BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, KOLKATA

I.A. (IBC) NO. 1027 /KB/2025

Arising out of

I.A. (IBC) NO. 717/KB/2025

in

C.P. (IB) NO. 91/KB OF 2023

An Application under Section 60(5) of the Insolvency & Bankruptcy Code, 2016, Read with Rule 11 of the National Company Law Tribunal Rules, 2016 and with Regulation 36 of the Insolvency And Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

IN THE MATTER OF:

Asset Care & Reconstruction Enterprises Limited

...Financial Creditor

Versus

Ankit Metal & Power Limited

...Corporate Debtor

AND

IN THE MATTER OF:

Sova Electrocasting Limited

...Applicant

Verus

Mr. Sanjeev Kumar Jalan

...Respondent

Date of Pronouncement: 23.04.2026

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Coram:

Smt. Bidisha Banerjee, Member (Judicial)

Cmde. Siddharth Mishra, Member (Technical)

Appearances *(through hybrid mode)*:

For the Applicant(s)-

Mr. Mainak Bose, Sr. Adv.

Mr. Ishaan Saha, Adv.

Mr. Avishek Guha, Adv.

Ms. Ankita Agrahari, Adv.

Ms. Sweta majumdar, Adv.

Ms. A. Nayek, Adv.

For the Respondent(s)-

Mr. Ritoban Sarkar, Adv.

Mr. Ankur Singhi, Adv.

Ms. Riti Basu, Adv.

Ms. Piyali Pan, Adv.

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O R D E R

Per: Bidisha Banerjee, Member (Judicial)

1. **I.A. (IBC.) No. 717/KB/2025**

1.1 The application numbered **I.A. (IBC.) No. 717/KB/2025** (hereinafter referred to as the '**said application**') has been preferred by the Resolution Professional (RP) of the Corporate Debtor Ankit Metal & Power Limited against Sova Electrocasting Limited, the applicant herein. The prayers in I.A. (IBC.) No. 717/KB/2025 are as under:

a. *Order directing Respondent No. 1 to make payment of the Lease Rentals since July, 2024 amounting to Rs. 1,09,54,900 (Rupees One Crore Nine Lakhs Fifty Four Thousand and Nine Hundred) along with interest of 12% p.a.*
b. *Order directing the Respondent No. 1 to vacate and handover the peaceful possession of the Said Premises and its machineries, equipment, tools and tackles to the Applicant herein the same conditions as it was handed over to in (subject to normal wear and tear), and return all keys, access cards, and property belonging to the Applicant within 03 days from passing of this order.*
c. *Pass necessary directions upon the Officer, in-Charge of the Chhatna Police Station, Saltora, Bankura, Pin-722132 to provide necessary assistance to the Applicant for taking physical possession and control of the Said Premises.*
d. *Ad-interim in terms of prayer above.*
e. *Such further or other order or orders and/or direction or directions as this Hon'ble Tribunal may deem fit and proper.*

2. **I.A. (IBC) NO. 1027/KB/2025**

2.1 The present application numbered **I.A. (IBC) NO. 1027/KB/2025** has been filed by the Applicant herein under Section 60(5) of the IB Code, 2016 read with Rule 11 of the NCLT Rules, 2016, *inter alia*, seeking an

order of dismissal of I.A. (IBC.) NO. 717/KB/2025 for want of jurisdiction, alleging that this Adjudicating Authority is not empowered to grant prayers as sought for in the **I.A. (IBC.) No. 717/KB/2025**.

3. BRIEF BACKGROUND

3.1 The Corporate Debtor, i.e., Ankit Metal & Power Limited, was admitted for Corporate Insolvency Resolution Process by an order passed by this Tribunal on 3rd May 2024. By the said order Mr. Kshitiz Chhawchharia was appointed as the Interim Resolution Professional.

3.2 Mr. Kshitiz Chhawchharia constituted the Committee of Creditors (CoC) on 24th May 2024 and the CoC in its 5th meeting dated 27th August 2024 decided to appoint **Mr. Sanjeev Kumar Jalan**, as the Resolution Professional.

3.3 Further by an order dated 12th September 2024, this Tribunal appointed the present RP, being the Respondent herein, as the Resolution Professional in the present Corporate Insolvency Resolution Process (CIRP) of Ankit Metal & Power Limited.

