

NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.201
IA/111(MP)2026
in
CP(IB)/16(MP)2024

Order under Section 60(5) & Reg 30

IN THE MATTER OF:

Kuldeep Tank RP Shree Uttam Food Products (India) Pvt LtdApplicant
V/s

Mr. Vatsal Acharya Unauthorised Occupant of FactoryRespondent

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)
Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 07/07/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Tomar

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL

INDORE BENCH

I.A. No. 111 OF 2026

in

CP (IB) No. 16 (MP) OF 2024

[Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 30 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016]

IN THE MATTER OF:

Kuldeep Tank

Resolution Professional

M/s Shree Uttam Food Products (India) Private Limited

Address: 202, Block-A, The One, RNT Marg, Indore 452001

Email: cirp.sufppl@gmail.com

...Applicant

Versus

Mr. Vatsal Acharya

Unauthorised Occupant

Factory of at Village- Bamnia, Tehsil, Petlawad,

District- Jhabua of the M/s Shree Uttam Food Products (India) Pvt. Ltd

Residential address: Azad Marg,

Thandla District- Jhabua, Madhya Pradesh- 457990

Email: vatsal.acharya99@gmail.com

...Respondent

C O R A M:

HON'BLE SH. BRAJENDRA MANI TRIPATHI, MEMBER (J)

HON'BLE SH. MAN MOHAN GUPTA, MEMBER (T)

Order Pronounced on 07.07.2026

Appearance:

For the Applicant: Ms. Darshana Baghel, Adv.

For the Respondent: Ms. Eesha Kalve, Adv.

ORDER

1. The present Application has been filed by Mr. Kuldeep Tank, Resolution Professional (“RP”) of M/s Shree Uttam Food Products (India) Private Limited (the “Corporate Debtor”), against Mr. Vatsal Acharya (the “Respondent”), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Regulation 30 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, seeking directions as under:

- a) *Allow the present Application and direct the Respondent to vacate and hand over peaceful and vacant possession of the factory/processing unit of the Corporate Debtor situated at Village Bamnia, Tehsil Petlawad, District Jhabua (M.P.) to the Applicant / Resolution Professional;*

- b) *Direct the District Administration/ Superintendent of Police/ local police authorities to provide necessary assistance to the Applicant/Resolution Professional for enforcing and implementing the handover of possession of the said premises; and*
- c) *Such other or further order(s) as this Hon'ble Tribunal may deem fit, proper and just in the facts and circumstances of the present case.*

2. The Applicant's case in brief:

- i. The Applicant submits that this Adjudicating Authority, vide order dated **05.12.2025** passed in **CP(IB) No. 16(MP) of 2024**, admitted the Corporate Debtor into Corporate Insolvency Resolution Process (“CIRP”) on a petition filed under Section 7 of the Code by Punjab National Bank, and appointed the Applicant as Interim Resolution Professional, who continues to function as the Resolution Professional.
- ii. The Applicant submits that pursuant to the said order, he made the public announcement, invited claims, constituted the Committee of Creditors, and undertook steps in accordance with the Code and the CIRP Regulations to discharge his statutory duties under Sections 18, 20 and 25 of the Code, including taking custody and control of the assets of the Corporate Debtor and preserving and protecting their value.
- iii. The Applicant submits that **on 15.12.2025**, he personally visited the factory premises of the Corporate Debtor at Village Bamnia, Tehsil Petlawad, District Jhabua, but the Respondent did not permit him and his team to enter, and expressly denied him access to the factory/processing unit and the assets of the Corporate Debtor — conduct which, according to the Applicant, demonstrates obstruction

and non-cooperation and has prevented him from taking custody, control and inventory of the assets.

