drawn in Embassy Property at paragraph 38 and both properties fall within the purview of EPURRA. Section 13(1) of the EPURRA creates an absolute, non-obstante statutory bar on eviction by any mode whatsoever including 'or otherwise' which encompasses quasi-judicial orders of this Tribunal. The protection survives termination of the contractual tenancy, and the only permissible route is before the Rent Controller on the grounds enumerated in sub sections (2) and (3) of section 13 of the EPURRA. The Rent Controller's jurisdiction is exclusive, and even Civil Courts are barred from entertaining eviction suits against protected tenants. The proviso to Section 13(2)(i) of the EPURRA confers on the tenant the substantive right to pay arrears on the first hearing and thereby defeat the eviction application a protection wholly absent in Section 60(5) of the Code proceedings.

(iv) Non-registration of the Alleged Lease Deeds does not render the Respondents trespassers. By operation of Section 106 of the Transfer of Property Act, 1882, (TPA), a valid month-to-month tenancy arises de hors the instrument from the conduct of the parties induction into possession by the Corporate Debtor and the arrangement for discharge of rent obligations confirmed on record as per the ratio of ***Anthony v. K.C. Ittoop & Sons, (2000) 6 SCC 394***, as endorsed in ***Vishal N. Kalsaria v. Bank of India, (2016) 3 SCC 762***. Both Respondents are accordingly lawful month-to-month tenants and 'tenants continuing in



possession' within the meaning of Section 2(i) of the EPURRA, entitled to its full statutory protection.

(v) It is contended that Section 238 of the Code does not override the Rent Act bar, as Vishal N. Kalsaria holds that a Central non-obstante clause can only extend to laws operating in the same field, and **Harshad Govardhan Sondagar v. IARC, (2014) 6 SCC 1** holds that a lessee's right of enjoyment is a property right under Article 300A of the Constitution, determinable only by the modes in Section 111 of the TPA, none of which the IBC supplies. Furthermore, Entry 18 of List II of the Seventh Schedule of the Constitution places 'the relation of landlord and tenant' in the exclusive legislative competence of the State Legislature, and Section 60(5) of the Code must be harmoniously construed so as not to trench upon that exclusively State field. In **Sumati Suresh Hegde v. Anand Sonbhadra, (2025) ibclaw.in 29 NCLAT** wherein it is conclusively held that the NCLT under Section 60(5) of the Code cannot pass an order of eviction against a tenant protected by a Rent Control Act, that the RP cannot 'short-circuit' the procedural route established by law for eviction, and such an Application is an abuse of the summary procedure under the IBC. Both the Applications are, it is contended, dressed-up eviction petitions directly hit by this pronouncement.

(vi) The judgments relied upon by the Applicant are distinguishable: **Jhanvi Rajpal** concerned a lease expired by efflux of time; **Victory Iron Works** concerned a licensee and not a lessee; and **Classic Marble** concerned a bare permission to stock marble with no landlord-tenant



relationship, where symbolic possession had additionally been taken before CIRP all of which are factually distinct from the present cases. It is submitted that the Corporate Debtor retained constructive possession through its tenants, and the Liquidator inherits a landlord's interest with sitting tenants. What the Corporate Debtor could not lawfully have done on the day before CIRP commenced, the Liquidator cannot do on the day after the Liquidation Order. The Respondents played no part in the Corporate Debtor's default, and their statutory rights crystallised long before and independently of the insolvency.

(vii) The present Applications are premature and must await the final determination of the Hon'ble Punjab & Haryana High Court in CWP-3797 of 2023 and CWP-3910 of 2023, which challenge the cancellation of the One-Time Settlement entered into on 10.12.2020 between the Financial Creditor, State Bank of India, the Corporate Debtor, and its guarantors. It is further prayed that the applications be kept in abeyance pending the disposal of IA-995 of 2024, which seeks recall of the CIRP admission order dated 24.11.2022 on grounds of fraud and perjury.

Case of the Applicant

7. The case of the Applicant, as emerging from the applications, Rejoinders filed in response to the above Replies, and the submissions advanced by Ld. Counsel, is summarised as under:

- (i) In response to the preliminary objection that the CIRP and liquidation process under the IBC form a single statutory continuum,



and an application filed for the benefit of the insolvency estate during CIRP survives the commencement of liquidation as a pending matter to be prosecuted by the Liquidator. The Liquidation Order dated 22.07.2025 itself specifically directed the Liquidator to follow up on pending applications for disposal during liquidation. Section 35 of the Code vests the Liquidator with powers that are in pari materia with those of the RP under Sections 18 and 25 of the Code; the substantive relief sought remains unchanged and the shift in the statutory vehicle is, at best, procedural in character. **Kiran Singh v. Chaman Paswan** is inapplicable as it concerned a court acting entirely without pecuniary jurisdiction, which is not the position here. Both applications are accordingly maintainable.

