Resolution of Ireo Fiveriver Private Limited (IFPL)

The CIRP of IFPL is a complex case of Group Insolvency as it involved 10 more group companies in addition to the CD. On application of an Operational Creditor (OC), the NCLT, New Delhi ordered CIRP of the CD on December 13, 2018.

The primary challenge in this case was that there was no real asset in name of the CD, and it was merely holding JDA's (Joint Development Agreements) with certain companies which were the actual land holding companies. Besides, the real estate project was apparently in conflict with some laws such as FEMA, and Land Ceiling Act etc. The RP not only addressed these issues but also was able to capture balance of the 25% land documents (title deeds etc.) from the landowning companies and promoters of the CD and gave them in the safe custody of the financial creditors. He finally managed a feasible Resolution Plan for the CD.

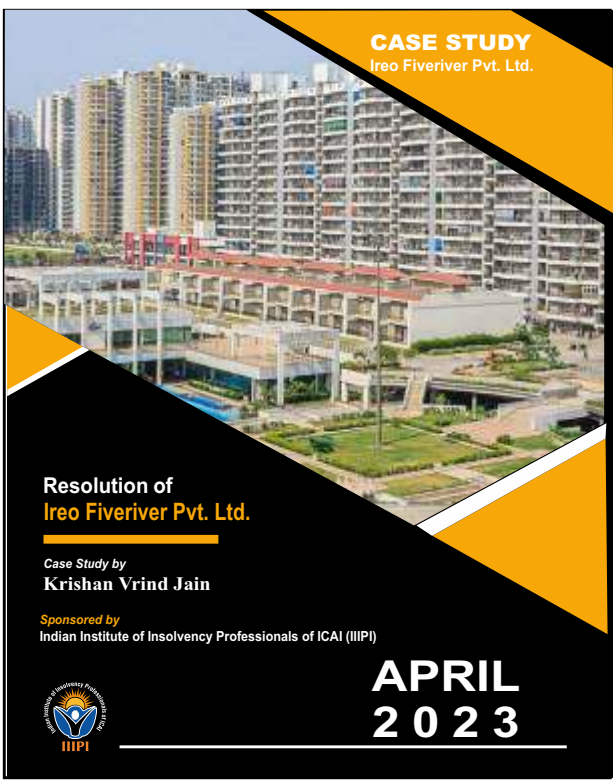
The present case study, sponsored by IIIPI, has been developed by Mr. Jain. In this study, he has provided a first-hand step by step guide to rescue a corporate life.

Read on to know more...

1. Commencement of CIRP

Worxpace Consulting Pvt. Ltd., an Operational Creditor of M/s Ireo Fiveriver Private Limited (IFPL), the Corporate Debtor (CD), filed a petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) at National Company Law Tribunal (NCLT), New Delhi for initiating its Corporate Insolvency Resolution Process (CIRP). The Adjudicating Authority (AA) through an order on December 13, 2018, admitted the petition and appointed Interim Resolution Professional (IRP) for the CD.

The CD had planned to develop a sole real estate project (Project) at Sector 3, 4 & 4A of Kalka-Pinjore Urban Complex, District Panchkula in Haryana. The project comprised of Plotted Development, Group Housing Towers, Villas, Independent Floors, Commercial Development, and Institutional area. As per the land records provided to the RP, the Project was planned on 198.801 acres of land for which license was obtained from Department of Town and Country Planning (DTCP) in the



Krishan Vrind Jain
The author is an Insolvency Professional (IP) Member of IIIPI. He can be reached at
jainkv@gmail.com

name of Magnolia Propbuild Pvt. Ltd. and other land-owning companies. The CD had singed Joint Development Agreements (JDAs) with those land-owning companies. However, some land was disputed and possession of 177.27 acres of land was available. The proposed area breakup of the Project is given in the Table 1.