- iv. The Applicant submits that he thereafter issued an email communication along with a formal letter dated 20.12.2025 to the Respondent, calling upon him to immediately hand over custody and control of the factory/processing unit and its assets, and cautioning that continued obstruction would amount to non-cooperation under Section 19 of the Code and could invite proceedings before this Tribunal.
- v. The Applicant submits that despite repeated emails, letters and reminders, the Respondent failed to furnish requisite information and documents in a timely and satisfactory manner; that a copy of the lease deed dated 16.12.2023 was eventually shared, but the Respondent continued thereafter to withhold other material information and records necessary for the Applicant to discharge his duties under the Code.
- vi. The Applicant submits that vide letter dated **31.12.2025**, he called upon the Respondent to furnish, inter alia, details of the bank accounts into which lease rent had been transferred along with supporting bank receipts and transaction reference numbers for the period from **15.01.2024** to date, payment details of electricity bills for the premises, details of employees along with labour-law compliance particulars (EPF, ESIC and other statutory compliances), details of compliance with applicable laws including the Factories Act and allied legislation, details of licences obtained, and a copy of the relevant Board Resolution.
- vii. The Applicant submits that despite the aforesaid request, the Respondent failed to furnish the said information and documents,

necessitating repeated reminder emails; that even after the sixth reminder, the Respondent merely replied stating “Yes, I am working on it,” without furnishing any of the requisite details; and that in all, twelve (12) reminders were sent, yet the Respondent continued to withhold the information and documents.

- viii. The Applicant submits that he further sought confirmation, vide email dated 23.01.2026, from the District Industries Centre as to whether any prior permission had been obtained for sub-leasing the premises in terms of the lease deed; and that the said authority, vide email dated 27.01.2026, categorically clarified that no permission had been granted for sub-leasing of the premises as per the conditions of the lease deed.
- ix. The Applicant submits that he placed the entire issue before the Committee of Creditors at its 2nd meeting held on 29.01.2026, wherein Agenda Item No. 14, pertaining to the lease arrangement and occupation of the factory premises, was taken up for detailed consideration.
- x. The Applicant submits that while deliberating upon Agenda Item No. 14, the Committee of Creditors took note of the factual position placed on record by him — namely, that he had verified all three bank accounts of the Corporate Debtor maintained with Punjab National Bank, State Bank of India and Axis Bank, and that no transactions reflecting payment of lease rent were found therein — as also the lessee's failure to furnish details of lease payments, the absence of supporting transactions, non-compliance with statutory requirements, and continued non-cooperation.

- xi. The Applicant submits that after due deliberation, and taking into account the Respondent's non-cooperation, the absence of supporting documentation, and the overall interest of the Corporate Debtor and its creditors, the Committee of Creditors, with 100% voting share, resolved that the lease arrangement was not in the interest of the Corporate Debtor and decided that the same be terminated.
- xii. The Applicant submits that pursuant to the said resolution of the Committee of Creditors, he, in his capacity as Resolution Professional, issued a formal letter terminating the lease deed, along with proof of dispatch and service upon the Respondent.
- xiii. The Applicant submits that despite termination of the lease, the Respondent has failed and neglected to vacate the premises and continues to remain in occupation thereof without any legal right, title or authority, thereby, according to the Applicant, rendering his possession wholly illegal and unauthorised.
- xiv. The Applicant submits that the sole suspended director/erstwhile management of the Corporate Debtor, namely Shri Nilesh Upadhyay, passed away in the month of February 2026, as a result of which there is presently no person from the erstwhile management who can be held accountable or responsible for the security or protection of the assets of the Corporate Debtor at the factory premises, which is now under the control of the Respondent.
- xv. The Applicant submits that in these circumstances, he has a bona fide and well-founded apprehension that the valuable plant, machinery, equipment and other assets lying at the factory premises are exposed to serious risk of being removed, siphoned off, dismantled, damaged or

otherwise dealt with, particularly in light of the death of the sole suspended director; and that, being under a statutory duty under Sections 18, 20 and 25 of the Code, he is presently unable to secure and protect the said assets on account of the obstruction and non-cooperation of the Respondent and the consequent lack of effective control over the premises.