(ii) This Tribunal has complete and exclusive jurisdiction under Section 60(5) read with Sections 35 and 36 of the IBC. The Liquidator's right to take custody of the liquidation estate arises not from the Alleged Lease Deeds but from Section 36(1) of the IBC a post-CIRP, liquidation-stage statutory obligation. Without the liquidation of Venus Garments, there would be no occasion for either application. The dispute arises solely on account of and in consequence of the liquidation, squarely satisfying the nexus test in **Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta, (2021) 7 SCC 209** at paragraph 72. Sections 35(1)(b), (d), (e), (k) and (l) of the Code vest comprehensive and mandatory powers in the Liquidator to take possession of, protect, and realise all assets of the Corporate Debtor, and Section 60(5)(c) confers residuary jurisdiction



upon this Tribunal to adjudicate any question of fact or law arising in relation to such liquidation.

(iii) The judgment relied in **Embassy Property** that Embassy Property was a case where the Corporate Debtor was itself a lessee of government property and the dispute concerned a statutory authority exercising sovereign public law powers under the Mines and Minerals (Development and Regulation) Act, 1957 a situation bearing no resemblance to the facts before this Tribunal, where the Corporate Debtor is the absolute owner of both subject properties, the Respondents are private related-party occupants, and no governmental authority or public law power is involved. This distinction has been given express imprimatur by the Hon'ble Supreme Court in **Victory Iron Works Ltd. v. Jitendra Lohia, (2023) 7 SCC 227**, and the argument based on Embassy Property has been specifically raised and rejected by the Hon'ble NCLAT in **Jhanvi Rajpal Automotive Pvt. Ltd. v. Resolution Professional, CA(AT)(Ins.) No. 1417 of 2022**, and in **Classic Marble Company Pvt. Ltd. v. Truvisory Insolvency Professionals Pvt. Ltd. & Anr., CA(AT)(INS) No. 187 of 2026** (decided on 27.03.2026) the latter categorically holding that the Liquidator/RP is not required to resort to civil or rent control proceedings, that Section 63 of the IBC excludes civil court jurisdiction, and that the Rent Controller stands on the same footing as a Civil Court for this purpose. The Hon'ble NCLAT in **Fivebro Water Services Pvt. Ltd. v. Bijay Murmuria (Liquidator), CA(AT)(Ins.) No. 1730 of 2025** further specifically held that the Liquidator has



absolute authority to evict related parties from the Corporate Debtor's properties under Section 60(5) of the Code.

(iv) The Alleged Lease Deeds, purporting to create leases for terms of 30 years, are required to be compulsorily registered under Section 17(1)(d) of the Registration Act, 1908 read with Section 107 of the TPA. Being unregistered, both documents are inadmissible in evidence by operation of Section 49 of the Registration Act and cannot create, alter, or extinguish any right in the subject properties. Additionally, both Alleged Lease Deeds bear a stamp duty of merely Rs. 100 grossly inadequate for instruments purporting to create substantive rights over immovable property for 30 years rendering them inadmissible in evidence and legally unenforceable. Reliance is placed on ***Suraj Lamp & Industries Pvt. Ltd. v. State of Haryana, SLP(C) No. 13917 of 2009.***

(v) With regard to the Contention of a month-to-month tenancy that the second and indispensable condition required by ***Anthony v. K.C. Ittoop & Sons, (2000) 6 SCC 394*** actual payment and acceptance of rent is entirely absent in both cases. In the case of Duke Fashions, the alleged mutual book adjustment of inter-se dues is not a formal, written, legally enforceable set-off agreement; it is a verbal statement by a Suspended Director who is a common promoter of both the Corporate Debtor and Duke Fashions, made in a CoC meeting during CIRP. In the case of UV&W, payment of electricity bills is made by the consumer to the electricity distribution company and not to the Corporate Debtor, and therefore cannot constitute payment of rent to the landlord. Both alleged arrangements are unsupported by any entry in the financial



statements of either party, any TDS deduction, any Form 26Q/26AS entry, or any banking record. In the absence of actual payment and acceptance of rent, the presumption of a month-to-month tenancy under Section 106 TPA does not arise.

(vi) With reference to the Respondents' reliance on EPURRA that its territorial applicability to Village Karabara and Village Hussainpura both being village locations has not been established by any notification on record, and the burden of establishing such applicability rests squarely on the Respondents. Even if EPURRA were applicable, Section 238 of the IBC operates as a complete override as held by the Hon'ble Supreme Court in ***Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407***. The Respondents' reliance on ***Vishal N. Kalsaria v. Bank of India, (2016) 3 SCC 762*** is misplaced on three independent grounds: (a) it was decided before Section 238 of the Code came into force and in the context of the SARFAESI Act; (b) its ratio was premised on the protection of a 'blameless tenant' wholly unrelated to the debtor's default a category inapplicable to related parties under Section 5(24) of the IBC; and (c) the Hon'ble Supreme Court in ***Vishal Kalsaria*** specifically conditioned the protection on parties 'paying and receiving rent' a condition entirely absent here.