Table 1: The proposed area breakup of the Project

S.No.	Items	Area
1.	Plotted Development	56.00 Acres
2.	Group Housing 1	14.81 Acres
3.	Group Housing	224.94 Acres
4.	Commercial	03.18 Acres
5.	Institutional	11.55 Acres
6.	Roads, utility, parks others	~66.79 Acres
	TOTAL	177.27 Acres

2. Appointment of Resolution Professional

The IRP appointed by the Adjudicating Authority (AA) was not appointed as RP. Eventually after 270 days the Committee of Creditors (CoC) by way of a resolution replaced the IRP and Mr K. V. Jain was appointed as the RP of CD with 100% votes of the CoC. The RP applied for further extension of time for CIRP, which was allowed by NCLT vide an order dated November 25, 2019, for 90 days i.e., from November 09, 2019, to January 08, 2020.

> **The project comprised of Plotted Development, Group Housing Towers, Villas, Independent Floors, Commercial Development, and Institutional area. However, the land of the Project was not in the name the CD.**

After taking over the charge, RP found that there was no real asset in name of the CD, and it was merely holding JDA's (Joint Development Agreements) with certain companies which were the actual land holding companies. As per the account books of the CD, it was brought to the knowledge of the RP that the Ireo Group is having an overseas fund from where it received funds in the accounts of CD. In fact, the funds were sent by Mauritius based Company named Camixo Ltd., which IREO Group used to call Group Fund Co., and from that Camixo Ltd. fund was received by Ireo Five River P. Ltd.

3. Claims Admitted by the RP

HDFC Ltd., a Non-Banking Financial Creditor (NBFC), and Axis Bank were major financial creditors. The CD had sold various plots and flats in 'Plotted Development' and high-rise towers, which it had intended to develop and sold (partially) thereby creating 'Class Creditors' in the form of homebuyers. A list of creditors with claims received and admitted as on Insolvency Commencement Date (ICD) i.e., December 13, 2018, as received by the RP in response to the public announcement as per Information Memorandum (IM) is provided in Table – 3.

Table-3: Claims Received and Admitted by the RP

Nature of creditor	Amount Claimed (₹ Crore)	Amount Admitted (₹ Crore)
Financial Creditors		
HDFC Limited – Secured	192.04	192.04
Axis Bank Limited – Bank Guarantee	65.13	62.50
Allottees (who filed claims)	178.24	149.20
Allottees (who did not file their claims and their claims are admitted on NCLT Directions)	0.00	92.97
IREO Grace Realtech Pvt. Ltd.	136.12	0.00
Commander Realty Pvt. Ltd.	7.53	0.00
IREO Pvt. Ltd.	4.21	0.00
Puma Relators Pvt. Ltd.	--	6.23
Sub Total- A	**583.27**	**502.94**
Operational Creditor (Other than Workmen and Employee and Statutory Dues)	56.08	0.33
Operational Creditor *(Workmen & Employee)*	0.00	0.00
Operational Creditor (*Statutory Dues*)	0.00	0.00
Sub Total- B	**56.0**	**80.33**
Total A+B	**639.35**	**503.27**

4. Challenges faced during CIRP

Though Land Celling Act is applicable in the State of Haryana, the CD would not have purchased the large chunk of agriculture land in its name. Besides, another problem which RP could foresee was buying agriculture

land in the name of CD through Foreign Direct Investment (FDI) and holding it till the Change of Land Usage, which might have violated the provisions of Foreign Exchange Management Act, 1999 (FEMA).

On further checking of account books, it was revealed that the CD transferred funds to certain companies as ICD's (Inter Corporate Deposit) which in turn bought agriculture land from farmers and applied to DTCP for grant of licence to develop it as a colony for which JDAs were being executed between land-owning licence holder companies and the CD. These JDAs authorised the CD to develop the colony and also gave it the right to sell the same.

RP realised JDAs were the only assets in the hands of the CD. However, almost 75% of the land bank under the said project was mortgaged to the two FCs of the CD. After several rounds of discussions between the RP and his team, it was decided to pitch the resolution of the CD either by merger or complete shift of ownership of land-owning companies along with the CD in the Terms of Reference (TOR) for Expression of Interest (EOI) of Resolution Plan.

