NATIONAL COMPANY LAW TRIBUNAL
COURT-V, MUMBAI BENCH

2.IA/414/2026 C.P. (IB)/65(MB)2020

IN THE MATTER OF

State Bank Of India
Vs
Vindhyavasini Corporation Pvt Ltd

U/s 7 of the Insolvency and Bankruptcy Code, 2016

Order Delivered on 16.10.2026

CORAM:
SH. VINAY GOEL
MEMBER (J)

SH. CHARANJEET SINGH GULATI
MEMBER (T)

Appearance through VC/Physical/Hybrid Mode:

For the Petitioner:

For the Respondent:

ORDER

IA/414/2026: The above IA is listed for pronouncement of the order. The same is pronounced in open court, vide a separate order.

Sd/-
VINAY GOEL
Member (Judicial)

Sd/-
CHARANJEET SINGH GULATI
Member (Technical)

//Rahul//

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, V

IA No. 414 OF 2026
Order under Section 60(5) of the Insolvency and Bankruptcy Code, 2016

IN THE MATTER OF:

Mr. Mukesh Khathuria

Liquidator of Vindhyavasini Corporation Pvt Ltd

Having its registered address at:

6B/1105, Sapphire Heights, Lokhandwala Township, Akurli Road, Kandivali East, Mumbai 400 101

… Applicant

Versus

Mr. Abhisheksinh F. Chauhan

Proprietor of M/s Haveli Properties Group

Having its Registered Office:

"Haveli", Swaminarayan Marg, Silvasa – 396230, U.T. of Dadra & Nagar Haveli and Daman and Diu

…Respondent

IN THE ORIGINAL MATTER OF:

CP (IB) No. 65 OF 2020

State Bank of India

… Financial Creditor

Versus

Vindhyavasini Corporation Pvt Ltd.
…Corporate Debtor

Order Delivered on: 16.10.2026

Coram:

Sh. Vinay Goel
Member (Judicial)

Sh. Charanjeet Singh Gulati
Member (Technical)

Appearance through VC/Physical/Hybrid Mode:

For the Applicant: - Adv. Shadab Jan, Adv. Abdullah Qureshi & Adv. Vaidehi Kulkarni i/b India Law LLP (PH)

For the Respondent – Adv. JVL Bharati (VC)

ORDER

IA NO. 414 OF 2026

1. The present Interlocutory Application has been filed by Mr. Mukesh Khaturia**, ("Applicant")** the Liquidator of Vindhyavasini Corporation Pvt Ltd. **("Corporate Debtor"),** under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 **("Code")** read with Rule 11 of NCLT Rules, 2016 seeking following reliefs:

    a. *Issue directions to the Respondent/Auction Purchaser to forthwith deposit the entire balance sale consideration amounting to INR 5,25,09,600/- along with applicable interest at 12% per annum from the due dates as per Schedule I of the Liquidation Regulations, failing which the amounts deposited (including EMD) be forfeited and the sale in respect of the Survey Nos. 150/02, 161/1 & 151/1/4 at Village Silli, Dadra and Nagar haveli be cancelled;*
    b. *Direct that, upon deposit of the aforesaid amounts by the Respondents, the Applicant/Liquidator will issue sale certificate in favour of the Respondent and shall cooperate with the Respondent for obtaining/renewing the NA permissions;*

c. *In the alternative, if the Respondent fails to comply with prayer (a) above, cancel the entire e-auction/sale in respect of the Survey Nos. 150/02, 161/1 & 151/1/4 at Village Silli, Dadra and Nagar haveli, forfeit all amounts deposited by the Respondent, and permit the Applicant to proceed with fresh auction of the assets in accordance with the Liquidation Regulations;*
d. *That this Hon'ble Tribunal be pleased to pass any such further other orders and reliefs as this Hon'ble Tribunal deem fit and proper given the facts and circumstances of the present case;*

Brief Facts of the Case and submissions of the Applicant

2. It is submitted that the State Bank of India filed Company Petition No. 65/MB/2020 under Section 7 of the Code against the Corporate Debtor. This Tribunal, vide its Order dated 30.08.2021, admitted the said Company Petition and initiated the Corporate Insolvency Resolution Process **("CIRP")** against the Corporate Debtor.