(vii) With reference to the Respondents' reliance on ***Sumati Suresh Hegde v. Anand Sonbhadra, (2025) ibclaw.in 29 NCLAT***, the said judgment is distinguishable on two decisive grounds: first, the NCLAT's reasoning rested entirely upon a pre-existing decree of the Small Causes Court expressly declaring the occupant to be a tenant; and second, a



direct judicial admission of tenancy by the Corporate Debtor itself in its own eviction suit. Neither a civil court decree nor a judicial admission of tenancy by Venus Garments or by the Applicant/Liquidator exists in either of the present cases. **Classic Marble Company Pvt. Ltd.** decided by the Hon'ble NCLAT two months after **Sumati Suresh Hegde** does not refer to that judgment, demonstrating that Sumati is not a blanket bar on NCLT eviction proceedings but is confined to its specific facts.

(viii) It is contended that five auctions conducted by the Liquidator have failed solely on account of the Respondents' continued occupation. Directing the Liquidator to proceed before the Rent Controller would render the IBC's time-bound liquidation mandate entirely nugatory, as the Rent Controller cannot consider the interests of the creditors of the Corporate Debtor, cannot enforce Section 36 of the IBC, and cannot order the sale of the properties as part of the liquidation estate. The occupation of the Corporate Debtor's prime assets by related parties of the Suspended Board, at zero effective rent, under void and unstamped instruments, while actively frustrating five auctions, constitutes an abuse of process that merits no equitable protection from this Tribunal.

(ix) The admission of the CP (IB) NO. 66/CHD/PB/2019 in question has become final and it was not questioned before the Hon'ble NCLAT within the prescribed limitation period. The mere pendency of IA-995 of 2024 cannot be a ground to stall the liquidation process. The Hon'ble Punjab & Haryana High Court in CWP-3797 of 2023 and CWP-3910 of 2023 has not passed any order staying the CIRP, the Liquidation Order,



or the present proceedings, and the objections raised in this regard are nothing but delay tactics to frustrate the statutory process of liquidation.

8. Having considered the material placed on record and the arguments advanced by Ld. Counsel for the parties, the following issues arise for determination:

Issues

Issue No. 1: *Whether the present Applications, originally filed under Section 60(5) read with Sections 18 and 25 of the IBC by the then Resolution Professional, are maintainable at the instance of the Liquidator, or are rendered infructuous by the Liquidation Order dated 22.07.2025?*

Issue No. 2: *Whether this Tribunal, in exercise of powers conferred under Section 60(5) read with Sections 35, 36, and 238 of the IBC, direct handover of possession of the Karabara Property and the Hussainpura Property forming part of the liquidation estate?*

Analysis and Findings

Issue No. 1:

9. So far as the first issue is concerned, the Respondents have taken the preliminary objection that both the IAs, i.e., IA No. 1975 of 2023 and IA No. 1991 of 2023, filed under Section 60(5) read with Sections 18 and 25 of the Code, expressly applicable to the Resolution Professional, became infructuous when this Tribunal passed the Liquidation Order dated 22.07.2025, and the RP was relieved. They place reliance on **Kiran Singh v. Chaman Paswan, AIR 1954 SC 340**, for the proposition that a



fundamentally misconceived statutory foundation cannot be cured by a procedural direction. We are unable to accept this contention. The CIRP and the liquidation process under the IBC do not constitute independent or discrete proceedings. They form a single, seamless statutory continuum as the Code itself contemplates that an unsuccessful CIRP leads inevitably into liquidation, with the Liquidator stepping into the shoes of the estate previously managed by the RP. An application filed for the benefit of the insolvency estate during CIRP does not dissolve upon the commencement of liquidation. It survives as a pending matter to be pursued by the Liquidator, who, by statute, assumes control of the same estate in furtherance of the same underlying objective, i.e., to realise the value of assets for equitable distribution to creditors.

10. This Tribunal vide Liquidation Order dated 22.07.2025 specifically directed the Liquidator to ***"follow up on the pending applications for disposal during the process of Liquidation, including initiation of steps for recovery of dues of the Corporate Debtor as per law."*** That direction is a judicial order, and it cannot be rendered ineffective by a technical plea.