- xvi. The Applicant submits that the Committee of Creditors has also approved publication of Form G inviting Expressions of Interest from prospective resolution applicants, that Form G has been duly published, and that following such publication he has received queries and communications from prospective resolution applicants in relation to the Corporate Debtor, including its assets and the subject premises; that in response, a total of eight **(8) Prospective Resolution Applicants** have submitted their Expressions of Interest.
- xvii. The Applicant submits that in these circumstances it has become imperative for him to secure immediate access to, and securing of, the factory premises and the plant and machinery of the Corporate Debtor, so as to facilitate inspection, valuation and due diligence by the prospective resolution applicants and to prevent any loss or diminution in the value of the assets during the CIRP; and that unless such access and protection is granted, he will be unable to facilitate the same, thereby seriously prejudicing the CIRP and frustrating the object of the Code.
- xviii. The Applicant submits that the balance of convenience lies entirely in his favour and against the Respondent, and that no prejudice would be caused to the Respondent by securing and protecting the assets of the Corporate Debtor, whereas grave and irreparable loss would be caused

to the Corporate Debtor and its stakeholders if such protection is not granted forthwith.

- xix. The Applicant accordingly submits that the present Application has been filed seeking interim directions for access, protection and securing of the factory premises and machinery of the Corporate Debtor, and final directions for vacating and handing over peaceful and vacant possession of the premises to the Applicant.

3. Respondent's Reply:

- i. The Respondent has filed a Reply dated 23.03.2026, denying that he is an “unauthorised occupant” and submitting that his possession of the subject premises is founded on a valid, subsisting Lease Deed dated **16.12.2023**, executed for a fixed tenure of 60 months (**15.01.2024 to 14.01.2029**) well prior to commencement of CIRP vide order dated **05.12.2025**, under which possession of the premises stands transferred to and vests with the Respondent for the entire lease period.
- ii. The Respondent submits that lease rentals of **Rs.40,000/- per month**, plus applicable taxes, are being paid in cash to the lessor, the suspended director Late Shri Nilesh Upadhyay, owing to the freezing of the bank accounts of the Corporate Debtor, in support of which extracts of the Respondent's books of accounts/cash book have been placed on record as Annexure R/1; that electricity charges are being paid as per meter reading; and that any non-reflection of such payments in the accounts of the Corporate Debtor is a matter attributable to the erstwhile management and cannot be visited upon the Respondent.
- iii. The Respondent denies the allegations of non-cooperation and obstruction, affirmatively contending that it was rather the Applicant

who attempted to interfere with the Respondent's lawful possession and ongoing operations without following due process, and submitting that he has duly complied with the order dated 25.02.2026 passed by this Tribunal and permitted the Resolution Professional access to inspect and value the premises, the resultant Panchnama of Access dated 07.03.2026 being annexed as **Annexure R/2**; and further submits that the absence of permission from the District Industries Centre for sub-leasing is a matter between the Corporate Debtor and that authority, and cannot render the Respondent's possession unauthorized.

- iv. The Respondent contends that the resolution of the Committee of Creditors dated 29.01.2026, and the consequent termination of the lease, are ex parte qua the Respondent, who was neither heard nor made a party thereto; and that a resolution of the Committee of Creditors, howsoever carried, cannot by itself extinguish a subsisting contract or possessory right in the absence of adjudication by a competent forum.
- v. The Respondent further submits that the Resolution Professional has no authority in law to invoke Section 14 of the Code for the purpose of dispossessing the Respondent, nor any authority in law to unilaterally terminate a valid, subsisting lease; and that any such purported termination is arbitrary, without jurisdiction, and unsustainable in the eyes of law.
- vi. The Respondent further submits, in response to the Applicant's averment that the death of the sole suspended director, Shri Nilesh Upadhyay, in February 2026 has left no person from the erstwhile management accountable for the premises, that legal heirs/representatives of the Corporate Debtor exist who are competent to manage and deal with its affairs; and that the Lease Deed, being valid

and subsisting for its fixed tenure till 14.01.2029, continues to confer vested possessory rights upon the Respondent unaffected by any such change in management.