3. In the absence of any resolution plan, Interlocutory Application No. 1079 of 2022 was filed under Section 33 of the Code seeking an order for the liquidation of the Corporate Debtor. This Tribunal, vide its Order dated 16.11.2022, directed liquidation of the Corporate Debtor and appointed Mr. Naren Sheth as the Liquidator **("Erstwhile Liquidator")**. Subsequently, Mr. Mukesh Khaturia was appointed as the new Liquidator vide order dated 18.07.2025.

4. During the Liquidation Process, the erstwhile Liquidator issued a Sale Notice dated 14.07.2023 for three land parcels: Survey Nos 150/02 (Item-1), 161/1 (Item-2) & 151/1/4 (Item-3). The E-auction was conducted on 12.08.2023 on an "AS IS WHERE IS", AS IS WHAT IS", and "WHATEVER THERE IS" basis, without any warranties or indemnities.

5. Having accepted the terms and conditions of the e-auction, including the requirement to independently inspect and conduct due diligence in respect of the properties, the Respondent participated in the auction and emerged as the successful bidder for all three parcels, with an aggregate bid of ₹19,97,40,400/-. The Respondent deposited an aggregate amount of ₹1,78,74,040/- towards the Earnest Money Deposit ("EMD"). Accordingly, the erstwhile Liquidator issued a Letter of Intent dated 18.08.2023, stipulating that failure to pay the balance consideration within 90 days would result in forfeiture of the EMD in accordance with the Process Memorandum.

6. The Respondent, vide letter dated 16.09.2023, informed the erstwhile Liquidator that, upon conducting due diligence after receipt of the Letter of Intent dated 18.08.2023, it was advised by the Office of the Sub-Registrar, Dadra & Nagar Haveli, Silvassa, that the lands bearing Survey Nos. 150/2 (Item-1) and 161/1 (Item-2) could not be transferred without fresh or renewed Non-Agricultural (NA) use permissions from the competent authority. The Respondent had paid only 10% of the sale consideration and sought clarification and an extension of time for payment of the balance consideration, subject to renewal of the NA permissions.

7. In response, the erstwhile Liquidator, by email dated 25.09.2023, sought confirmation from the Sub-Registrar regarding the transferability of the aforesaid lands and drew attention to Section 238 of the Code and its overriding effect. The Sub-Registrar subsequently informed the erstwhile Liquidator that the existing N.A. Orders in respect of Survey Nos. 150/2 and 161/1 had expired and that fresh N.A. permissions from the Collector, Dadra and Nagar Haveli, were required before execution of the Sale Deeds

8. Accordingly, the erstwhile Liquidator applied to the Collector, Dadra and Nagar Haveli, for fresh N.A. permissions on 03.11.2023, and the application was acknowledged on 05.12.2023. In the meantime, the Respondent filed I.A. No. 5151 of 2023 seeking exclusion of 90 days from the e-auction process. Vide Order dated 10.11.2023, this Tribunal, considering the peculiar circumstances, excluded 90 days from the date of the e-auction, i.e., 12.08.2023, directed the Liquidator not to forfeit the EMD pending issuance of the N.A. Certificate and directed the Liquidator to pursue the application dated 03.11.2023 for obtaining fresh N.A. permissions.

9. In compliance with the aforesaid Order, the erstwhile Liquidator appointed Mr. Abhishek Singh to expedite the process of obtaining N.A. permission. Accordingly, Mr. Singh met the Collector, on 11.12.2023 to highlight the urgency of the matter and the Mamlatdar, on 18.12.2023 to seek an update. Mr. Thakkar informed him that the documents had been forwarded to the concerned department and that the application would be placed before the Collector for final hearing upon receipt of the requisite report.

10. On 08.02.2024, the Respondent filed I.A. No. 544 of 2024 seeking exclusion of time until receipt of valid N.A. permissions and issuance of the Sale Certificate, stating that he intended to amalgamate all three parcels for development of an industrial estate. The erstwhile Liquidator opposed the application, contending that the Respondent had participated in the auction with knowledge of its terms, that the three parcels were auctioned independently and that the Respondent remained liable to pay the balance consideration of ₹12,93,56,760/- for Item 3, together with interest at 12% from 17.09.2023, failing which the EMD of ₹1,20,39,640/- would be

forfeited. Meanwhile, the erstwhile Liquidator continued to pursue the N.A. permission application.