11. The Respondents' reliance on ***Kiran Singh v. Chaman Paswan 1955 SCR 1 117*** is misplaced. That case concerned a court that acted entirely without pecuniary jurisdiction, rendering its proceedings and final decree a nullity from inception. The present case is distinguishable and does not suffer from any such inherent lack of jurisdiction, as this Tribunal is the forum with complete jurisdiction over the liquidation proceedings. It is an undisputed fact that the Corporate Debtor is the absolute and lawful owner



of the subject properties, which legally form an integral part of the liquidation estate. Under Section 35(1)(b) read with Section 36(1) of the Code, taking custody and possession of the liquidation estate's assets is the mandatory statutory duty of the Liquidator. Therefore, an application filed by the Liquidator in discharge of this statutory duty before this Tribunal is perfectly maintainable and cannot be equated to a proceeding lacking inherent jurisdiction. In our considered view, the question that arises is not one of jurisdiction, for this Tribunal's jurisdiction over the liquidation of the Corporate Debtor is complete and exclusive, but of the operative statutory provision under which the Liquidator prosecutes these applications, namely, whether it is Sections 18 and 25 of the Code, applicable during CIRP, or Section 35 of the Code, applicable during liquidation. Both provisions, i.e., sections 18 and 35 of the Code, vest substantively similar powers, which are the mandatory duty to take custody and control of all assets of the Corporate Debtor. The relief sought remains the same; only the statutory provision shifts. That shift is, at most, procedural in character and cannot be permitted to defeat a substantive and mandatory statutory obligation.

12. The Hon'ble NCLAT in ***Adinath Jewellery Exports v. Brijendra Kumar Mishra, Liquidator of Shrenuj Co. Ltd., CA(AT)(Ins.) No. 748/2022*** has specifically held under paragraphs 41 and 42 that the powers of the Liquidator under Section 35 are in pari materia with those of the RP under Section 18, and that the Liquidator is fully empowered to pursue applications for recovery of possession of corporate debtor assets. Para 42 is reproduced herein for reference.



“42. Further, Section-35(1)(d) imposes a duty on the Liquidator to take such measures to protect and prevent the asset and property of the Corporate Debtor as he considers necessary, and Section 35(1)(n) gives the power to the Liquidator to apply to the Adjudicating Authority for such orders or directions as may be necessary for the liquidation of the Corporate Debtor. It is clear that the said premises at Plot No. A-7, MIDC, Andheri (E), Mumbai – 400093 were in the ownership of the corporate debtor and it was a duty of the Liquidator to protect and preserve this asset of the Corporate Debtor pending its disposal in the liquidation process and further clause (n) of sub-Section (1) of Section (35) gave powers to the Liquidator to the apply to the Adjudicating Authority for such orders as may be necessary for the liquidation of the Corporate Debtor.”

Section 35(1)(b) mandates the Liquidator to *"take into his custody or control all the assets, effects and actionable claims of the corporate debtor."* The prosecution of these applications by the Liquidator is therefore not a matter of choice but is the discharge of a mandatory statutory duty that this Tribunal has itself directed him to perform.

13. Therefore, in view of the above discussion, both Applications, i.e., IA No. 1975 of 2023 and IA No. 1991 of 2023, are maintainable.

14. Before proceeding further, it is imperative to address the preliminary objections raised by the Respondents regarding the pendency of writ petitions, i.e., CWP-3797 of 2023 and CWP-3910 of 2023, before the Hon'ble Punjab & Haryana High Court, as well as the pendency of IA-995 of 2024, before this Tribunal seeking the recall of the CIRP admission order dated 24.11.2022. We are unable to accede to this prayer. The CIRP admission order dated 24.11.2022 is a final and subsisting order of this Tribunal, having not been challenged before the Hon'ble NCLAT within the prescribed period under Section 61 of the Code, and the pendency of a recall application does not operate as an automatic stay of the liquidation



proceedings or of the Liquidator's statutory duties thereunder. Furthermore, a perusal of the interim orders passed by the Hon'ble High Court on 23.02.2023 and 10.03.2023 reveals that they merely restrict the confirmation of the auction of the guarantors' mortgaged properties. In stark contrast, the present eviction applications before this Tribunal seek to recover possession of the Corporate Debtor's own undisputed **Karbara** and **Hussainpura** properties. These properties legally form part of the liquidation estate under Section 36 of the Code. Therefore, the property specific protections granted by the Hon'ble High Court to the guarantors' personal assets have no bearing on the Liquidator's statutory right and mandatory duty to recover possession of the Corporate Debtor's estate.

Issue No. 2:

15. The Respondents have placed primary reliance on ***Embassy Property Developments Pvt. Ltd. v. State of Karnataka, (2020) 13 SCC 308*** for the proposition that NCLT jurisdiction under Section 60(5) is confined to matters arising solely from the insolvency of the Corporate Debtor and cannot be extended to what they characterise as a landlord-tenant dispute governed by State legislation.