3.4 On and from 1st October 2024, the present Resolution Professional started functioning as the Resolution Professional ('**RP**').

3.5 It is an admitted fact that on 20th April 2024, prior to the appointment of the present RP, the Corporate Debtor had entered into a Lease Agreement with the Applicant namely Sova Electrocasting Limited, wherein the applicant was granted lease of Phase I of the Plant located at Vill: Jorehira, Dist: Bankura, P.S. Chatna, West Bengal hereinafter referred to as "**Said Premises**" for manufacturing of various iron and steel items.

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3.6 That in the Sixth meeting of the Committee of Creditors of the Corporate Debtor, Ankit Metal & Power Limited, held on 3rd October 2024, it was resolved to amend and modify the terms of the said Lease Agreement entered between the Corporate Debtor and Sova Electrocasting Limited, the Applicant herein. Pursuant thereto, discussions were held between the Resolution Professional of the Corporate Debtor and the applicant, Sova Electrocasting Limited, for amendments and modifications of the Lease Agreement.

3.7 Subsequent to such discussions, the present applicant, Sova Electrocasting Limited, by a letter dated 2nd December 2024 intimated to the respondent RP the **acceptance** of the amendment of few such clauses in the Lease Agreement.

3.8 Subsequently, the Applicant, Sova Electrocasting, allegedly failed and/or neglected to make any payment to the Corporate Debtor the Lease Rents due and payable by them as per the lease agreement together with its amendments and modifications.

3.9 Notice was issued to the Applicant by the Respondent RP on 3rd December 2024, as a prerequisite for initiating the termination of the Lease Agreement due to non-payment by the Applicant and such further reminders were issued to the Applicant herein by the Respondent RP on 5th December 2024, 12th December 2024, 18th December 2024, 2nd January 2025, 6th January 2025, and 21st January 2025 that reiterated the outstanding amounts and the consequences of continued non-compliance.

3.10 By an email dated 8th February 2025 and by a notice dated 11th March, 2025, the Respondent RP terminated the Lease Agreement and further directed the Applicant to vacate and hand over peaceful possession of the Premises and its machineries, equipment, tools and tackles to the RP in the same condition as it was handed over.

3.11 The Respondent herein alleges that the Applicant failed and/or neglected to comply with the said notice. Hence, the said application numbered **I.A. (IBC.) No. 717/KB/2025** was filed by the RP.

4. None of the abovesaid facts have been expressly or impliedly disputed by Applicant herein.

5. The Applicant herein has filed this present application seeking dismissal of the said application numbered IA 717/KB/2025 on the ground of want of jurisdiction.

6. SUBMISSIONS OF THE APPLICANT

6.1 Ld. Senior Counsel, Mr. Mainak Bose, appearing for the Applicant Sova Electrocasting, would submit that this Adjudicating Authority **lacks jurisdiction** to entertain, try and determine the application no. IA 717 due to the following reasons:

a) That the said application is **effectively an action for recovery of possession of immovable property masquerading as an application under Section 60(5) of the Code read with Rule 11 of the NCLT Rules, 2016**.

b) That it is settled law that an action or recovery of possession of immovable property constitutes a 'suit for land', which can **only be instituted in the District Court** within the jurisdiction of which the property, possession of which is sought to be recovered, is situated. Thus, the said application seeking possession of the said premises leased by an **unregistered agreement** is **not maintainable before this Hon'ble Tribunal**.

c) That it is settled law that this Hon'ble Tribunal does not have the jurisdiction to interfere with any contractual relationship unless the termination of a contract bears a direct nexus with the

initiation of Corporate Insolvency Resolution Process (for short "CIRP") against the corporate debtor company. There is **no solitary averment in the said application that the said lease agreement stands terminated as a consequence of the advent of CIRP** against the corporate debtor.

d) That in the circumstances, as aforesaid it is abundantly clear that the said application is **misconceived and bereft of any basis** either in fact or in law.

e) The said application is **speculative, vexatious, harassive and fined in abuse of process of law** and of this Hon'ble Tribunal.