11. Vide Order dated 05.04.2024, this Tribunal confirmed the sale of land bearing Survey No. 151/1/4 and directed issuance of the Sale Certificate upon recording payment of the entire balance consideration. The Respondent paid ₹12,93,56,760/- towards Item 3 on 30.03.2024, pursuant to which the Sale Certificate was issued on 17.04.2024 and physical possession of the land, admeasuring 41,600 sq. mtrs. and situated at Village Silli, Dadra and Nagar Haveli and Daman and Diu, was handed over to the Respondent on 04.05.2024. This Tribunal also observed that, having participated in the e-auction for all three parcels, the Respondent could not selectively comply with the auction process. The Applicant submits that confirmation of the sale of Item 3 did not absolve the Respondent of his obligations in respect of Items 1 and 2, which were separately auctioned but formed part of the same auction exercise.

12. In view of the continuing delay, the erstwhile Liquidator filed Application No. 4609 of 2024 before this Tribunal seeking directions to the District Collector and Magistrate, Dadra and Nagar Haveli, for expeditious grant of N.A. permissions. Despite service of notice and reminders, no reply was filed on behalf of the Collector. Accordingly, vide Order dated 09.09.2025, this Tribunal closed the Collector's right to file a reply.

13. It is submitted that, pursuant to the directions of this Tribunal, the Applicant pursued the N.A. permission application before the Collector. However, vide letter dated 06.11.2025, the Mamlatdar, Silvassa, communicated that the application for industrial N.A. permission concerning Survey Nos. 696 (Old Survey No. 150/2), admeasuring 1-42.40

HA/Are, and 720 (Old Survey No. 161/1), admeasuring 1-48.00 HA/Are, situated at Village Silli, was disposed of as "not recommended" by MSDNHPDA. As per its report dated 13.10.2025, the proposed lands could be accessed through Survey No. 669/1 (Old Survey No. 151/1/4), recorded in the name of M/s Haveli Enterprises, whereas the proposed lands were recorded in the name of M/s Vindhyavasini Corporation Private Limited. Accordingly, the difference in ownership rendered amalgamation unfeasible, resulting in the non-recommendation of the application for industrial N.A. permission.

14. The Applicant further submits that the N.A. permission issue cannot be considered in isolation from the terms of the auction and the ownership structure contemplated upon completion of the sales. The lands bearing Survey Nos. 150/2 and 161/1 lack independent access and can be approached only through Survey No. 151/1/4, for which the Respondent has obtained the Sale Certificate. The Applicant has consistently maintained that payment of the balance consideration and completion of the remaining sales would facilitate vesting of all three parcels in the same owner, thereby addressing the ownership and amalgamation issues affecting the N.A. permissions. The Respondent's insistence on obtaining the permissions before remitting the balance consideration, according to the Applicant, has prolonged the impasse and prevented completion of the remaining transactions.

15. It is further submitted that the lands bearing Survey Nos. 150/2 and 161/1 lack independent access and can be accessed only through Survey No. 151/1/4, for which the Respondent has obtained the Sale Certificate. Despite being aware of this dependency, the Respondent has failed to facilitate access and has instead impeded completion of the remaining sale

transactions and procurement of statutory permissions. Such conduct amounts to an attempt to derive undue advantage from selective compliance with the auction process, thereby hampering timely completion of the liquidation.

16. Cancellation of the e-auction for Survey Nos. 150/2 and 161/1 at this stage would severely prejudice the Applicant-Liquidator, as the said lands lack independent access and can be approached only through Survey No. 151/1/4, now owned by the Respondent. Without assured access, a fresh auction would likely attract limited interest and necessitate a substantial reduction in the reserve price, diminishing the value of the liquidation process and prejudicing the interests of secured creditors and other stakeholders, contrary to the objective of value maximisation under the Insolvency and Bankruptcy Code.