16. In *Embassy Property (supra)*, the question before Hon'ble Supreme Court was whether the NCLT could, under Section 60(5), adjudicate a dispute arising from the State Government of Karnataka's decision not to extend a mining lease a decision taken by a statutory/governmental authority in exercise of sovereign public law powers under the Mines and Minerals (Development and Regulation) Act, 1957. In the present Applications, no governmental authority is a party, and no public law



decision is being challenged. The Corporate Debtor is admittedly the absolute owner of both properties, and the Respondents are private and related-party occupants claiming under documents executed with the Corporate Debtor itself. This precise distinction was drawn by the Hon'ble Supreme Court itself in para 42 of **Victory Iron Works Ltd. v. Jitendra Lohia, (2023) 7 SCC 227**, which is reproduced below:

“42. Embassy Property Developments Private Limited (supra) arose out of a case where, under the guise of preserving and protecting the interests of the Corporate Debtor, NCLT issued a direction to the Government of Karnataka to grant renewal of a mining lease, in terms of the deeming provision in Section 8A(6) of the Mines and Minerals (Development and Regulation) Act, 1957. Raising the question of jurisdiction of the NCLT to issue such a direction, the Government of Karnataka approached the High Court by way of a writ petition, instead of filing a statutory appeal to NCLAT. The jurisdiction of the High Court to entertain the said writ petition and also grant interim stay, was what was questioned before this Court in the said decision. The right to have a mining lease granted by the Government, was neither a statutory right nor a contractual right. A person applying for a mining lease may at the most be entitled to have his application considered along with the applications of others and to a fair treatment. Once a mining lease is granted, the terms and conditions of such grant may be subject to the covenants contained in the grant as well as the statutory provisions. Therefore, the ratio laid down in Embassy Property Developments Private Limited (supra) may not go to the rescue of the appellants in a case of this nature where Energy Properties became the owner only on account of the money paid by the Corporate Debtor and a bundle of very valuable rights and interests in immovable property was created thereafter in favour of the Corporate Debtor.”

17. Before proceeding further, this Tribunal must first address the character of the subject properties and the statutory framework within which this dispute falls to be adjudicated.

18. The subject properties are unequivocally and admittedly assets of the Corporate Debtor. The Karabara Property and the Hussainpura Property are reflected in the balance sheets and books of accounts of the CD, Venus



Garments (India) Limited. This is not in controversy as the Respondents themselves acknowledge that the Corporate Debtor is the owner of both properties. It is accordingly beyond dispute that both properties constitute assets of the Corporate Debtor and, as such, form part of the liquidation estate within the meaning of Section 36 of the IBC. Section 36(3)(a) is reproduced herein for ease of reference.

“36. Liquidation estate.- (3) Subject to sub-section (4), the liquidation estate shall comprise all liquidation estate assets which shall include the following:—

(a) any assets over which the corporate debtor has ownership rights, including all rights and interests therein as evidenced in the balance sheet of the corporate debtor or an information utility or records in the registry or any depository recording securities of the corporate debtor or by any other means as may be specified by the Board, including shares held in any subsidiary of the corporate debtor;”

The liquidation estate, which vested in the Liquidator upon the passing of the Liquidator Order dated 22.07.2025, includes both the subject properties, i.e. the ***Karabara Property*** and the ***Hussainpura Property***. Section 36(1) of the IBC provides that the assets of the Corporate Debtor shall vest in the liquidation estate; Section 36(3) specifically includes “*assets over which the corporate debtor has ownership rights*” within the liquidation estate. The Liquidator's right to take possession of both the subject properties arises mandatorily from Section 36(1) read with Section 35(1)(b) of the Code and not from the alleged Lease Deeds or from the tenancy laws of landlord and tenant.

19. The IBC vests comprehensive powers in the Resolution Professional and the Liquidator, and in this Tribunal, to deal with all matters relating to



the assets of the Corporate Debtor. Section 18(1)(f) specifically empowers the IRP/RP to take custody and control of all assets of the Corporate Debtor, including assets that may or may not be in the possession of the Corporate Debtor. Sections 35(1)(b), (e), (k), and (l) vest the Liquidator with pari materia powers, including the power to take possession of and realise all assets of the Corporate Debtor. These are not just enabling powers; they are mandatory statutory duties. A Liquidator who fails to pursue recovery of a liquidation estate asset that is being wrongfully withheld, is in dereliction of a statutory duty. It is against this statutory backdrop that the Respondents' contention that this Tribunal lacks jurisdiction and that the Liquidator must proceed before the Rent Controller falls to be examined.

20. In the present Applications, the Liquidator's need to take possession of the Karabara and Hussainpura Properties arises solely because of the liquidation of the CD. The Liquidator did not exist before the liquidation. The liquidation estate did not vest before the liquidation. The obligation to deliver possession to the Liquidator arose under Section 36(1) of the Code, a post-CIRP, liquidation-stage statutory obligation that exists only insofar as the CD is insolvent. Without the liquidation of Venus Garments, there would be no occasion for either IA No. 1975 of 2023 or IA No. 1991 of 2023. The nexus with the insolvency is not incidental; it is complete and causal. This dispute has arisen solely on account of the insolvency of the Corporate Debtor; this Tribunal is therefore fully empowered to adjudicate it under Section 60(5)(c) of the Code.

