

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL****PRINCIPAL BENCH****COMPANY APPEAL (AT)(INS) NO. 2026/2024**

(Arising out of judgement and order dated 1<sup>st</sup> October, 2024 passed by National Company Law Tribunal, Mumbai in IA No.4147 of 2023 in CP(IB)/959(MB)/2022)

**In the matter of:**

Sudha Apparels Ltd.,

2/5 Sarai Bose Road, Sukh Sagar,

Flat No.BA, 8<sup>th</sup> Floor,

Kolkata, West Bengal 700020

Appellant

Vs

Mr. Ravi Sethia,

RP of Future Lifestyle Fashion Ltd

KPMG India Services, LLP

2<sup>nd</sup> Floor, Block T2(B Wing)

Lodha Excelus, Apollo Mills Compound

N.M. Joshi Marg, Mahalaxmi,

Mumbai 400011

Respondent

**For Appellant** : Mr. Sumesh Dhawan, Mr. Aseem, Chaturvedi, Mr. Arpit Kumar Singh, Mr. Anuj Shrotriya, Ms. Kavya Tekriwal, Advocates.

**For Respondent** : Mr. J Rajesh, Ms. Nandita Bajpai, Md. Arsalan Ahmed, Mr.Dhrupad Vaghani, Mr. Yashwardhan Agarwal, Mr. Ali Abbas Masoodi, Mr. Rahat, Advocates. Mr. Anand Singh Sengar, Advocate for Intervenor.

**JUDGEMENT****JUSTICE YOGESH KHANNA, MEMBER (JUDICIAL)**

The present appeal is filed by the appellant under Section 61 of IBC, 2016, being aggrieved of an impugned order dated 1<sup>st</sup> October, 2024 passed by the Ld.

National Company Law Tribunal, in IA No.4147 of 2023 in CP(IB)/959(MB)/2022.

2. It is the submission of the learned senior counsel for the appellant the appellant is an owner of the ground floor, 1<sup>st</sup> floor and 2<sup>nd</sup> floor of Plot No.5, Block-BG, Action Area-IB, New Town, Rajarhat, Kolkata, West Bengal 700156, herein called the *leased* property. A lease agreement dated 17.09.2008 was executed between the appellant and M/s Home Solutions Retail India Ltd for a period of 21 years. As per the terms of the lease deed, the lessor was entitled to terminate the lease deed *if there was default in payment of rent for two consecutive months*.

3. The business of M/s Home Solutions Retail India Ltd was taken over by M/s Pantaloons Retails India Ltd (PRIL), on or about 16<sup>th</sup> March, 2013 M/s PRIL then changed its name to Future Retail India Ltd. The Future Retail India Ltd further assigned its lease hold rights to the Corporate Debtor.

4. Vide IA No.4147/2023, the appellant sought for vacant and physical possession of the leased property from the Corporate Debtor on the ground the lease has since been terminated *vide* notice dated 14.04.2023, prior to the initiation of the CIRP of the Corporate Debtor due to non-payment of rental since February, 2022.

5. Admittedly the moratorium started on 04.05.2023 and the termination notice was never challenged by the Corporate Debtor or by the Respondent. It

was argued the appellant being a legitimate, absolute and undisputed owner of the subject property has sought possession of subject property but the said application was dismissed by the Ld. NCLT on the ground the appellant allegedly failed to establish its ownership over the leased premises and also failed to file documents of lease as well as of termination notice and lastly the *possession of the premises with the CD could not be disturbed in the light of moratorium* under Section 14(1)(d) of the Code.

6. It is the submission of the learned senior counsel for the appellant despite the claim of lease rental having been admitted to an extent of 90% by the Resolution Professional on 18.03.2024, the impugned order was passed holding *interalia* the appellant could not file the proof of ownership/landlordship over the subject property.