17. In view of the foregoing, the Applicant submits that the Respondent is bound by the terms of the e-auction and the applicable Liquidation Regulations, including the stipulated payment timelines. The auction was conducted on an "as is" basis, and the Applicant contends that the pendency or non-recommendation of the N.A. permission application does not, by itself, absolve the Respondent of his payment obligations. The Applicant accordingly seeks appropriate statutory consequences for the Respondent's alleged default, including forfeiture of the EMD and cancellation of the sale, as applicable, to safeguard the liquidation process and the interests of its stakeholders.

18. Hence the Applicant has filed the present application.

Reply of the Respondent

19. The Respondent submits that, under the terms of the auction, his obligation to pay the balance sale consideration must be considered in the context of the Applicant's corresponding obligation to effect a lawful and valid transfer of the subject assets. The Respondent denies that the expressions "AS IS WHERE IS", "AS IS WHAT IS" and "WHATEVER THERE IS" absolved the Applicant of the obligation to convey a legally transferable interest in the properties. The Respondent further denies having participated in the auction with prior knowledge that the N.A. permissions in respect of Survey Nos. 150/2 and 161/1 had expired. The said impediment came to light upon subsequent verification and was promptly brought to the attention of the erstwhile Liquidator.

20. Pursuant to the auction, the Respondent deposited ₹28,35,600/- towards Item 1 (Survey No. 150/2, New No. 696), ₹29,98,800/- towards Item 2 (Survey No. 161/1, New No. 720) and ₹1,20,39,640/- towards Item 3 (Survey No. 151/1/4, New No. 669/1), aggregating to ₹1,78,74,040/- on 09.08.2023. Before expiry of the stipulated period for payment of the balance consideration, it emerged that the lands bearing Survey Nos. 150/2 and 161/1 could not be transferred without fresh or renewed N.A. permissions. The impediment was confirmed by correspondence from the competent statutory authorities and was neither speculative nor an afterthought on the Respondent's part.

21. Upon the transferability issue arising, the Respondent approached this Tribunal without abandoning the transaction or seeking a refund of the EMD, and consistently expressed his readiness to complete the transaction while pursuing a resolution of the impediment. The Applicant, meanwhile,

sought clarification from the Sub-Registrar, pursued fresh N.A. permissions, followed up with the concerned authorities and initiated proceedings before this Tribunal. The Respondent filed I.A. No. 5151 of 2023 seeking exclusion of time and subsequently I.A. No. 544 of 2024 seeking further exclusion until receipt of the requisite N.A. permissions and completion of the transfer process. The Respondent submits that these applications were necessitated by the continuing uncertainty regarding transferability and cannot be construed as evidence of obstruction or non-compliance on his part.

22. The Respondent paid the balance consideration of ₹12,93,56,760/- for Item 3 on 30.03.2024. Pursuant to the Order dated 05.04.2024 passed by this Tribunal, the Applicant issued the Sale Certificate dated 17.04.2024 and delivered physical possession of the land bearing Survey No. 151/1/4 (New No. 669/1), admeasuring 41,600 sq. mtrs., situated at Village Silli, Dadra and Nagar Haveli and Daman and Diu, on 04.05.2024. The Respondent submits that the sale of Item 3 and the issuance of the Sale Certificate do not, by themselves, resolve the distinct statutory impediments affecting Items 1 and 2. The Order dated 05.04.2024 must be read in the context of its operative directions and cannot be construed as determining issues beyond those actually decided therein.

23. Acting upon the Sale Certificate and delivery of possession, and relying on the expectation that the transaction concerning Item 3 had been completed, the Respondent undertook substantial works to secure and improve the property, including vegetation clearance, land filling, levelling, terracing, and repairs and painting of the compound wall, incurring approximately ₹25,00,000/-. The Respondent has additionally incurred approximately

₹5,00,000/- towards watchmen's salaries and related security and maintenance expenses over the past two years.

24. In the aforesaid circumstances, the Respondent submits that the present Application proceeds on the erroneous assumption that his obligation to pay the balance consideration for the subject assets was unconditional and independent of the Applicant's ability to effect a lawful transfer. Once the impediment concerning the transfer of Items 1 and 2 became apparent, the Applicant's ability to complete the transaction in respect of those items was materially affected. The Applicant cannot demand payment in isolation from its obligations, contrary to the auction terms, the parties' conduct and the sequence of events.