21. In ***Jhanvi Rajpal Automotive Pvt. Ltd. v. Resolution Professional, CA(AT)(Ins.) No. 1417 of 2022***, the Hon'ble NCLAT has held that eviction



proceedings by the RP/Liquidator before the NCLT are maintainable. The Hon'ble NCLAT specifically held that *Embassy Property (supra)* has no application to cases where the Corporate Debtor is the owner/landlord, the ratio of Embassy Property is expressly confined to situations where the Corporate Debtor is a lessee seeking to assert rights against a governmental authority. At paragraph 20 of the Judgment Hon'ble NCLAT underscored the intent and purpose of the IBC, which is to ensure that the assets of the Corporate Debtor are realised in a time-bound manner for the benefit of the creditors, and any obstacle to that realisation, including wrongful occupation of the Corporate Debtor's property, is a matter arising in relation to the insolvency that this Tribunal has jurisdiction and duty to address. Paras 14, 17 and 20 of *Jhanvi Rajpal (supra)* are reproduced below:

"14. For effectuating the duties entrusted on the IRP under Section 18 recourse to adjudicating Authority by filing an Application under Section 60(5) is fully permissible. In the present case, we are considering the case where there is no dispute that assets in question are owned by the Corporate Debtor hence by virtue of Section 18(1)(f), Resolution Professional can take steps for taking possession of the assets. To resist the case taken by the RP, Appellant contends that under Section 60(5), no Application can be entertained for eviction of the Appellant and the only remedy available to the RP is to take proceedings under MP Accommodation Control Act, 1961. It is further relevant to notice that present is a case where renewal lease dated 17.09.2021 was executed by the RP himself for a period of 5 months till 31st December, 2021. The Appellant thus was permitted by the RP to continue with the Lease for five months till 31.12.2021 and we have already noticed the conditions in the rent agreement as extracted above. Paragraph 11 and 16 which clearly stipulated that first party is to vacate the premises when 15 days notice is given in writing. Renewal of the lease to the Appellant was with the approval of the CoC as noted above, RP cannot create any right in favour of the Appellant with regard to the assets of the Corporate Debtor without prior approval of the CoC as contained in Section 28(1)(k) of the Code. We have noticed above that CoC has taken decision to issue Legal Notice to the Appellant to vacate from premises.

.....xxxxxx.....



17. The above was a case where challenge was to the Order of the State Government rejecting the proposal for deemed extension. Challenge to the said order could not have been made before the Adjudicating Authority since it was the matter of judicial review of action of the State Government. It is also relevant to notice one important distinction of the present case from the case of “Embassy Property Pvt. Ltd.” (supra). The corporate debtor was only a lessee whereas in the present case, the lessee is the Appellant and the corporate debtor is the owner of the assets. Corporate Debtor being owner of the assets as observed in paragraph 40 by the Hon’ble Supreme Court, NCLT has been conferred with jurisdiction to decide all types of claims to property, of the corporate debtor. Section 18(1)(f)(vi) provides “assets subject to the determination of ownership by a court or authority”. In the present case, there is no applicability of clause (vi) of Section 18(1)(f) since there is no cloud over the title of the corporate debtor over the assets nor any dispute pertaining to ownership of assets is pending in any court or authority. The judgment in the case of “Embassy Property” (supra) does not come to the aid of the Appellant in the present case.

.....xxxxx.....

20. Accepting the contention of the Learned Counsel for the Appellant that RP is obliged to file a suit for eviction of the Appellant under MP Accommodation Control Act, 1961 even though lease in favour of the Appellant has expired shall be unduly prolonging the insolvency process which is a time bound process. When the Corporate Debtor has the ownership rights over the premises which premises can be taken in control by IRP/RP, we are of the view that for eviction of the Appellant especially in event when lease in favour of the Appellant has come to an end, filing a suit is not contemplated in the statutory scheme contained in IBC.”

22. In the present case, the Alleged Lease Deeds, based on which the Respondents seek to justify their continued occupation of the Corporate Debtor's assets, purporting to create leasehold interests for a fixed term of 30 years, are instruments that are mandatorily required to be registered under Section 17(1)(d) of the Registration Act, 1908 read with Section 107 of the Transfer of Property Act, 1882. Both the Alleged Lease Deeds are admittedly unregistered. By operation of Section 49 of the Registration Act, an unregistered document required to be compulsorily registered cannot



affect any immovable property comprised therein, cannot be received as evidence of any transaction affecting such property, and cannot be acted upon for the purpose of creating, transferring, or extinguishing any right in such property. The Alleged Lease Deeds are accordingly void in the eyes of the law and have no legal sanctity for the purpose of conferring any right of occupation on the Respondents and cannot be relied upon to resist the Liquidator's exercise of his statutory duty under Sections 35 and 36 of the Code.

23. Additionally, the Respondent Directors of both *M/s Duke Fashions* and *M/s UV & W Products* are admittedly related parties of the Corporate Debtor as defined under Section 5(24) of the Code, being entities and individuals controlled by the same family that promoted and managed Venus Garments, the CD herein. Their interest in resisting the Liquidator's recovery of these assets is not the interest of an arm's length occupant asserting an independent legal right but of related parties whose continued occupation is directly and materially adverse to the liquidation estate and to the creditors it is meant to serve.