7. It is the submission of the appellant the admission of claim of rental by the Resolution Professional was sufficient proof of the ownership/landlordship of the appellant herein and the application ought not to have been dismissed on this ground alone. The status of the appellant as owner of the property has never been denied even by the learned counsel for the RP. Nevertheless we find the possession on 04.05.2023 was with the corporate debtor, hence the question to be determined is can the possession be taken from RP and be restored to the owner/landlord *during moratorium*. Section 14(1)(d) of Code reads as under:-

*“Section 14 Moratorium*

*(1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely: --*

*(a) xxxxx*

*(b) xxxxx*

*(c) xxxxx*

*(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*

8. Before proceeding further let us see how the impugned order has dealt with this issue -

*16. The Applicant has not only failed even to prima facie demonstrate its right, title, and interest in respect of the leased premises but also has not established the existence of a valid lease arrangement with the Corporate Debtor prior to the insolvency commencement date. Undisputedly, the issues of ownership and possession are triable issues that require adducing of oral and documentary evidence which is not possible in a summary procedure followed by this Tribunal. On account of the above, without expressing any opinion with respect to the ownership and possession of the leased premises, we leave it open to the parties to file seek an appropriate remedy before a competent civil, court/ authority/ forum to establish their respective right, title, and i) interest in the Leased Premises once the statutory moratorium ceases to be effective as per the provisions of Section 14(4) of the Code.*

*17. Even otherwise, so far as the question of handing over possession to the Applicant is concerned, Section 14(l)(d) of the Code prohibits recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor, more so when it is being used for sustaining the corporate debtor as going concern. The Hon'ble NCLAT had an occasion to deal with a similar issue in Company Appeal {AT} (Insolvency)No. 323 of 2018 in *MI s Navbharat Castings LLP vs. MI s Moserbear India Ltd. & Anr*". In this matter, the Hon'ble NCLAT was dealing with the issue as to whether the order of moratorium will apply to the leasehold property of a*

*landlord in which the corporate debtor is a tenant, particularly after the decree of eviction had been passed in favour of the landlord against the corporate debtor. It was held as under; -*

*"3. On hearing, the learned counsel for the Appellant and in view of sub-clause (i) of clause (d) of Section 14 of the Insolvency and Bankruptcy Code, 2016, the recovery of the f property by the owner occupied by the Corporate Debtor is not permissible during the period of moratorium. "*

*18. The findings recorded in the afore-cited case are unambiguous and lucid. The recovery of property by the owner/ landlord occupied by the Corporate Debtor is not permissible during the period of moratorium. The legislative intent of the moratorium is obviously to keep corporate debtors assets together during the resolution process and to ensure that he corporate debtor continues as a going concern. Any unilateral termination of a lease deed during the moratorium period militates against the goal of keeping the corporate debtor as a going concern. In the present case, the Respondent in his reply has pleaded that over 80% of the Corporate Debtor's business is conducted from the Leased Premises, which is the only outlet where business is being run and that possession of these premises is vital for the Corporate Debtor's continued viability as a going concern. On this account also, we are not inclined to direct the Respondent to hand over possession of the Leased Premises.*

*19. The Applicant has pleaded in its application that the claim filed by it before the Respondent/RP in Form 'B' has not been verified as on the date of filing the captioned Application. The Respondent/RP too confirmed the same in his affidavit-in-reply. However, as per the written arguments submitted by the learned Counsel for the Respondent/RP, the claim filed by the Applicant was admitted to the tune of INR 10,00,39,996/- out of the total claim of INR 11,69,64,411.33/- on 18th March, 2024. In support of the above submission, the learned Counsel for the RP has annexed a copy of proof of admission of claims as Annexure 'A' to the copy of written arguments placed on record. The aforesaid annexure confirms the fact of admission of claim as narrated above. Since the claim submitted by the Applicant has already been verified and partially admitted by the Respondent, no direction in respect of the said claim needs to be given to the Respondent any more. 20. On the basis of the above discussion, we are of the view that the applicant has failed to concretely establish its the ownership qua the leased*

*premises and also the arrangement of lease between the Applicant and the Corporate Debtor. Therefore, in the given circumstances, the possession of the premises in question cannot be ordered to be handed over. Even otherwise, possession of premises which is being used to keep the Corporate Debtor as a going concern cannot be disturbed in light of the moratorium u/s 14(1)(d) of the Code. However, looking at the facts and circumstances of this case, as discussed above, we feel it necessary to issue a note of caution to the RP to be circumspect enough while dealing with the property in question and must satisfy himself to the hilt with regard to the title of the leased premises as to whether the same legally and legitimately vests in the Applicant.*

9. At the outset the finding the appellant is not an owner/landlord of the leased premises is wholly against the admitted position, thus this finding has to go. To proceed further four dates are relevant; **a)** 09.03.2023 when rectification notice was issued requiring the Corporate Debtor to make payment of the outstanding dues; **b)** 14.04.2023 when the notice of termination was issued and is filed on record alongwith postal receipt and tracking report; **(c)** 04.05.2023 when the Insolvency commenced at the instance of financial creditor; and **(d)** 15.06.2023 when the Resolution Professional intimated the possession cannot be delivered back in view of Section 14(1)(d) of the Code as also the Corporate Debtor is not in a position to make payment of rental and the dues shall be treated as *insolvency cost*. It was argued by the learned senior counsel for the appellant there is no proceeding upto now to challenge the termination of lease deed.