7. SUBMISSIONS OF THE RESPONDENT

7.1 Per Contra, the Respondent RP, by way of affidavit in reply, would deny all the contentions and grounds as submitted by the Applicant and *interalia* submit that this Adjudicating Authority **alone has jurisdiction** to entertain, try and determine the issues, on *inter alia*:

a) That if lease dispute affects the possession, control, valuation, resolution plan or asset monetisation of the corporate debtor during CIRP, the NCLT has jurisdiction under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 along with Section 238 of the Insolvency and Bankruptcy Code (hereinafter referred to as the Code).

b) The dispute in the present matter arises during the CIRP, and concerns lease rentals and possession and control of premises used by the Corporate Debtor. The **lease is a part of the Corporate Debtor's business continuity**, and **obstruction to such possession affects the value and viability of the Resolution process** and the said application was filed after the applicant took obstructive action that jeopardised the CIRP. The Code mandates timely intervention where corporate value is at risk.

c) That the question of title is not in dispute here; the question is whether the respondent can exercise operational control over the said premises for the benefit of the CIRP. Hence, that the issue in hand is **not a private lease dispute**.

d) That the **Committee of Creditors (CoC)**, in exercise of its commercial wisdom, **having revised the lease terms** and having approved the same, the respondent being the **RP is duty bound to enforce** the same. The respondent is **seeking operational control** over the premises essential to continue business operations, which is a statutory duty under section 20 of the Code. Hence, that the respondent has acted in discharge of his statutory duties, strictly **within the ambit of the Code and under authority vested by the CoC**.

e) That the validity of the lease for the purposes of CIRP does not solely hinge on registration. Even if a lease is unregistered, it constitutes a valid and subsisting agreement under **section 106 of the Transfer of Property Act** and can be specifically enforced under commercial arrangements.

f) That the present application is made with **malafide intent**, and the real abuse of process lies in the applicant's attempt to nullify CoC-approved arrangements and hinder CIRP by invoking frivolous objections.

ANALYSIS AND FINDINGS

8. We have heard both the parties and perused the documents as placed on record.

ISSUES

9. We note that the Applicant Sova Electrocasting, the Lessee, has raised an issue regarding the validity and enforceability of the lease agreement, which has been denied and disputed by the Respondent. It is clarified at the outset that the question of validity of the said agreement falls for

consideration and determination in I.A. (IBC) No. 717/KB/2025, and not in I.A. (IBC) NO. 1027 /KB/2025, although both are taken up together for consideration due to commonality of issues.

10. The issue therefore that arises for consideration is whether this Adjudicatory Authority is vested with the power to direct the applicant lessee to vacate the premises in question that inarguably belongs to the Corporate Debtor.

DISCERNIBLE FACTS

11. A Lease Agreement dated 20.04.2024 was entered into by and between M/s. Ankit Metal and Power Limited (hereinafter referred to as '**The Lessor**' or '**AMPL**') and **Sova Electrocasting Limited** (hereinafter referred to as '**The Lessee**' or '**SEL**') wherein the Lessee was granted lease of a plant located at Village Jorehira, Dist. Bankura, PS Chatna, West Bengal for manufacturing various iron & steel items.

12. The initial termination clause as in the lease agreement read as under:

Clause No. 8. Termination*: 8.1. In the event either party failing to perform any of its obligation or functions stated in this agreement from time to time, the aggrieved party shall have a right terminate this agreement after giving 60 days advance notice in writing to the other party for correcting the breach/default committed by the said party. If the other party fails to correct the breach/default in the notice period, the aggrieved party shall be at liberty to terminate this agreement at the completion of the notice period.*

13. By way of a letter dated 02.12.2024, the terms of the Lease Agreement dated 20.04.2024 stood modified, *inter alia*, as follows:

Clause 8.4*. Since the account of AMPL is NPA and the lenders of AMPL have filed for CIRP, hence, as when and if there is a change of management of AMPL pursuant to an Approved Resolution Plan under an*

Insolvency Resolution Process and on request made by the Committee of Creditors of AMPL constituted under Section 21 of the Insolvency and Bankruptcy code, 2016, the Lease Agreement may be terminated by either party (AMPL or SEL) by giving 30 days prior notice in writing without assigning any cause or reason establishing a breach. It is further agreed that SEL shall handover the plant to the Successful Resolution Applicant/COC/Resolution Professional/Liquidator within the aforementioned period of 30 days. However, the obligation of either party shall continue during such notice period.