24. Recently, in ***Classic Marble Company Pvt. Ltd. v. Truvisory Insolvency Professionals Pvt. Ltd. & Anr., CA(AT)(INS) No. 187 of 2026***, Hon'ble NCLAT held in unequivocal terms that the NCLT has jurisdiction to direct eviction of tenants, licensees, and occupants from the premises of a Corporate Debtor, and that the RP/Liquidator is not required to resort to civil proceedings or rent control proceedings to recover possession. Hon'ble NCLAT also categorically addressed the nexus with insolvency, holding that when the dispute pertains to the recovery of assets forming part of the



liquidation estate of the Corporate Debtor which is being held by an occupant whose continued presence directly obstructs the realisation of that estate, the dispute is inextricably connected to and arises from the insolvency, and the NCLT's jurisdiction under Section 60(5) is fully attracted. This judgment, being the most recent authoritative pronouncement of Hon'ble NCLAT on the precise question before this Tribunal, is binding on this Bench. The relevant excerpts are reproduced for reference:

“16. This Tribunal heard the parties, noticed Section 18, Section 25 as well as Section 60(5) of the IBC. In paragraph 14, it was held that when there is no dispute that assets in question is owned by the Corporate Debtor, Resolution Professional can take steps for taking possession of the assets of the Corporate Debtor. In the above case, this Tribunal had also noted one of the judgments relied by the Appellant. The submission of the Appellant that Resolution Professional has to file a suit to get eviction order was also considered and negated. In paragraphs 20 and 21, following was held:—

“20. Accepting the contention of the Learned Counsel for the Appellant that RP is obliged to file a suit for eviction of the Appellant under MP Accommodation Control Act, 1961 even though lease in favour of the Appellant has expired shall be unduly prolonging the insolvency process which is a time bound process. When the Corporate Debtor has the ownership rights over the premises which premises can be taken in control by IRP/RP, we are of the view that for eviction of the Appellant especially in event when lease in favour of the Appellant has come to an end, filing a suit is not contemplated in the statutory scheme contained in IBC.

21. Thus, the contention of the Appellant that RP has to file a suit for eviction of the Appellant under the MP Accommodation Control Act, 1961 can not be accepted. We thus, in view of the foregoing discussions are of the considered opinion that Adjudicating Authority has rightly allowed the Application filed by the RP directing the Appellant to vacate from the premises so that Resolution Plan which has been approved can be implemented. We thus do not find any merit in the Appeal, the Appeal is dismissed.”



25. The Hon'ble NCLAT in *Adinath* (supra) also specifically addressed the overriding effect of the IBC with precision. At paragraph 48, the Hon'ble NCLAT held:

"48. We are therefore, convinced that once a property was part of the liquidation estate of the Corporate Debtor under liquidation, the provisions of IBC were applicable regarding the assets which were in the ownership of the Corporate Debtor and Section-238 of the IBC prohibited the applicability of any other law which was inconsistent with the IBC."

The principle laid down in paragraph 48 applies directly and with full force to the present scenario. The **Karabara Property** and the **Hussainpura Property** are admittedly owned by and form part of the liquidation estate of Venus Garments (India) Limited. Once that position is established, the provisions of the IBC govern the recovery and realisation of these properties, and Section 238 of the Code operates as a complete statutory override of any other law, including the East Punjab Urban Rent Restriction Act, 1949, to the extent of any inconsistency. The Respondents' attempt to invoke EPURRA as a bar to this Tribunal's jurisdiction is directly foreclosed by this pronouncement.

26. We find guidance in the Hon'ble NCLAT's judgment in **Fivebro Water Services Pvt. Ltd. v. Bijay Murmuria, Ashit Dhirajlal Doshi (Liquidator), CA(AT)(Ins.) No. 1730 of 2025**, wherein the Hon'ble NCLAT, drawing from *Gujarat Urja Vikas Nigam (supra)*, reproduced with approval the following passage:

"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.....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."

We are mindful of the caution in *Gujarat Urja (supra)* that this Tribunal must not usurp the jurisdiction of other fora where the nexus with the insolvency does not exist, and we find, on the facts of these cases, that the Liquidator's right to possession arises not from landlord-tenant law but solely from Section 36(1) of the Code, which vested these properties in the liquidation estate upon the Liquidation Order dated 22.07.2025; without that liquidation, there would be no occasion for either of the applications. The Respondents are also not arm's length third parties as they are related parties under Section 5(24) of the Code, belonging to the very promoter family whose management led to the CD's insolvency, whose continued occupation directly obstructs statutory asset realisation. The relief sought is not that of a landlord recovering possession in a contractual dispute; it is a Liquidator discharging a mandatory duty under Sections 35 and 36 of the Code to realise the liquidation estate for distribution under Section 53 of the Code, a relief that no other forum can grant or supervise. The nexus with insolvency is the subject-matter of these proceedings.