- vii. The Respondent submits that the moratorium under Sections 14(1)(a), 14(1)(b) and 14(1)(d) of the Code is confined to protecting the Corporate Debtor and its assets and mandates maintenance of status quo in respect of possession, and does not extend to extinguishing the leasehold rights of a third party, and that the Transfer of Property Act, 1882 does not contemplate automatic termination of a subsisting lease upon initiation of insolvency proceedings; and places reliance on *Gujarat Urja Vikas Nigam Limited v. Amit Gupta & Ors.* (MANU/SC/0157/2021) and **Maharashtra Industrial Development Corporation (Comp. App. (AT)(Ins.) No. 1004 of 2021)** for the proposition that jurisdiction under the Code cannot override valid third-party contractual rights unless intrinsically connected with the resolution of the Corporate Debtor.
- viii. The Respondent further contends that the relief sought is, in substance, one of eviction/recovery of possession involving adjudication of disputed questions of title and lease validity, which falls outside the summary jurisdiction of this Tribunal under Section 60(5) of the Code; and that forcible dispossession at this stage would cause irreparable prejudice to him and adversely affect the going concern value of the Corporate Debtor.
- ix. The Respondent further furnishes point-wise responses to the specific information sought by the Applicant, without prejudice to his rights and contentions, stating that: a copy of the Board Resolution is not available and has been sought from the legal heirs of the suspended director; the

20 existing staff members have been retained pursuant to the terms of the lease, with the Respondent maintaining necessary employment records and complying with applicable labour laws, including EPF and ESIC, to the extent applicable; and necessary licences and permissions are being obtained/shall be obtained by the Respondent at his own cost.

- x. The Respondent accordingly prays that this Tribunal be pleased to dismiss the Application and hold that he is not an unauthorised occupant but is in lawful possession under the bona fide lease dated 16.12.2023; restrain the Applicant/Resolution Professional from interfering with his peaceful possession and lawful operations at the subject premises; and, in the alternative and without prejudice, pass such directions as may protect his contractual and equitable rights, including reasonable time and conditions for vacation if ultimately ordered, the Respondent expressing willingness to continue operations in coordination with the Resolution Professional, permit access for inspection/valuation, and comply with such directions, including deposit of lease rentals.

4. The Respondent has filed an Additional Affidavit dated 18.04.2026, sworn before the Notary, Indore, submitting that the Resolution Professional visited the subject premises on 07.03.2026 in compliance with this Tribunal's order dated 25.02.2026 and was granted unhindered and unbridled access thereto, the Panchnama of the said visit being annexed as Annexure AA/01. The Respondent further submits that the Resolution Professional again visited the premises on 25.03.2026, this time pursuant to a further order dated 20.03.2026 passed in IA No. 157(MP) of 2026, and deployed security guards, namely M/s Saaras Security Service, at the said premises; the Panchnama of the said visit being annexed as Annexure AA/02.

The Respondent submits that the Applicant has categorically stated that the deployment of the said security personnel is only for the purpose of taking care of the movable assets of the Corporate Debtor. The Respondent further submits that the Applicant has also accepted the works of the Respondent in carrying out activities as per the Lease Deed, and contends that the same tantamounts to a revocation of the resolution of the Committee of Creditors terminating the lease, which resolution, according to the Respondent, was in any event contrary to Section 14(1)(b) and 14(1)(d) of the Code.

The Respondent further submits that he has instituted a Civil Suit before the competent Civil Court, District Jhabua, seeking, inter alia, a declaration that the Lease Deed dated 16.12.2023 is valid, subsisting and binding upon the parties, a declaration that the termination of the said lease pursuant to the resolution of the Committee of Creditors dated 29.01.2026 is illegal, arbitrary and without jurisdiction, and a permanent injunction restraining his dispossession otherwise than by due process of law; a copy of the said plaint being annexed as Annexure AA/03.

The Respondent accordingly reiterates that he continues to be a lawful and authorised occupant of the premises under the subsisting Lease Deed, in peaceful possession thereof, without having committed any act of unauthorised occupation or caused any interference with the rights of any person.