14. It is evident that the CoC had permitted the applicant Sova Electrocasting to continue on the said premises at revised rentals which is as below:

- ***Clause 2.1****. AMPL shall charge a fixed monthly charge of Rs. 15,00,000/-(Rs. Fifteen Lacs Only) payable from the effective date of commencement of lease agreement.*

15. The said proposal to continue at the said premises on revised terms was unconditionally **accepted** by the applicant as would appear from the letter dated 02.12.2024, which, *inter alia*, reads as under:

*…**we are agreeable** to the following amendments to the lease agreement dated 20 April 2024:*

1. ***The fixed monthly lease rental charges are increased to INR 15,00,000/-*** *(Rupees Fifteen Lakhs Only) instead of INR 12,50,000 /- (Rupees Fifteen Lakhs and Fifty Thousand Only);*
2. *Clause 3 viz. the Additional Capital Expenditure clause be amended to read as-*
   "SEL shall not incur any cost, including but not limited to, for the procurement of Machinery/Equipment for the purpose of increasing production quantities or to ease the operations

("Additional Capital Expenditure") and in case SEL incurs any such Additional Capital Expenditure, the Successful Resolution Applicant/AMPL/Resolution Professional/CoC/ Liquidator shall not be liable for the payment of any amount, whatsoever, as part of the Additional Capital Expenditure;"

3. ***Clause 8.4 viz. the Termination Clause be amended to read as***-

"Since the account of AMPL is NPA and lenders of AMPL have filed for CIRP, hence as when and if there is a change of management of AMPL pursuant to an Approved Resolution Plan under an Insolvency Resolution Process and on request made by the Committee of Creditors of AMPL constituted under Section 21 of the Insolvency and Bankruptcy Code, 2016, the Lease Agreement may be terminated by either party (AMPL or SEL) by giving 30 days prior notice in writing without assigning cause or reason or establishing a breach. It is further agreed that ***SEL shall handover the plant to the*** *Successful Resolution Applicant/CoC/****Resolution Professional****/Liquidator within the aforementioned period of 30 days. However, the obligation of either party shall continue during such notice period;"*

16. Its also an admitted fact that the applicant, Sova Electrocasting Limited, has defaulted in payments of monthly rentals and the current outstanding is depicted as under:

				Sova Electrocasting Amount (in Rupees)	
Month	**Lease Rental**	**GST**	**Total**	**Received**	**Outstanding**
Jul-24	5,80,645	1,04,516	6,85,161	6,85,161	-
Aug-24	15,00,000	2,70,000	17,70,000	17,70,000	-
Sep-24	15,00,000	2,70,000	17,70,000	44,839	17,25,161
Oct-24	15,00,000	2,70,000	17,70,000	-	17,70,000
Nov-24	15,00,000	2,70,000	17,70,000	-	17,70,000
Dec-24	15,00,000	2,70,000	17,70,000	-	17,70,000

Jan-25	15,00,000	2,70,000	17,70,000	-	17,70,000
Total	**95,80,645**	**17,24,516**	**1,13,05,161**	**25,00,000**	**88,05,161**

17. Under Clause 8.1 of the Lease Agreement, the RP has been constrained to send notice vide email dated 03.12.2024, requesting release of the lease rentals, which is to be construed as Advance notice as per the said clause and thereafter, the RP was constrained to cancel the lease agreement on 02.02.2025 i.e., on the completion of 60 days from the receipt of the said notice cum request and due to persistent default in payment of lease rentals. The termination is therefore not under Clause 8.4, i.e., upon approval of a plan but upon invoking the powers under clause 8.1 which empowers the lessor to terminate the lease upon default in payment of lease rentals.

18. It is inconceivable as to why the applicant insists that a formal eviction proceedings would be required to get the property vacated, given the fact that Ankit Metal Private Limited is in CIRP and the applicant Sova Electrocasting Limited is a lessee who is occupying the land of the said Corporate Debtor on monthly rentals and has defaulted in paying lease rentals, and has even approved to vacate the premises if plan is approved.

19. Further, the new clause 8.4 cannot be construed to mean that if plan is approved, no eviction proceedings would be required to terminate the lease or seek vacation of the premises, but if plan is yet not approved and termination is sought for due to default in payment of lease rentals, eviction proceedings would be mandatory.

20. Therefore there is no gainsaying that the applicant has to be 'evicted' from the premises in question as the premises are required for successful completion of the CIRP.

