

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

27.05.2026

Present: JUSTICE N. SESHASAYEE, MEMBER (JUDICIAL)
ARUN BAROKA, MEMBER (TECHNICAL)
INDEVAR PANDEY, MEMBER TECHNICAL

Company Appeal (AT) (Ins) No.2036 of 2024 with
I.A. No.6090 of 2025, I.A. No.7879 of 2025

Giriraj Enterprise, **...Appellant**
Through its Partner Sanjaykumar J. Lakkad

Vs

1. Mr. Rameshkumar Totla, **...Respondent No.1**
Liquidator of Galaxy Cotton & Textiles Pvt. Ltd.

2. Bank of Baroda **...Respondent No.2**

3. State Bank of India **...Respondent No.3**

(Arising out of Order dated 23.08.2024 passed by the Adjudicating Authority (National Company Law Tribunal, Ahmedabad Bench) in I.A. No. 1131(AHM) of 2022 in CP (IB)/322 (AHM) 2018)

With

Company Appeal (AT) (Ins) No.2037 of 2024 with
I.A. No.6089 of 2025, I.A. No.7880 of 2025

Nilesh Enterprise, **...Appellant**
Through its Partner Jatinkumar D. Lakkad

Vs.

Rameshkumar Totla, **...Respondents**
Liquidator of Galaxy Cotton & Textiles Pvt. Ltd. & Ors.

(Arising out of Order dated 23.08.2024 passed by the Adjudicating Authority (National Company Law Tribunal, Ahmedabad Bench) in I.A. No.1052(AHM) of 2022 in CP (IB)/322 (AHM) 2018)

For Appellant: Mr. Ajay Sharma, Advocate
For Respondent: Mr. Bhaskar Sharma, Advocate for R-2
Mr. Ankur Mittal, Mr. Ankush Kumar, Advocates for R-3/SBI
Mr. Nitesh Shrivastava, Advocate for R-1

JUDGEMENT

Per Justice N. Seshasayee, Member (Judicial)

These appeals arise out of the common Order dated 23.08.2024 passed by the Adjudicating Authority (NCLT), Ahmedabad in I.A. No. 1131 (AHM) of 2022 and I.A. No. 1052 (AHM) of 2022 in CP (IB) No. 322 (AHM) of 2018 concerning Galaxy Cotton and Textiles Pvt. Ltd. (hereinafter referred to as 'Galaxy Cotton' for convenience). The appellants are third parties to the liquidation of Galaxy Cotton and applicants to I.A. No. 1131 of 2022 and I.A. No. 1052 of 2022.

The Facts:

1. The broad facts which are necessary for considering the present batch of appeals and largely undisputed are briefly stated:
 - a) Sometime in 2008, the corporate debtor (to be), namely M/s Galaxy Cotton had availed a loan from the SBI against the security of the debtor's warehouse.

- b) The appellants herein are traders in cotton and between 04.02.2013 and 02.04.2013 Giriraj had deposited 3,300 bales of cotton, while Nilesh had deposited 800 bales of cotton between 29.03.2013 and 05.04.2013. In all both the appellants had stocked cotton bales totaling 4,100, in the warehouse of Galaxy Cotton, which, to repeat was under the mortgage with SBI. Of the total, 3,300 bales belonged to Giriraj, the appellant in CA 2036, and the balance 800 belonged to Nilesh, the appellant in C.A.2037 of 2024, with a combined total weight of 6,68,300 kg. For this purpose, they entered into a lease agreement with Galaxy Cotton. In plain terms, while the warehouse belonged to Galaxy Cotton, the 4,100 bales of cotton belonged to the appellants.
- c) In 2013, both Giriraj and Nilesh, the appellants herein, had availed a cash credit facility of ₹.4.90 crores from M/s Bank of Baroda (BoB for short) on the security of the respective cotton bales that they had, and both executed separate deeds of hypothecation of the cotton bales in favour of BoB. And, on 06.01.2014, the appellants subleased the warehouse to National Collateral Management Services Ltd. (NCMSL), which is an agent of BoB.
- d) While things stood thus, on 03.12.2015 BoB, with whom the cotton bales of the appellants were hypothecated, laid O.A. 25 of 2016- Giriraj and O.A. 24 of 2016- Nilesh before DRT, Ahmedabad, for recovery of its dues from the appellants. While this was pending, on 01.03.2016, SBI, with whom the warehouse was mortgaged, took possession of the same

under Sec.13(4) of the SARFAESI Act. The cotton bales of the appellants were still in the warehouse. Taken aback by the turn of events, BoB, which has created security interest over cotton bales, filed Securitisation Application in S.A.91 of 2016 against SBI with its own agent NCMSL in the party array before the DRT, Ahmedabad. In this proceeding, SBI took up a plea that the goods in question were hypothecated to it vide hypothecation agreement dated 11.10.2008. Eventually, vide its Order dated 17.01.2017, the DRT held the plea of SBI untenable and held that it has no right, title or interest to take possession of goods, namely the cotton bales which the appellants had hypothecated to BoB, and sell them and set aside the proceeding of the SBI taking possession of the cotton bales. SBI has challenged this Order of the DRT in Appeal No.101 of 2017 before DRAT.