25. The Applicant cannot contend that fresh N.A. permissions were irrelevant to transferability while simultaneously pursuing such permissions for years and seeking relief from this Tribunal in connection with the same issue. The Applicant is therefore estopped from asserting that the Respondent was unconditionally bound to pay irrespective of the Applicant's ability to effect a lawful transfer. Such a contention amounts to approbating and reprobating and is inconsistent with the Applicant's own conduct and the circumstances in which the Respondent sought protection from this Tribunal.

26. Further, having accepted the consideration for Item 3, issued the Sale Certificate and delivered possession, the Applicant cannot seek reversal of the transaction to the Respondent's prejudice without due consideration of the rights accrued to the Respondent and the substantial expenditure incurred in reliance on the Applicant's actions. Granting the reliefs sought would cause serious prejudice to the Respondent by adversely affecting his

rights in the property and the expenditure incurred towards its preservation, security and improvement.

Analysis and Findings

27. We have heard the Ld. Counsel for both parties and perused the material on record.

28. It is the case of the Applicant that the Respondent is in wilful default of its obligation to pay the balance sale consideration for Survey Nos. 150/02 and 161/1 despite the lapse of over 880 days since the auction. The auction was conducted on an "as is where is" basis, and the Respondent, having participated with full knowledge, cannot now use the NA permission issue as an excuse for non-payment. The Applicant has consistently maintained that upon payment of the balance consideration, it would issue the Sale Certificate and cooperate with the Respondent for obtaining the necessary NA permissions.

29. Per contra, it is the case of the Respondent that its obligation to pay was not independent of the Applicant's ability to transfer a clear and marketable title. The Respondent discovered before the expiry of the 90-day period that Survey Nos. 150/2 and 161/1 could not be transferred without fresh NA permissions. The Applicant's own conduct in pursuing NA permissions for years is a clear acknowledgment that a genuine impediment existed. The Respondent has always been ready and willing to complete the transaction but cannot be expected to part with a substantial amount for assets whose transferability is uncertain.

30. At the outset, the sale was conducted by the Liquidator under Section 35(1)(f) of the Code, read with Regulation 33 of the IBBI (Liquidation

Process) Regulations, 2016 ("Liquidation Regulations"). Regulation 33 read with Schedule I of the Liquidation Regulations requires the successful bidder to pay the balance within ninety days. Payment made after thirty days attracts interest at 12%, and the sale is liable to be cancelled if payment is not received within ninety days.

31. At this stage, it is relevant to take note of the Sale Notice dated 14.07.2023. The relevant extract is as follows:

> *"1. E-Auction will be conducted on 'AS IS WHERE IS', 'AS IS WHAT IS' AND 'WHATEVER THERE IS BASIS' as such sale is without any kind of warranties and indemnities……*
>
> *3. The intending bidders, prior to submitting their bid, should make their independent inquiries regarding the corporate debtor, assets, duties, transfer fee, maintenance charges or other taxes/fee charges, if any, and inspect the corporate debtor and its assets at their own expense …*
>
> *8. The EMD of the Successful bidder shall be retained towards part sale consideration and the EMD of unsuccessful bidders shall be refunded. The EMD shall not bear any interest. The Liquidator will issue a Letter to the Successful Bidder and the Successful Bidder shall have to deposit the balance amount (Successful Bid Amount – EMD Amount) within ninety days of the date of such demand. Payments made after thirty days shall attract interest at the rate of 12% and further the sale shall be cancelled if the payment is not received within ninety days. Default in deposit of the balance amount by successful bidder within the time limit would entail forfeiture of the entire amount deposited (EMD + Any Other Amount) by the Successful Bidder …*
>
> *10. The particulars in respect of the Asset specified in the Schedule herein above. Have been stated to the best of the information and knowledge of the undersigned, who shall however not be responsible for any error, misstatement or omission in the said particulars. The Tenderer(s), Offeror(s). Prospective Bidder(s)/ Purchaser(s) are hereby notified that the said above*

assets will be sold with the Encumbrances and dues payable to Statutory Authority (If any) and are also requested, in their own interest, to satisfy himself / themselves / itself about the above and other relevant details pertaining to the above-mentioned Assets before submitting their tenders."