21. We also specifically note the following submission of the Respondent herein- *'the dispute in the said application arises during the CIRP, and*

concerns lease rentals and possession and control of premises used by the Corporate Debtor'. Further, the Respondent has also rightfully submitted that *'the lease is a part of the Corporate Debtor's business continuity, and obstruction to such possession affects the value and viability of the Resolution process.'* A direct nexus of the said application being I.A. (IBC) NO. 717/KB/2025 with the CIRP of the Corporate Debtor is **thereby established**. Hence, the recovery of property and rent from a lessee is **intrinsically linked to the CIRP** because it preserves asset value and facilitates the resolution process.

22. It is now apposite to note NCLT indeed **holds jurisdiction** to entertain said application being no. I.A. (IBC) No. 717/KB/2025 by strength of **Section 60(5)** of the Insolvency and Bankruptcy Code, 2016, which reads as under:

> *Notwithstanding anything to the contrary contained in any other law for the time being in force, the National Company Law Tribunal shall have jurisdiction to entertain or dispose of—*
>
> *(a) any application or proceeding by or against the corporate debtor or corporate person;*
>
> *(b) any claim made by or against the corporate debtor or corporate person, including claims by or against any of its subsidiaries situated in India; and*
>
> *(c) any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under this Code.*

23. Further, Civil Courts are barred from entertaining any suit in respect of any matter that this NCLT has jurisdiction over by strength of section 430 of the Companies Act, 2013 and section 63 of the IBC as under:

"***430. Civil court not to have jurisdiction***.— *No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which the Tribunal or the Appellate Tribunal is empowered to determine by or under this Act or any other law for the time being in force and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act or any other law for the time being in force, by the Tribunal or the Appellate Tribunal."*

*"**63. Civil court not to have jurisdiction.**—No civil court or authority shall have jurisdiction to entertain any suit or proceedings in respect of any matter on which National Company Law Tribunal or the National Company Law Appellate Tribunal has jurisdiction under this Code."*

24. It is established that section 238 of IBC, 2016, and Rule 11 of the NCLT Rules, 2016, as referred to by the Respondent herein, in its submissions, are consistent with the said Section 60(5) of IBC.

25. The jurisdiction of this Adjudicating Authority to direct the eviction of an occupant from the Corporate Debtor's premises is conclusively established by the precedent set in **Classic Marble Company Pvt. Ltd vs. Truvisory Insolvency Professionals**, where the NCLAT, on 27th March, 2026, held that such applications are **maintainable under Section 60(5)** of the IBC. The Appellate Tribunal emphasized that the Resolution Professional is under a **statutory mandate** via Sections 18 and 25 to take control and custody of all assets owned by the Corporate Debtor, and requiring the initiation of a separate civil suit for eviction would "**unduly prolong the insolvency process**", which is intended to be time-bound. Furthermore, the NCLAT confirmed that **Section 63** of the Code effectively bars

the jurisdiction of civil courts over such matters, affirming that the Adjudicating Authority is the **exclusive and appropriate forum** to ensure the preservation of the Corporate Debtor's assets and the successful completion of the resolution process.

CONCLUSION

26. Thus, this Tribunal, upon the clear establishment of nexus of the said application with the CIRP of the corporate debtor and in the light of the evident and undisputed empowerment of this Adjudicating Authority by strength of statutes and precedents, passes the following order:

(i) **I.A. (IBC) NO. 1027 /KB/2025 is dismissed**.

(ii) In **I.A. (IBC) No. 717/KB/2025**-

a. Sova Electrocasting Limited is directed to **clear the lease rentals dues and hand over the premises** in question to the RP within 2 weeks of uploading of this order.

b. The Officer, in-Charge of the Chhatna Police Station, Saltora, Bankura, Pin-722132, is hereby directed to **provide necessary assistance** to the Applicant RP for taking physical possession and control of the Premises in question.

c. Thus, **I.A. (IBC) No. 717/KB/2025** stands allowed and disposed off.

(iii) Certified copy of this order, if applied for with the Registry, be supplied to the parties in compliance with all requisite formalities.

Siddharth Mishra **Bidisha Banerjee**

Member (Technical) **Member (Judicial)**

Order signed on 23.04.2026

Bhatt O. [LRA]