Another problem which RP could foresee was buying agriculture land in the name of CD through FDI and holding it till the Change of Land Usage, which might have violated the provisions of FEMA.

Another challenge came before the RP was to satisfy the valuers as to the valuation of the project where there was no real asset in the name of the CD. They were appraised about the situation and explained the possible way through which the asset would eventually flow on the resolution, so they conducted the valuation of JDA's as 'Intangible Asset' of the CD. Another major challenge before the RP was huge number of unsatisfied homebuyers (Class Creditors) who had lost faith in the CIRP process due to inactivity for almost 270 days. So, to restore their faith, the RP took immediate steps and created a dedicated response team in his office to resolve queries of homebuyers and stakeholders on real time basis. Another step taken by RP to restore their faith in IBC's efficacy was to allow representatives of the Homebuyers' Association in the CoC meetings along with their Authorised Representative (ARs) but homebuyers were advised not to speak in the CoC meetings although they were allowed to raise their concerns in the meeting through AR. This eventually created faith of the homebuyers in the process.

Now the other challenges before the RP were various provisions of DTCP and Real Estate Regulatory Authority

To restore confidence of homebuyers, the RP took immediate steps and created a dedicated response team in his office to resolve the queries of homebuyers and other stakeholders on real time basis.

(RERA). DTCP had huge receivable in the form of various dues pending against the land-owning companies due to non-fulfilment of the licence conditions and it was very difficult for the RP to convince the DTCP, which is a government body, to file claim under CIRP of the CD since licences were granted in the name of ten more land owning companies which were not directly part of the CIRP. After many efforts, the RP was able to convince the government officials to file their claims on the basis of JDAs and the land bank which was part of CIRP.

Besides the above, following steps were taken to streamline the CIRP process:

(a) The Class Creditors of the CD obtained stay from Hon'ble High Court against 10 Group companies from alienating its assets. It was difficult task to satisfy/ convince Prospective Resolution Applicants (PRAs) and even to Hon'ble High Court to allow the resolution of the CD in view of this order.

An application under Section 66 against the management of the 10 group companies was filed to ensure their cooperation.

(b) RP impressed upon the group managements to co-operate in the resolution process of the CD, and to confirm before CoC of the CD that they all are willing to sign the new JDA's once a Successful Resolution Applicant (SRA) is finalised by CoC with due process.

(c) RP obtained all the title deeds of the land bank which were not mortgaged with the FCs from 10 group companies.

5. Precedents in India for Group insolvency

The case of *State Bank of India Vs. Videocon Industries Ltd.* (VIL) is the landmark judgement for Group Insolvency jurisprudence in India. In this case, the NCLT Mumbai passed an order for consolidation of CIRP against 13 (out of 15) companies of Videocon, relying on principles laid down by US and UK courts. This order was passed in:

(a) MA 1306/2018 in CP No. 02/2018, CP No. 01/2018, CP No. 543/2018, CP No. 507/2018, CP No.

509/2018, CP No. 511/2018, CP No. 508/2018, CP No. 512/2018, CP No. 510/2018, CP No. 528/2018, CP No. 563/2018, CP No. 560/2018, CP No. 562/2018, CP No. 559/2018, CP No. 564/2018

(b) MA 1416/2018 in CP No. 02/2018 &

(c) MA 393/2019 & MA 115/2019 in CP No. 543/2018 &

(d) MA 1574/2019 in CP No. 01/2018 &

(e) MA 774 /2019 in CP No. 543/2018 &

(f) MA 778/2019 in CP No. 559/2018 &

(g) MA 1583/2018 IN CP No. 559/2018 dt 8th August 2019

Further, following paras of NCLT's judgement in MA No. 2385/2019 dated February 12, 2020, are worth mentioning in reference to Group Insolvency:

(a) Para 103: Now we try to answer the question that whether "consolidation" in this case meets the criteria of consolidation as propounded in the Judgment of this Bench of 8-8-2019 by which "consolidation" of 13 Videocon Group Companies were done for the purpose of CIRP. Each of these parameters and whether the same is fulfilled or not is detailed below: -

(i) **Common control:** There is no dispute about the control of Respondent No.1/VIL on all decisions of Respondent Nos.2 to 5. It is also not denied that Respondent Nos. 2 to 5 were/are the Special Purpose Vehicles created by the Respondent No. 1/VIL. It is also not seriously disputed that the Respondent Nos.2 to 5 were acting like an agent and/or extended arm of the Respondent No. 1/VIL.

(ii) **Common directors:** The family members of V.N. Dhoot are Directors in Respondent Nos.2 to 5 Companies, as was there for the 12 consolidated Companies;

(iii) **Common assets:** As stated in the preceding paragraphs we have already held that Lenders of LOC/SBLC Agreement as well as Rupee Facility Agreement (RTL Agreement) have always treated the Videocon Group, as a Single Economic Entity, which included the 13 Obligor Co-obligor companies as well as Respondent Nos. 2 to 5. Further, as stated hereinbefore the Lenders have treated the assets of the Videocon Group may it be in CHA assets, Telecom assets and/or foreign oil and gas assets as common assets for granting of the facility amount.

(iv) **Common liabilities:** The clauses of the SBLC Facility Agreements and the VTL and RTL Facility Agreements have demonstrated that the security available for satisfaction of the debts are common securities belonging to various entities in the Videocon group, as was there for the 12 consolidated Companies;

(v) **Inter-dependence:** As already discussed and held hereinbefore the Lenders have treated the foreign oil and gas assets and businesses dependent with the CHA business by way of putting various restrictions and cross defaults in respective funding Agreements to CHA and foreign oil and gas business. That apart the executed documents, the acquisition documents do indicate the Respondent Nos.2 to 5 were never independent and financially sound to acquire and maintain the properties but, it is admitted that all the time Respondent Nos. 2 to 5 were dependent on Respondent No. 1/VIL. Similarly, the funding arrangements also envisaged that for the CHA business funding foreign oil and gas assets shall have second charge and *vice -versa*.

(vi) **Interlacing of finance:** In view of the aforesaid discussion and reference to the specific clauses in Rupee Facility Agreements on one hand, (for the default of which the 15 Videocon Group Companies are referred to the ongoing CIRP), clearly establishes the substantial right, security and interest qua the foreign oil and gas assets, properties, including interest therein is secured in favour of the Rupee Lenders under the various terms of the RTL Agreement. Whereas on the other hand, the LOC/SBLC Lenders i.e. lenders of Respondent Nos.2 to 5 for the foreign oil and gas business, have also secured the rights and interest in Respondent No. 1/VIL and has put various restrictions in its favour in relation to the non-disposal of the pledge shares of Respondent Nos.2 to 5 by

Respondent No. 1/VIL as well as have also taken the other securities including the security of the Videocon Brand which belongs to one of the Companies i.e. C.E. India Limited which is already part of the ongoing CIRP. Beside this the reference to various clauses of the RTL Agreements as well as LOC/SBLC Agreements do clearly show that there was interlacing finance arrangements.

(vii) **Pooling of resources:** It has not been denied and admitted that Respondent Nos. 2 to 5 were financed from the resources of Respondent No. 1/VIL with the security to the Lenders for this finance and on the other hand for CHA business the resources of foreign oil and gas assets was given as a second charge. As such, for the sanction of the facility limits either for CHA business or foreign oil and gas business security of each other's assets was offered. Not only this, but the surplus flow arrangement from each other's business also agreed to be shared by the Lenders. Further, it is apparent that there was common Board of Directors, Promoters, pooling of human resources, liaising and funding. Undisputedly, the directors are commonly using their contacts and relationship to run all the subsidiaries for which common office staff, accountants, and other human resources are mobilized to manage the affairs collectively. Further, common arrangement of capital/funds is an accepted position in Videocon group, as was there for the 12 consolidated Companies.