10. Further learned senior counsel for the appellant referred to IA No.5614/2025 filed in the present appeal, more specifically to IA No.4007/2025

in CP No.959/2022 moved before the Ld. NCLT by the Resolution Professional stating inter alia as follows: -

*14. In view of the challenges detailed hereinabove, the Applicant sought the views and directions of the members of the CoC with respect to the continued viability of operating the store at Central Mall, Kolkata. The members of the COC were specifically requested to consider either (i) vacating the Central Mall Kolkata to reduce ongoing costs and liabilities; or (ii) providing interim finance to enable the store to continue operations as a going concern. The members of COC were apprised that continuation of operations at the said premises would necessitate, inter alia payment of outstanding electricity dues of amounting to approximately INR 50 lakhs (Indian Rupees Fifty Lakhs), cost for procuring additional inventory, and covering operational overheads to sell even the existing inventory. In light of the same, in order to mitigate these financial challenges, the Applicant suggested securing interim finance from the members of the CoC, failing which the store will have to be shut down.*

*15. Accordingly, the Applicant proposed that a resolution be passed by the CoC approving priority funding/interim finance of INR 5 Crores to be drawn down and utilized as and when required for continued operations of the Corporate Debtor. The members of the CoC were requested to consider the agenda and accord their approval for the said interim finance in order to enable the Corporate Debtor to continue functioning as a going concern and to preserve its value during the CIRP. However, the agenda for interim finance was rejected by the CoC. A copy of the Minutes of the 27th Committee of Creditors Meeting held on 30th April 2025 along with the voting results is hereto annexed and marked as Exhibit "C"*

11. The learned counsel for the appellant also pointed out to Minutes of 27<sup>th</sup> Meeting for the Committee of Creditors of Corporate Debtor held on 30.04.2025 wherein similar issue was raised before Committee of Creditors and following was noted: -

- *The representative from Edelweiss ARC subsequently asserted that continuing store operations at this juncture, considering the low volumes of sales, is unsustainable and that injecting funds through interim finance would not be a viable solution. The Chairperson informed the CoC that vacating the premises would require approximately three months, during which logistics and warehousing costs would need to be addressed to store the inventory elsewhere. COC took note of the same.*
- *Furthermore, a representative from Edelweiss ARC enquired from the Chairperson that given that there is no electricity at Kolkata Central Store, can the inventory of this store be moved to some other operational store. The Chairperson clarified that no large format store of FLFL is operational presently. If the CoC members decide to sell the existing inventory otherwise than through the stores, a structured approach for the sale of this inventory in lots will have to be finalized. However, it was suggested that such alternate ways of liquidating inventory should be evaluated only after the SMPL hearing is completed.*
- *Representative from Edelweiss ARC informed the Chairperson that they do not intend to provide additional financial assistance at this stage, considering the response from SMPL during the last COC meeting. The representative from IDBI Bank sought clarification regarding whether Sudha Apparels was a group company of Future Group. The Chairperson clarified that Sudha Apparels is not affiliated with Future Group.*
- *The Chairperson accordingly informed that as discussed with COC members, an evaluation for continuing the Central Mall, Kolkata store will be done by the Chairperson and thereafter decision for closure of the store will be **executed as deemed necessary. The members took note of the same.***

12. It was thus argued by the learned counsel for the appellant the company is *not a going concern* and is a *dead wood* and even otherwise, the premises sought to be vacated are lying locked and not in use of Corporate Debtor. Further the premises is not, even otherwise, in possession of the *Resolution Professional*

and is lying with sub-tenants who had also sought permission from this Court to handover the premises, either to the Resolution Professional or to the owners of the premises. Reference was made to Kothapally Krishna Reddy Vs Vijay Kumar Iyer, & Anr wherein an order was pronounced on 15.01.2024 in CP(IB) No.527(MB)/2022 by the Ld. NCLT as under: -

*14. So far as the relief sought by the Applicant with regards to the possession of the property is concerned, in our considered view, the RP is not justified in retaining the possession on account of the following circumstances:*