5. ANALYSIS AND OBSERVATION

- I. We have heard the Learned Counsel for the Applicant and the Learned Counsel for the Respondent and have perused the record, including the Reply, the Additional Affidavit and the written submissions filed on behalf of both the parties.

- II. At the outset, it is necessary to notice the facts which are not in dispute. It is an admitted fact that the Lease Deed dated 16.12.2023, in respect of the premises forming part of the assets of the Corporate Debtor, was executed on behalf of the Corporate Debtor by its erstwhile Director, Mr. Nilesh Upadhyay (since deceased), in favour of the Respondent. It is equally not in dispute that the Committee of Creditors, in its second meeting held on 29.01.2026, resolved with 100% voting share to terminate the said lease, and that the Respondent continues to remain in occupation of the premises — the Respondent asserting such occupation to be lawful under the Lease Deed, and the Applicant contending it to be wholly unauthorised. The controversy, therefore, turns not upon the fact of execution or of continued occupation, but upon the legal efficacy of the Lease Deed and upon the forum competent to adjudicate the resultant dispute.
- III. Upon a consideration of the rival contentions, the following two issues arise for our determination:
- a) *Whether the Lease Deed dated 16.12.2023, being an unregistered instrument, was required to be compulsorily registered, and whether, in the absence of such registration, it is incapable of conferring upon the Respondent any subsisting leasehold right, title or interest in the premises of the Corporate Debtor; and*
 - b) *Whether this Adjudicating Authority is vested with jurisdiction under Section 60(5) of the Code to entertain the present application and to direct the Respondent to vacate and hand over vacant possession of the premises of the Corporate Debtor.*

Issue No. 1 — Registration and validity of the Lease Deed

a) The Lease Deed dated 16.12.2023 is, on its own terms, a lease of immovable property for a term of sixty months, that is, from **15.01.2024 to 14.01.2029**, reserving a monthly rent of Rs. 40,000 (Clause 2 and 3 of the Lease Deed). The requirement of registration for a lease of this nature is governed by Section 107 of the Transfer of Property Act, 1882, and, correspondingly, by Section 17(1)(d) of the Registration Act, 1908.

b) Section 107 of the Transfer of Property Act, 1882, in its first paragraph, provides as under:

“A lease of immovable property from year to year, or for any term exceeding one year, or reserving a yearly rent, can be made only by a registered instrument.”

c) Section 17(1)(d) of the Registration Act, 1908, correspondingly makes registration compulsory in respect of —

“(d) leases of immovable property from year to year, or for any term exceeding one year, or reserving a yearly rent.”

d) The Lease Deed being for a term of sixty months, that is, a term exceeding one year, and reserving rent, it falls squarely within the ambit of Section 107 of the Transfer of Property Act, 1882, as well as Section 17(1)(d) of the Registration Act, 1908, and was, therefore, compulsorily registrable. The copy of the Lease Deed placed on record, however, bears only a notarial attestation and carries no endorsement of registration by the Sub-Registrar. It is thus an unregistered instrument which the law required to be registered.

e) The consequence of such non-registration is prescribed by Section 49 of the Registration Act, 1908, which ordains that no document required to be registered shall affect any immovable property comprised therein, or be

received as evidence of any transaction affecting such property, save for the limited collateral purposes recognised by the proviso thereto. The Hon'ble Supreme Court, in **M/s Paul Rubber Industries Pvt. Ltd. v. Amit Chand Mitra & Anr., (arising out of SLP(civil)No.15774 of 2022), 2023 INSC 854**, *has settled the extent to which an unregistered but compulsorily registrable lease deed may be looked into. While the nature and character of possession may be examined for a collateral purpose where it is not the main term in dispute, the position is otherwise where the purpose or character of possession is itself the primary dispute. It has been held: "In this case, the nature and character of possession constitutes the primary dispute and hence the Court is excluded by law from examining the unregistered deed for that purpose. In respect of the suit out of which this appeal arises, purpose of lease is the main lis, not a collateral incident."* In the present controversy, the subsistence, duration and permitted purpose of the leasehold set up by the Respondent are not collateral incidents but the very lis for our determination. This Adjudicating Authority is, therefore, precluded from examining the unregistered Lease Deed to establish the fixed sixty-month term, the six months' notice stipulated by Clause 19, or the manufacturing purpose recited in Clause 13; and none of these substantive terms can be pressed into service by the Respondent independently of the unregistered instrument.