(viii) **Coexistence for survival:** The Respondent Nos.2 to 5 were/are completely dependent on Respondent No. 1/VIL and it is admitted that these companies did not have any separate financial capability to serve the cash calls. Admittedly, the funding was done on the basis of the responsibility and guarantee taken by the parent company.

(ix) **Intricate link of subsidiaries:** The Respondent Nos.2 to 5 were incorporated subsequent to acquisition of the assets, the shareholding pattern, the control on these Respondents was/is common and admittedly never was independent but, there is intricate link amongst them. Further, the loan documents and security arrangement mentioned therein clearly establish the intricate link between them and Respondent No. 1/VIL.

(x) **Intertwined accounts:** The accounts of Respondent Nos. 2 to 5 were completely under control of the Respondent No. 1/VIL and each other Lenders have taken the charge on the proceedings of each other's account, which itself shows the accounts were intertwined.

(xi) **Inter-looping of debts:** As stated hereinbefore, we have already held that the accounts were intertwined, and creditors of CHA business and oil and gas business have already created inter-looping of the debts in favour of each other's debt.

(xii) **Singleness of economics of units:** As discussed above in the preceding paragraphs thereby referring to various specific clauses clearly shows that the Lenders have treated the Respondent Nos. 1 to 5 as one single economic unit, irrespective of the different businesses and assets, properties. The same is fortified from the various securities and restrictions mentioned in the loan documents. The foreign oil and gas assets acquisition documents also support the said fact.

(xiii) **Common Financial Creditors:** As per two financing agreements viz., SBLC Facility Agreement and the RTL & VTL Facility Agreements, the lenders are members of a 'consortium of banks' which is common for all. Because the impugned Insolvency Petitions were filed by SBI for itself and also on behalf of the said Joint Lenders Forum, already listed above, the names of all the banks forming consortium thus substantiate the fact that the financial creditors are common for Respondent No. 1 and Respondent No. 2, as was there for the 12 consolidated Companies.

(b) Para 104: It can be clearly seen from the above that all the 13 parameters which were enunciated in the Order dated August 8, 2019, in the consolidation of 13 Videocon Group Companies are fully met and satisfied in this case also.

(c) **Para 105:** We are of the view that in case the said assets are not considered to be assets of single economic entity and/or of the Respondent No. 1/VIL, then, by no stretch of imagination, the effective resolution of ongoing CIRP of any of the 13 Companies as well as the CIRP VOVL would meet to the objective envisaged under the IBC and they shall be forced towards the liquidation despite having sufficient means and assets to resolve the debt of all corporate persons.

(d) **Para 106**: In other words, there shall be compromise rather the rights and interest of important stakeholders like Operational Creditors, employees etc. shall be jeopardized to the greater extent as looking at the cross creation of the security interest in relation to the assets of each of the VIL Group Companies would not be able to independently meet with the claims lodged by all the creditors.

Relying on VIL judgement, the NCLT, Mumbai in *Axis Bank Ltd.* Vs. *Lavasa Corpn. Ltd.* MA No. 3664 of 2019, dated February 26, 2020, also allowed for Group Insolvency. Although precedents are there but India needs Group Insolvency laws in place along with multi countries insolvency treaties and guidelines.

6. Value Maximization

In the meantime, RP was able to get balance of the 25% land documents (title deeds etc) from the landowning companies and promoters of the CD and gave them in the safe custody of the financial creditors.

All 'title deeds' were lying in the custody of HDFC Ltd. only, however, they were mortgaged to Axis bank & HDFC Ltd., so remaining 'title deeds' collected by RP were handed over to HDFC Ltd. for safe custody.

7. Resolution of the CD

Now other challenge with RP was to satisfy/ convince the Prospective Resolution Applicants (PRAs) about the existence of the intangible asset by way of various JDA's in the hands of the CD and the land bank being physically held in other ten companies but mortgaged to the FCs of the CD.