*i. & ii xxx.*

*iii. No rentals have been paid to the Applicant during the CIRP period at any point of time even though a period of more than two years has already passed. It cannot be disputed that the rentals during the CIRP period is required to be mandatorily treated and paid as CIRP cost.*

*iv. Admittedly, no business is being transacted in the premises in question nor the Corporate Debtor is being run as a going concern. Therefore, the RP cannot be allowed to retain the possession merely on the ground that it will further bring down the value of the Corporate Debtor.*

*v. Even though the building in question was raised by the Corporate Debtor but as per the terms and conditions of the Lease Deed executed between the Applicant and the Corporate Debtor, upon termination of lease the Corporate Debtor was required to give back the property on "As Is Where Is" basis which would imply that apparently the Corporate Debtor is not entitled to claim any compensation on account of the fact that the building on the leased land was raised by it.*

*vi. The Applicant cannot be put to a double jeopardy, as on one hand no rent is being admittedly paid to him since February, 2022 which includes pre and post CIRP periods nor the possession is being handed over to him which is resulting in a continuing loss to him and such type of status quo cannot be allowed to be maintained endlessly causing severe prejudice to the Applicants and his rights as a lessor. vii. No meaningful*

*purpose is being served by retaining the possession of the property by the Corporate Debtor as it would unnecessarily increase the financial burden of the Corporate Debtor which is already under acute stress.*

13. Thus it was argued once a lease agreement is lawfully terminated prior to the commencement of CIRP, all contractual and possessory rights of the corporate debtor in the subject premises stand extinguished in *praesenti* as a matter of general law and no right, title or interest survives in the corporate debtor on the insolvency commencement date, and consequently there is no “asset” or “property” capable of attracting the protection of moratorium under Section 14(1)(d) of the IBC. It was argued the Hon’ble Supreme Court in *A A Estates (P) Ltd. v. Kher Nagar Sukhsadan Coop. Housing Society Ltd.*, 2025 SCC OnLine SC 2579 (paras 16.6 & 16.11), placing reliance on *TATA Consultancy Services Ltd. v. SK Wheels (P) Ltd. (RP)*, (2022) 2 SCC 583, categorically held *Section 14(1)(d) is intended to protect the existing estate of the corporate debtor as it stands on the date of commencement of CIRP and it cannot be stretched to revive, re-create or resurrect contractual rights those were lawfully extinguished before insolvency proceedings were initiated. To extend moratorium protection to non-existent rights would be to defeat the commercial certainty and sanctity of lawful termination under general law.* The present case is also covered under the Explanation (a) to Section 18 of IBC which expressly excludes assets owned by a third party in trust or contractual agreement from the definition of assets which the resolution professional can take control of during CIRP.

14. It is argued in the present case, the lease rentals were not paid since February 2022 and in view thereof a Defect Rectification Notice dated 09 March 2023 was issued, and even thereafter the rentals remained unpaid, the Appellant then proceeded with the valid, legal and unchallenged termination of the Lease Agreement vide Termination Notice dated 14 April 2023; notably, such termination preceded the commencement of CIRP on 04 May 2023 and was also preceded by recourse to remedies, including proceedings before the civil court under Section 9 of the Arbitration Act, 1996, clearly establishing that it was not motivated by insolvency, and significantly, even the RP/Respondent has at no stage challenged the said termination on the ground of it being insolvency-driven, and has thus waived any such objection. It was argued this position leaves no subsisting proprietary, possessory, or enforceable right in favour of the Corporate Debtor as on the insolvency commencement date, rendering Section 14(1)(d) of the IBC wholly inapplicable to the Subject Premises.

15. It was argued the consistent judicial position, including of the same Bench of the Ld. Adjudicating Authority, supports restoration of possession on identical facts, *viz* Kothapally Krishna Reddy (supra) involving pre-CIRP lease termination, wherein the RP was directed to vacate and hand over possession, recognising the premises as not constituting an asset of the Corporate Debtor; however, the Impugned Order departs from this settled position solely on a self-created issue of ownership which was never raised, agitated, or put in issue by any party.

16. It is argued the plea that rentals would be treated as CIRP costs is wholly illusory; despite repeated assertions, no mechanism or decision ensures such payment, and the CoC in its 27th Meeting has expressly declined to treat rentals as CIRP costs), leaving no prospect of recovery. This untenable plea is merely a device to justify continued unlawful retention, causing ongoing prejudice to the Appellant.