- f) At its highest, the conduct of the parties could give rise only to a periodic tenancy under Section 106 of the Transfer of Property Act, 1882. Even that does not avail the Respondent. A tenancy under Section 106 is presumed to be one from month to month, determinable by fifteen days' notice, unless the premises were let for manufacturing purposes, in which event it

is a tenancy from year to year; and the onus of proving that the premises were let for a manufacturing purpose rests upon the party who asserts it. This position stands settled by the Hon'ble Supreme Court in Paul Rubber Industries (supra), wherein it has been held: 'The onus would be on the defendant to establish the fact that manufacturing activity was being carried on from the demised premises. A mere statement by the DW-1 to which we have referred earlier or the purpose of lease as specified in the lease agreement would not be sufficient to demonstrate the purpose of lease to be for manufacturing. This could be proved by explaining what kind of work was being carried on in the factory shed. In such a situation also, the registration of the deed would have been necessary. In absence of such registration, tenancy would have been of "month to month" character.' That onus is not discharged on the record before us. The minutes of the second meeting of the Committee of Creditors record that the Resolution Professional verified all three bank accounts of the Corporate Debtor maintained with Punjab National Bank, State Bank of India and Axis Bank, and that no transaction reflecting payment of lease rent was found therein; the Respondent has produced cash-book extracts in support of the claim of payment in cash, but, in the absence of any independent evidence showing receipt of such rent by the Corporate Debtor or its authorised representative, this material is insufficient to establish payment.

- g) In the absence of proof of rent actually paid and accepted, no periodic tenancy by conduct is made out. The Panchnama drawn by the Resolution Professional on 07.03.2026 further records that there was no electricity, no water and no use of the factory — a state of affairs irreconcilable with the premises being put to any manufacturing use.

h) For the foregoing reasons, Issue No. 1 is answered in the affirmative. We hold that the Lease Deed dated 16.12.2023 was compulsorily registrable under Section 107 of the Transfer of Property Act, 1882, and Section 17(1)(d) of the Registration Act, 1908; that, being unregistered, it is incapable of creating or of evidencing the leasehold set up by the Respondent; and that the Respondent holds no subsisting right, title or interest entitling him to remain in possession of the premises of the Corporate Debtor.

Issue No. 2 — Jurisdiction of this Adjudicating Authority

a) Section 60(5)(c) of the Code confers upon this Adjudicating Authority jurisdiction to entertain or dispose of any question of law or of fact arising out of or in relation to the insolvency resolution of the Corporate Debtor, and Section 238 gives the Code overriding effect over any other law inconsistent therewith. This wide residuary jurisdiction has been authoritatively affirmed by the Hon'ble Supreme Court in **Gujarat Urja Vikas Nigam Ltd. v. Amit Gupta & Ors., (2021) 7 SCC 209**, wherein it has been held: *“The residuary jurisdiction of the NCLT under Section 60(5)(c) of the IBC provides it a wide discretion to adjudicate questions of law or fact arising from or in relation to the insolvency resolution proceedings. If the jurisdiction of the NCLT were to be confined to actions prohibited by Section 14 of the IBC, there would have been no requirement for the legislature to enact Section 60(5)(c) of the IBC. Section 60(5)(c) would be rendered otiose if Section 14 is held to be the exhaustive of the grounds of judicial intervention contemplated under the IBC in matters of preserving the value of the corporate debtor and its status as a ‘going concern’.”* (para 87). The Respondent contends that the dispute lies outside the residuary jurisdiction and ought to be agitated before the civil

court. We are unable to accept that contention. Gujarat Urja recognises that the residuary jurisdiction, though wide, must bear a nexus with the insolvency resolution of the Corporate Debtor; and such a nexus is manifest here, for the premises are an asset of the Corporate Debtor itself, of which the Resolution Professional is obliged to take custody and control under Sections 18, 20 and 25 of the Code.