27. We have carefully considered the Respondents' reliance on **Sumati Suresh Hegde v. Anand Sonbhadra, (2025) ibclaw.in 29 NCLAT**, and find it distinguishable on facts fundamental to the Hon'ble NCLAT's reasoning therein namely, the existence of a Small Causes Court decree expressly declaring the occupant a tenant, and a direct judicial admission of tenancy by the Corporate Debtor itself in its own eviction suit. Neither circumstance exists in the present cases. We further note that the subsequent judgments of the Hon'ble NCLAT in **Classic Marble** (supra) decided 27.03.2026 and **Fivebro Water Services Pvt. Ltd.** (supra) decided 07.01.2026, both rendered after **Sumati Suresh Hegde**, have affirmatively upheld the NCLT's jurisdiction to direct eviction from liquidation estate assets and the Liquidator's authority to recover possession from related-party occupants under Section 60(5). Ratio in the case of **Sumati Suresh Hegde** accordingly does not govern or bar the present applications.

28. We also deal with the Respondent's argument that Section 238 of the IBC has no application. It is settled law, as held by the Supreme Court in **Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407**, that Section 238 is a complete override it does not merely override procedural provisions but overrides any law, substantive or procedural, that is inconsistent with the IBC. The Respondents contend that the East Punjab Urban Rent Restriction Act, 1949 ('EPURRA') creates an absolute bar on eviction and that this bar cannot be crossed by Section 238. This contention has been addressed and rejected in **Classic Marble (supra)**, which specifically held that Section 238 overrides any contrary statutory framework that bars the Liquidator from recovering liquidation estate assets, and that the Rent



Controller, standing on the same footing as a Civil Court, has its jurisdiction equally excluded by Section 63 read with Section 238 of the Code.

29. The purpose and design of the IBC requires emphasis at this stage. The NCLT is enforcing the Liquidator's own statutory duty to realise the liquidation estate for equitable distribution to creditors. The Rent Controller, even assuming it has territorial jurisdiction, cannot enforce Section 36 of the Code. To direct the Liquidator to proceed before the Rent Controller would not only delay the liquidation but also would render the IBC mandate entirely nugatory and reward the related parties whose continued occupation has already frustrated five auction attempts with an indefinite stay of the statutory process. That is not the design of the Code.

30. In view of the above discussion, we are of the view that this Tribunal has complete jurisdiction to adjudicate the present Applications.

31. We have considered the Applicant's prayer for payment of Rs. 50,00,000/- in IA No. 1975 of 2023 and Rs. 15,00,000/- in IA No. 1991 of 2023, claimed as rent arrears along with interest. The Applicant has submitted that the amounts so claimed are in the nature of compensation for use and occupation of the subject properties. The determination of the said prayer does not fall within the jurisdiction of this Tribunal, and the Applicant/Liquidator is accordingly at liberty to pursue such recovery before a forum of competent jurisdiction.

32. For the aforesaid reasons and circumstances of the case and by taking into consideration relevant law on the issue, both the Applications



i.e., **IA No. 1975 of 2023** and **IA No. 1991 of 2023** in **CP (IB) NO. 66/CHD/PB/2019** are hereby disposed of with the following directions:

- (i) *M/s Duke Fashions (India) Ltd.* and its Directors, the Respondents in **IA No. 1975 of 2023**, are directed to vacate and hand over vacant, peaceful, and unencumbered possession of the **Karabara Property**, i.e., 2 Kanals 3 Marlas (1300.75 sq. yards) of land and the building constructed thereon at Village Karabara, Bahadur Ke Road, Ludhiana to the Liquidator, Sh. Pramod Kumar Misra, within two (2) weeks from the date of this Order.
- (ii) *M/s UV & W Products Private Limited* and its Directors, the Respondents in **IA No. 1991 of 2023**, are directed to vacate and hand over vacant, peaceful, and unencumbered possession of the **Hussainpura Property**, i.e., the First Floor, Second Floor, and Fourth Floor of the Annexe/Utility Building at Village Hussainpura, Opposite Hotel Amaltas, GT Road (West), Ludhiana to the Liquidator, Sh. Pramod Kumar Misra, within two (2) weeks days from the date of this Order.
- (iii) The prayer for rent arrears in both the applications, i.e. **I.A. No. 1975 of 2023** and **I.A. No. 1991 of 2023**, being in the nature of use and occupation charges as submitted by the Applicant, is left open to be pursued before the appropriate forum.



33. Accordingly, **I.A. No. 1975 of 2023** and **I.A. No. 1991 of 2023** in **CP (IB) NO. 66/CHD/PB/2019** are *allowed and disposed of*.

Sd/-

(SHISHIR AGARWAL)
MEMBER (TECHNICAL)

Yuvraj

Sd/-

(KHETRABASI BISWAL)
MEMBER (JUDICIAL)