17. Heard.

18. Thus, we need to examine if recovery of any property by an owner or lessor, where such property is occupied by or in possession of the Corporate Debtor, whether is prohibited in terms of Section 14(1)(d) of the Code. Section 14(1)(d) of the Code is absolute and covers property which is in possession of the Corporate Debtor. This is further evinced from the reading of Regulation 31(b) of the CIRP Regulations, which states the amount due to a person whose rights are affected under Section 14(1)(d) of the code shall be treated as CIRP costs. It shows even the termination notice was delivered before the initiation of CIRP, Section 14(1)(d) would still apply and restrict the lessor from recovering the property occupied by the Corporate Debtor. The Hon'ble Supreme Court in the matter of *Rajendra K. Bhutta vs. Maharashtra Housing and Area Development Authority and Another*, (2020) 13 SCC 208, while interpreting Section 14(1)(d) of the Code, had made a distinction between the expression '*occupied by*' and '*in the possession of*'. The Hon'ble Supreme Court held the expression '*occupied*' would have to be confined to physical occupation or use and not to legal possession, which is a separate

concept in law. Similarly, this Tribunal in the matter of *Supriyo Kumar Chaudhari v Jhunjhunwala Oil Mills Ltd., Company Appeal (AT)(Ins) No. 794 of 2021* decided on the question whether the premises used as the registered office of the Corporate Debtor could be recovered by the landlord during the subsistence of moratorium after initiation of CIRP, this Tribunal held the recovery which was done by the owner is after the initiation of the CIRP and such recovery is a clear infringement of Section 14(1)(d) of the Code. Further in the matter of *Maharashtra Industrial Development Corporation v Santanu T Ray, Resolution Professional, Comp.App.(AT)(Ins) No. 1004 of 2021*, this Tribunal reiterated the lessor could not have taken possession of the leased property when the moratorium had been triggered by virtue of CIRP. The Appellant has relied upon the judgment passed by the Hon'ble Supreme Court in the matter of *A A Estates Private Limited v Kher Nagar Sukhsadan Co-operative Housing Society, SLP (C) No. 10758 of 2025* to contend since the development right were terminated before the initiation of CIRP, the actual physical possession of the Corporate Debtor may also be ejected during the CIRP. However, the Hon'ble Supreme Court has distinguished recovery during moratorium in para 15.10 of the judgement. Relying upon *Rajendra K Bhutta*, the Hon'ble Supreme Court held Section 14(1)(d) of the Code is applicable when the Corporate Debtor is in actual physical occupation of the property under a subsisting joint development license and the termination sought to recover such occupied property during the moratorium. Further, in para 16.9 of the Judgement, the Hon'ble Supreme Court has brought

juridical possession under the protection of Section 14(1)(d) of the Code. Thus, the actual physical possession of the Property cannot be taken away during the subsistence of the moratorium.

19. Further, the Hon'ble Supreme Court of India in *R.V. Bhupal Prasad v State of Andhra Pradesh and Ors*, (1995) 5 SCC 698 has relied upon *Lallu Yashwant v Rao Jagdish Singh*, AIR 1968 SC 620 to hold the possession of a tenant who had ceased to be a tenant, after expiry or termination of the lease, is protected by law until he is duly ejected. Although he may not have a legal right to continue in possession after the termination or expiry of the tenancy, his possession was *at sufferance*, recognised as juridical and is protected by the common law.

20. Admittedly the Appellant terminated the Lease Agreement on 14.04.2023 and subsequently filed an application under Section 9 of the Arbitration and Conciliation Act, 1996, to injunct the Corporate Debtor from alienating the Property before the Commercial Court at Rajarhat. The Appellant was allegedly aware of all the company petition(s) filed before the Ld. Adjudicating Authority to initiate CIRP against the Corporate Debtor. The Ld. Commercial Court passed an order dated 29.04.2023, after noting the submissions made by the Appellant that the Corporate Debtor is purportedly alienating or encumbering assets and directed the Corporate Debtor to refrain from dealing with or disposing of the property. It is pertinent to mention the order dated 29.04.2023 was passed merely *five* days before the initiation of the CIRP.