32. On perusal of the Sale Notice dated 14.07.2023, it is evident that the auction was conducted on an "AS IS WHERE IS", "AS IS WHAT IS" and "WHATEVER THERE IS" basis. The Sale Notice expressly required intending bidders to make independent inquiries regarding the assets and to inspect the same at their own expense before submitting their bids. Further, the Sale Notice stipulated a specific timeline for payment of the balance sale consideration and expressly provided that payments made after 30 days would attract interest at the rate of 12% per annum. It also stipulated that failure to deposit the balance sale consideration within 90 days would result in cancellation of the sale and forfeiture of the amounts deposited by the successful bidder, including the EMD. Thus, the requirement to complete payment within the prescribed period, together with the consequences of default, formed an integral part of the terms governing the auction.

33. The aforesaid conditions were reiterated in Letter of Intent dated 18.08.2023, accepted by the Respondent "unconditionally", provided as follows:

"b. You shall remit the balance sale consideration after adjusting the Earnest Money Deposit … within a period of 90 days i.e. on or before 16th November 2023 from the date of this Letter of Intent. Provided that payment made after 30 days shall attract interest at the rate of 12% per annum in terms of Regulation 33 read with Schedule I …

c. In case you fail to remit the balance sale consideration … within 90 days specified above, the Liquidator will forfeit the

Earnest Money Deposit paid of Rs. 1,78,74,040/- in terms of the Process Memorandum.

e. You shall be responsible for obtaining requisite regulatory or statutory or third-party approvals, licenses, no-objections, permission or consents, if any, that are or may be required under Applicable Law, for transfer …

h. The sale … is sold on 'As is where is basis', 'As is what is basis', 'Whatever there is basis' and 'No recourse basis' and the sale does not entail transfer of any title except the title which the Corporate Debtor had on its assets as on date of transfer. The Liquidator does not take or assume any responsibility for any shortfall or defect or shortcoming in the movable/immovable assets of the Company."

34. A conjoint reading of the Sale Notice and the Letter of Intent makes it clear that the Respondent accepted the obligation to deposit the balance sale consideration within the stipulated period and assumed responsibility for obtaining the requisite statutory and regulatory permissions required for the transfer. The auction terms also prescribed interest for delayed payment and specified the consequences of failure to pay within the stipulated period. The Liquidator was required to facilitate the transaction and extend necessary cooperation in accordance with law; however, such obligation cannot be construed as an unconditional undertaking to secure the grant of statutory permissions by the competent authorities.

35. In this context, it is relevant to take note of the judgment of the **Hon'ble High Court of Calcutta in *Cotton Casuals India Pvt. Ltd. & Ors. v. State of West Bengal & Ors.* (W.P.O. 1235 of 2024)**, wherein it was held as follows:

"51. … it is well-settled that a sale conducted on an 'AS IS WHERE IS' basis entails that the purchaser acquires the asset along with all existing rights, liabilities, and obligations. …

> *... when assets are sold on 'as is where is basis', the purchaser acquires them with full knowledge that they are being sold without any warranties, representations, or indemnities, and* ***that the purchaser alone bears the responsibility of verifying the condition, liabilities, and encumbrances attached to the assets.****"*

36. The aforesaid judgment underscores the principle that, where assets are sold on an "as is where is" basis, the purchaser is required to undertake independent due diligence regarding the assets and bears the responsibility associated with the terms of the auction. In the present case, this principle must be read alongside the express stipulations in the Sale Notice and the Letter of Intent placing responsibility for obtaining the requisite permissions upon the successful bidder. The Respondent cannot, therefore, contend that the Liquidator was under an unconditional obligation to procure the N.A. permissions before calling upon it to complete the sale.