After initial hiccups, seven PRAs responded to EOI. The RP and his team had a series of meetings with them and explained the strategy being adopted by the RP to address the situation. Finally, RP received two resolution plans. After vetting, the resolution plans of two PRAs – were presented before the CoC for voting. Finally, the CoC approved a Resolution Plan which was subsequently approved by the AA on August 06, 2021. The Successful Resolution Applicant (SRA) has offered ₹220 crores to two FCs and possession of plots according to different options exercised by home buyers or refund of money.

The Successful Resolution Applicant (SRA) has offered ₹220 crores to two FCs and possession of plots according to different options exercised by home buyers or refund of money.

The Resolution Plan is being successfully implemented and in its final stage of implementation. The Bank and NBFC have been paid while homebuyers have been offered their share as per the Resolution Plan.

8. Takeaways from the CIRP of IFPL

(a) Case for Joint Resolution

(i) The assets of the 10 group companies were exclusively purchased for the business of the CD under CIRP.

(ii) The management and deployment of staff was common, the Key Managerial Personnel (KMP) of the group companies appointed were the employees of one group only.

(iii) The affairs of the 11 companies were so entangled that joint resolution benefitted all creditors. Separating assets might have been prohibitive and hurt all creditors.

(iv) The expenses of the 10 subsidiaries after default was being met by parent as the assets owned by the subsidiaries were exclusively used by CD.

(v) The assets of the 10 group companies were exclusively charged with bankers of the CD for CD's exposure only.

(vi) 10 group companies were not having any other liability other than loan from CD.

(b) Options For Joint Resolution?

(i) Substantive consolidation,

(ii) Amalgamation of subsidiaries during CIRP before Resolution of the CD,

(iii) Amalgamation/consolidation of assets of subsidiaries through Resolution Plan submitted for revival of CD by Resolution Applicants.

(iv) All 10 group companies were willing to sign the exclusive JDA with incoming Resolution Applicant (RA) of the CD.

(c) Challenges Ahead

(i) No framework exists for substantive consolidation mechanism. The same has to be opted for by creditors by making an application for consolidation before Hon'ble NCLT or it can be applied directly by NCLT as was done in some previous cases like Videocon.

(ii) The CD is already undergoing CIRP for the past 9 months and the 10 Group companies have not defaulted so can't be admitted into CIRP. For a substantive consolidation to be effective, the first step is that the 10 Group companies should be admitted under CIRP.

(iii) In the instant case, a separate consolidation application needs to be filed by the 10 Group companies and to be agreed by the CoC of the CD which is undergoing CIRP.

(iv) CIRP is a time bound process. A substantive consolidation would require resetting of the clock for consolidated resolution plan of all the 11 companies which may result in delay in the revival of the CD. However, this delay should get compensated by the benefits in terms of value maximization through consolidation.

(v) Amalgamation of subsidiaries during CIRP before Resolution of CD shall require approval of the NCLT. Prior to the same, it shall also require approval of the different class of creditors and shareholders of the 10 group companies, which may take some time and may not coincide with the CIRP timelines and deadlines of CD. Provisions of the Companies Act, 2013 shall be applicable.

(vi) Amalgamation/Consolidation of Assets of subsidiaries through Resolution Plan submitted for revival of CD by the Resolution Applicant shall also require approval of the different class of creditors and shareholders of the 10 group companies before submission of the relevant resolution plan.

(vii) Balancing of all the different class of creditors shall be required.

(viii) Adequate legal framework for amalgamation of companies under IBC is also required for a seamless process so that benefits equally apply to all the group entities i.e., parents and its subsidiaries /SPV's.

9. What would have fast tracked the above Process - Suggestive Steps

The experiences of RP and his team in conducting CIRP of IFPL may be crucial for Resolution Professionals (RPs) dealing/ will deal with similar cases. Followings are some important suggestions for smooth Resolution in the matters of Group Insolvency.