Further the allegations of the Resolution Professional are the Appellant had violated the provisions of Section 14 of the Code by not allowing the electricity distribution company to reconnect electricity, in effect affecting the going concern status of the Corporate Debtor. The Property is the only premises where the operation of the Corporate Debtor continues under its brand "CENTRAL"; furthermore, more than 80% of the Corporate Debtor's business comes from the subject Property. The Resolution Professional disclosed at the 30th CoC meeting that the Central Store recorded total sales of Rs. 1211.74 Lakhs during the CIRP, whereas all the other stores combined recorded total sales of Rs. 713.71 Lakhs during the CIRP. The possession of the Property by the Corporate Debtor is critical to maintain the Corporate Debtor as a going concern and to resolving the Corporate Debtor in the CIRP. Moreso, when a total of 16 stores have been vacated during CIRP, and the Resolution Professional team is currently in the process of vacating 7 more stores, and only *two* stores as of date are operational, i.e., Central and Surat Stores.

21. Further it is the case of the Resolution Professional that WBSEDCL in their Affidavit disclosed an employee of the Appellant namely Santosh Agarwal stopped the WBSEDCL from reconnecting the electricity that kept the Central Store in the dark, which led to a steep decline in its sales. In view of disclosures made by WBSEDCL, the Resolution Professional had filed an I.A. No. 685 of 2026 against the Appellant under Section 74 of the Code to prosecute the Appellant and its employees. Section 74(2) of the Code provides where any creditor violates

the provision of Section 14, knowingly and willfully authorises and permits such contravention by the creditor shall be visited with the penal consequences prescribed therein. The moratorium was in the knowledge of the Appellant, and thus it was alleged the appellant's conduct of withholding and obstructing effective electricity supply amounts to a frustration of the moratorium.

22. We have also gone through the judgement rendered by the Hon'ble High Court of Delhi in *Acipiter Investments Aircraft Limited vs Union of India & Anr.*, 2024 SCC OnLine Del 3125, and we are of the considered view it does not apply to the present case as it has been rendered in the context of aircrafts which *automatically stand de-registered as the aircrafts in the possession of the lessee upon the termination of the lease*. Clause 7 of the Civil Aviation Manual was relied upon by the Hon'ble High Court at para 19.6 of the judgement. Further, the Ministry of Corporate Affairs, had keeping in mind the Aircraft Act and Aircraft Rules, and the fact is signatory to the Cape Town Convention excluded aircraft, aircraft engines and air frames from the operation of moratorium under Section 14 of the Code as recorded in para 38.5 to 38.7 of the judgement. The judgement in *Ram Ratan Modi vs Sammelan Tea and Beverages Pvt. Ltd.* 2024 SCC OnLine 917, does not apply to the facts of the present case as the Resolution Professional did not have possession of the tea gardens and had filed the application to take possession. The Resolution Professional was not allowed from taking possession of the tea garden where the lease deed had expired pursuant to which the possession was returned prior to CIRP. Therefore, Section 14(1)(d) of the Code

did not apply as the owner/lessor was not recovering possession of the tea gardens.

23. The Appellant has also relied upon *Kashi Vishwanathan Sivaraman v New Okhla Industrial Development Authority Comp. App. (AT)(Ins) 574 of 2024*, wherein the Resolution Professional, after the cancellation of the lease deed by the lessor, added the cancelled lease of the subject land *as an asset of the Corporate Debtor* and invited Expression of Interest to obtain resolution plans from prospective resolution applicants. This Tribunal held the Resolution Professional could not have taken such action, including the preparation of an Information Memorandum projecting the cancelled plot as the asset of the Corporate Debtor. This case does not deal with the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor in terms of Section 14(1)(d) of the Code. The case of *Mack Star Marketing Pvt Ltd Ashish Chawchharia 2022 SCC OnLine NCLAT 3378* does not deal with the issue raised in the present case. In *Mack Star (Supra)*, the Resolution Professional sought a refund of the security deposit. The Resolution Professional submitted the property shall be vacated only upon refund of the security amount. The Lessor, submitted the lease had not been terminated, and the lease amount shall be added in the CIRP Cost. In such circumstances, this Tribunal directed the Resolution Professional to vacate the property, and after that, the security amount will be refunded.

24. Admittedly, in the present case the Resolution Professional is still in possession of the leased property; thus we find no force in the appeal and it is dismissed. However, we request the Resolution Professional/the LD NCLT to conclude the proceedings as expeditiously as possible, preferably within 3 months from today.

25. Pending application(s) *viz* I.A. No. 7609/2024, 7608/2024, 8440/2024, 2195/2025, 5067/2025, 5614/2025 and 773/2026 are also disposed of.

**(Justice Yogesh Khanna)**  
**Member (Judicial)**

**(Mr. Ajai Das Mehrotra)**  
**Member (Technical)**

**Dated: 06.04.2026**  
**BM**