37. Having considered the contractual terms and the applicable legal principles, we now turn to the facts concerning Survey Nos. 150/2 and 161/1. It is not in dispute that the three parcels were put to auction in the same e-auction process and that the Respondent emerged as the successful bidder in respect of all three parcels. While the sale of Survey No. 151/1/4 has been completed upon payment of the entire sale consideration, the balance consideration in respect of Survey Nos. 150/2 and 161/1 remains unpaid.

38. The subsequent communication dated 06.11.2025 issued by the Mamlatdar, Silvassa, records that the application for industrial N.A. permission in respect of Survey Nos. 150/2 and 161/1 was disposed of as "not recommended" because the lands providing access and the lands for

which permission was sought stood recorded in different names. Survey No. 151/1/4, which provides access to the remaining parcels, has already been transferred to the Respondent, whereas Survey Nos. 150/2 and 161/1 continue to stand in the name of the Corporate Debtor.

39. We are conscious that, by Order dated 10.11.2023 passed in I.A. No. 5151 of 2023, this Tribunal directed the Liquidator not to forfeit the EMD until the N.A. certificate was obtained and to pursue the application for fresh N.A. permissions. However, the subsequent communication dated 06.11.2025 records that the application was not recommended owing to the difference in ownership between the subject lands and the land providing access thereto. Under the facts and circumstances of the case, the said Order cannot be construed as permitting the Respondent to indefinitely withhold payment pending resolution by the Liquidator of an impediment arising from such difference in ownership. Completion of the transfer of the remaining parcels to the Respondent would vest all three parcels in the same ownership, thereby addressing the very impediment identified by the competent authority.

40. Having held that the Respondent cannot indefinitely withhold the balance sale consideration on the ground that the requisite N.A. permissions have not been obtained, the further question that arises is whether this Tribunal can grant a final opportunity to deposit the balance sale consideration notwithstanding the expiry of the period of ninety days prescribed under the Liquidation Regulations.

41. In this regard, reliance may be placed on the judgment of the ***Hon'ble National Company Law Appellate Tribunal in Sushil Jejani v. Pasad***

Dharap (Liquidator of Jejani Pulp & Paper Mills Pvt. Ltd.) & Anr., decided on 18.07.2025 *wherein relevant paragraphs are reproduced:*

> ***42.*** *Interestingly, we notice that the Adjudicating Authority has also relied on the judgment of the Hon'ble Apex Court in the matter of* ***Palanivel judgment supra*** *to allow further time to SAP for remitting balance consideration. The Adjudicating Authority at para 47 of the first impugned order has observed that the Hon'ble Apex Court in* ***Palanivel judgment supra*** *while holding that the timelines specified in Regulation 33 of Liquidation Process Regulation is mandatory, also held that Adjudicating Authority has the power to extend the time period if it finds serious flaws in the conduct of the auction.*
>
> ***43.*** *Given this backdrop, we are of the considered view, that it is settled law that it is open to the Adjudicating Authority to exercise its inherent powers under Rule 11 to grant extension of payment as long as it is satisfied that sufficient grounds exist. We also notice that Adjudicating Authority in its order allowed further time to the SAP in view of certain external circumstances having developed but also simultaneously directed the SAP to make additional payment to balance out equities.*
>
> ***44.*** *Thus, to answer the first two inter-related questions, we are of the considered view that ordinarily the time-line of 90 days specified in Regulation 33 of Liquidation Process Regulations needs to be adhered to for making payment by the successful bidder. However, it is well settled law that if it comes to the notice of the Adjudicating Authority that extraordinary circumstances have arisen which has impeded the conduct of auction process, it can allow further time to the successful bidder as a special measure in exercise of its inherent powers. Further since the* ***Palanivel judgment supra*** *does not define in specific terms as to the circumstances in which the time extension can be allowed, we do not see any prohibition on the exercise of this power as long as the Adjudicating Authority was satisfied that there are extraordinary and extenuating circumstances to do so. In the present case, the Adjudicating*

> *Authority has clearly expressed its satisfaction of the external circumstances which afflicted the conduct of auction and led to the non-payment of balance consideration by the SAP inspite of his willingness to pay. The Adjudicating Authority while allowing extended time has also made it subject to payment of interest for balancing equities. We therefore do not find any infirmity in the order of the Adjudicating Authority in allowing further time to the SAP to make balance payment in view of what it described as "external circumstances".*

42. The Hon'ble Appellate Tribunal recognised that, although the timeline prescribed under the Liquidation Regulations is ordinarily required to be adhered to, the Adjudicating Authority may, in exceptional circumstances and upon sufficient cause being shown, exercise its powers under Section 35 of the Code read with Rule 11 of the NCLT Rules, 2016, to permit an extension of time for payment.