(i) If not a Group Insolvency Framework, at this stage, a suitable provision in the IBC should be made for initiating consolidation application by the lenders or by the RP of one of the group companies in case of joint assets.

"The RP should be given the responsibility in these types of situations, after he verifies the interrelated dependencies of the so-called group companies, he should place it before the CoC."

(ii) The RP should be given the responsibility in these types of situations, after he verifies the interrelated dependencies of the so-called group companies, he should place it before CoC. Subsequently, the RP, with due approval of CoC, should submit it with the AA within a specified time frame, and Hon'ble AA to pass the appropriate order in this regard on priority basis to initiate/ commence the CIRP of the group companies or entities provided they fall within any definition of section 5(24) or 5 (24A) or as per Chapter X of Income Tax Act, 1961.

(iii) The jurisdiction of AA should be that of the Main CD from where the first CIRP has started. It means that even if the other group companies are from other jurisdictional Registrar of Companies (ROCs) their proceedings should be before the same Bench which is handling the Main CD insolvency.

(iv) There can be single RP for the group companies, to reduce the inter CoC conflicts and to promote uni-directional Resolution approach.

(v) In case where the operations of the group companies are diverse and complicated and scattered then a central RP should be appointed to whom the different RPs should report and coordinate for a uni-directional effort for Resolution.

(vi) There can be Main CoC with one or more (or they can be in accordance with the Debt share to the Group) elected members nominated from Sub CoC's.

(vii) All CoC's should function in accordance with the policy framework to be decided by the main CoC in its 2nd meeting.

Hon'ble Apex Court's judgement in the case of *Victory Iron Works Ltd. Vs. Jitendra Lohia Civil* Appeal Nos. 1743,1782 of 2021 dated March 14, 2023, may be referred where there is group insolvency and assets are held in between various corporates. The key takeaways of this judgement are as under:

(a) Development rights in property created in favour of the Corporate Debtor constitute "property" within the meaning of the expression under Section 3(27) of IBC and "asset" within the meaning of section 25(2)(a) of IBC.

(b) The Explanation under Section 18 begins with a caveat namely "for the purposes of this Section". Therefore, the exclusion of assets owned by a third-party, but in the possession of the Corporate Debtor held under contractual arrangements, from the definition of the expression "assets", is limited to Section 18. In other words, the Explanation under Section 18 does not extend to Section 25. Therefore, the Explanation under Section 18 will not provide an escape route for the appellants. In any case, the bundle of rights and interests created in favour of the Corporate Debtor may even be tantamount to creation of an implied agency under Chapter-X of the Indian Contract Act, 1872 and such agency may not even be amenable to termination in view of Section 202 of the said Act since the creation of the same in favour of the Corporate Debtor was coupled with flow of consideration.

(c) Two applications were filed before NCLT. One was by the Resolution Professional and the other was by Victory. A careful look at the application filed by Victory in C.A. (IB) No.146 of 2020 would show that there was no whisper about Victory occupying any land in excess of what they were permitted to occupy under the Leave and License Agreement. Under the Leave and License Agreement, Victory was allowed to occupy only 10000 sq. ft. of land, upon payment of a monthly license fee of ₹5,000/-. If at all, a vague averment was made in paragraph VII (c) of their application to the effect that inasmuch as the Corporate Debtor was unable to commence any development activity in the subject land, the owner and the developer, with their full consent, had decided to allow the applicant to run its business in the usual course from the subject land, because the subject land could not have been left vacant for any substantial period of time. The fact that there were security guards posted in the property is borne out by records. This is why NCLT as well as NCLAT have done a delicate act of balancing, by protecting the interests of Victory to the extent of the land permitted to be occupied. In fact, Victory does not even have the status of a lessee but is only a licensee. A license does not create any interest in the immovable property. Therefore, NCLT as well as NCLAT were right in holding that the possession of the Corporate Debtor, of the property needs to be protected. This is why a direction under Regulation 30 had been issued to the local district administration.