- b) We may deal with the Respondent's reliance upon Section 14(1)(b) and 14(1)(d) of the Code. Section 14(1)(d) protects the possession of the Corporate Debtor by prohibiting the recovery of any property occupied by, or in the possession of, the Corporate Debtor by an owner or lessor. That protection operates in favour of the Corporate Debtor and cannot be invoked by the Respondent against the estate of the Corporate Debtor. In the present case, the Corporate Debtor is the owner and lessor and the Respondent is the occupant; the moratorium therefore lends no assistance to the Respondent, and, if anything, reinforces the duty of the Resolution Professional to take custody of the asset.
- c) Nor does the pendency of the civil suit instituted by the Respondent before the Civil Court, District Jhabua, oust the jurisdiction of this Adjudicating Authority. Having regard to Section 238 of the Code and to the authority noticed above, the adjudication of the Respondent's claim to possession of the Corporate Debtor's asset falls squarely within Section 60(5), and the institution of a parallel civil suit cannot divest this Tribunal of that jurisdiction. We are equally unable to accept the submission that the access afforded to the Resolution Professional pursuant to the orders of this Tribunal dated 25.02.2026 and 20.03.2026, and the deployment of security for the protection of the movable assets, amount to an acceptance of the validity of the Lease Deed or to a revocation of the resolution of the

Committee of Creditors. Access taken, and security deployed, under the orders of this Tribunal, and confined to the protection of the movable assets of the Corporate Debtor, cannot be construed as a waiver of the invalidity of the lease; and, in any event, the Resolution Professional has no power to ratify or to revive a lease which the Committee of Creditors, in exercise of its commercial wisdom, has resolved to terminate.

- d) Accordingly, Issue No. 2 is also answered in the affirmative. We hold that this Adjudicating Authority is vested with jurisdiction under Section 60(5) read with Section 238 of the Code to entertain the present application, to decide the validity of the Lease Deed, and to direct the Respondent to vacate and hand over vacant possession of the premises of the Corporate Debtor.
- e) In the result, both the issues having been answered in the affirmative, we hold that the Lease Deed dated 16.12.2023 confers upon the Respondent no subsisting right to remain in possession of the premises of the Corporate Debtor; that the Respondent's continued occupation is without any legal right, title or authority; and that the application deserves to be allowed.

ORDER

6. For the reasons recorded hereinabove, **IA 111(MP) of 2026** is **allowed** in the following terms:

- a) The Respondent, Mr. Vatsal Acharya, and all persons claiming through or under him, are directed to vacate the factory/processing unit of the Corporate Debtor situated at Village Bamnia, Tehsil Petlawad, District Jhabua (M.P.), and to hand over peaceful and vacant possession thereof, together with all keys, documents and

access, to the Applicant/Resolution Professional within two weeks from the date of this order.

- b) The Applicant/Resolution Professional is permitted and authorised to enter upon, inspect, take inventory of, secure and protect the plant, machinery, equipment and other assets lying at the said premises, and to deploy private security personnel/agency thereat for the purpose of safeguarding the assets of the Corporate Debtor.
- c) The Respondent, and all persons claiming through or under him, are restrained from removing, alienating, dismantling, damaging or in any manner dealing with any plant, machinery or other asset of the Corporate Debtor lying at the said premises.
- d) The District Administration/Superintendent of Police/local police authorities of District Jhabua are directed to render all necessary assistance to the Applicant/Resolution Professional for securing the premises and for the effective implementation of this order and the handing over of possession.

7. Accordingly, IA **111(MP) of 2026** stands **allowed** and **disposed of** in the above terms.

Sd/-

MAN MOHAN GUPTA
(MEMBER TECHNICAL)

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Sd/-

BRAJENDRA MANI TRIPATHI
(MEMBER JUDICIAL)