43. In the present case, neither the Respondent has abandoned the transaction nor has the Liquidator ceased to pursue its completion. However, owing to the circumstances surrounding the N.A. permissions and the interdependence of the subject parcels of the land, the sale remained incomplete. Considering the extraordinary and extenuating circumstances of the case and the potential impact of cancellation on the liquidation process, we deem it appropriate to afford the Respondent one final, time-bound opportunity to complete the transaction by depositing the balance sale consideration along with applicable interest in accordance with the auction terms and the Liquidation Regulations.

44. Accordingly, and in view of the facts and circumstances of the present case, the following order is passed:

a) The Respondent is directed to deposit the entire balance sale consideration for Survey Nos. 150/02 and 161/1 amounting to Rs 5,25,09,600/- within 30 days from the date of this order.

b) The Respondent in addition to the principal amount as above, is also directed to make payment of interest @12% per annum from the due date as per Clause 12 of Schedule I to Regulation 33, excluding the period of 90 days from the date of auction dated 12.08.2023 up to 10.11.2023 excluded by this Tribunal's Order dated 10.11.2023 in I.A No. 5151 of 2023. Such payment of interest shall also be paid within 30 days of the order.

c) Upon payment/deposit of the aforesaid amounts by the Respondent, the Applicant shall issue the Sale certificate in favour of the Respondents and shall cooperate with the Respondent in obtaining/renewing the NA permissions.

d) It is pertinent to note that Survey No. 150/2 (New No. 696) and Survey No. 161 (New No. 720) are accessible only through Survey No. 151/1/4 (New No. 669/1). The competent authority, by communication dated 06.11.2025, declined to recommend the grant of N.A. permission on account of the difference in ownership between the subject lands and the land providing access thereto. Thus, the transfer of these three parcels of land cannot be independent or severable transactions. Further, the as common ownership of all three parcels would address the impediment indicated by the competent authority and facilitate compliance with the purpose of the auction. In these circumstances, vide order dated 05.04.2024 passed in I.A. No. 544/2024, direction to the Liquidator

to complete the one transaction independently, only with the view that the other two transactions can also soon be completed, after due formalities. However, neither at the auction stage nor thereafter, the three parcels of land were treated as subject matter of independent transactions. Therefore, selective completion of transaction relating land parcel bearing Survey No. 151/1/4 (New No. 669/1) cannot be allowed to be continued. During the course of the hearing, the Applicant/Ld. Counsel for the Applicant has also stated that, in the event the sale of Survey No. 151/1/4 (New No. 669/1) is cancelled, the creditors are willing to refund the consideration received in respect thereof. Accordingly, if the Respondent fails to comply with the directions contained in paragraphs (a) and (b) within the time stipulated, the e-auction in respect of Survey No. 150/2 (New No. 696), Survey No. 161 (New No. 720) and Survey No. 151/1/4 (New No. 669/1), all situated at Village Silli, Dadra and Nagar Haveli, shall stand cancelled, and:

i. The Sale Certificate dated 17.04.2024 for Survey No. 151/1/4 shall stand cancelled; the Respondent shall hand back possession within 30 days and the Applicant shall refund the entire amount received except the amount of EMD.

ii. The EMD deposited for all the three land parcels bearing Survey No. 150/2 (New No. 696), Survey No. 161 (New No. 720) and Survey No. 151/1/4 (New No. 669/1), shall stand forfeited.

iii. And thereafter, the Applicant shall be at liberty to proceed with a fresh auction of the assets of the corporate Debtor in accordance with the Liquidation Regulations.

45. This I.A 414 of 2026 is accordingly **disposed** of in above terms.

Sd/-

VINAY GOEL

Member (Judicial)

Smeet - LRA

Sd/-

CHARANJEET SINGH GULATI

Member (Technical)