- e) In the appeal of the SBI, on 29.06.2017, the DRAT passed an order for sale of the cotton bales in question. It was a consent Order with BoB consenting to the sale of cotton bales. In terms of an affidavit which the SBI had filed sometime in July, 2017, before the DRAT, pursuant to the Order permitting sale of the entire 4,100 bales of cotton, on 02.02.2018, they were put to auction sale, but only 1,255 bales of cotton weighing 1,97,425 kg, alone were in saleable condition and were sold for Rs.1,87,55,375/-, and the remaining were found to be waste cotton and could not be sold, and that the sale proceedings were deposited in fixed deposit.

- f) While things stood thus, SBI initiated proceeding in CP (IB) No. 322 (AHM) of 2018 under Sec.7 IBC against Galaxy Cotton, and this came to be admitted on 10.10.2019. On coming to know of the same, on 19.12.2019, the appellants herein claim to have intimated the resolution professional that the cotton bales of cotton in the warehouse of the Galaxy Cotton belonged to them.
- g) CIRP of Galaxy Cotton ended unsuccessfully, and hence on 29.08.2022, the Adjudicating Authority ordered its liquidation and the first respondent herein came to be appointed as the liquidator. The appellants re-asserted their title to the cotton bales vide their separate communication dated 08.09.2022 to the liquidator, and required the liquidator to preserve their cotton. On 19.09.2022, the liquidator would reply that the obligation to take care of the appellants' cotton rests with BoB and that the cotton bales are not part of the liquidation asset. Subsequently, on 25.09.2022, they, as advised by the liquidator both the Giriraj and Nilesh submitted their respective Form-G and made a claim for ₹.16,33,50,000/- and ₹. 3,96,00,000/- respectively, and they were provisionally admitted.
- h) In this backdrop of continued apprehension that the cotton bales might be treated as part of the liquidation estate, both the Giriraj and Nilesh had respectively filed I.A No. 1131 of 2022 and I.A.1052 of 2022 before the Adjudicating Authority, seeking a declaration that their respective cotton bales do not form part of the liquidation estate of Galaxy cotton.

In addition, Giriraj in its I.A.1131 of 2022 had also sought that its 800 cotton bales be handed over (which is bit confusing though. But their intent is evident: that the 4,100 bales of cotton should not be made part of the liquidation asset of Galaxy)

- i) During pendency of the aforesaid I.A.1052 of 2022 and I.A.1131 of 2022, on 05.10.2023, a joint inspection of the cotton stock was conducted in the presence of the appellants and the secured creditors. The appellant then found changes in the quality and quantity of the stock. The issue assumed further significance when the Liquidator issued an e-auction notice dated 29.01.2024 for a proposed sale of the Corporate Debtor as a going concern, without expressly excluding the disputed cotton bales of the appellants from the asset of the CD.
- j) Even as this is pending, on 03.02.2024, SBI issued an e-auction notice which inter alia included 766 bales '*in the name of Giriraj Industries.*'
- k) Be that as it may, on 18.06.2024, both I.A.1052 and 1131 of 2022 came before the Adjudicating Authority, and he directed the liquidator to file his objection, if any, to clarify if the cotton bales in question belonged to the liquidation estate of Galaxy Cotton, "*or otherwise the matter is to be resolved between the financial creditors and stated bales should be cleared from the premises as it appears they are not pertaining to the corporate debtor under liquidation but of the applicants*".
- l) Thereafter, on 08.07.2024, the Adjudicating Authority directed SBI to lift the cotton bales within two weeks in the presence of parties

including the liquidator, pursuant to which SBI had lifted the cotton bales between 20.07.2024 and 10.08.2024 to a warehouse belonging to a certain UV Cotton & Oil Industries Pvt. Ltd. It may be mentioned that the warehouse to which the cotton bales were so shifted was also subjected to a security interest created over it in favour of SBI for a loan the bank had advanced to UV Cotton.

2. Finally, vide Order dated 23.08.2024, the Adjudicating Authority passed the following Order:

“It is informed by the learned counsel for the financial creditor” (which in the context is BoB) “liquidator and SBI that the orders for vacating the premises of corporate debtor has been complied and goods have been shifted out of the premises of the Corporate Debtor. The applicants confirmed and raised certain issues which are not the prayers or not to be raised or heard by this Tribunal as the matter involves third party goods kept in the premises of the Corporate Debtor for which liquidator is not to be accountable in any manner.... In view of the same, the liquidator is directed to complete the liquidation process for disposal of other assets.”

This common Order passed in both the applications filed by the respective appellants herein are now under challenge. The pointed prayer of the appellants is to have the Order of the Adjudicating Authority now under challenge is set aside, which implies that their cotton bales be declared that they are not part of the liquidation-asset of the Galaxy.

3. It is in this back drop, few more facts which have arisen during the pendency of these appeals required to be stated:
- a) On 28.11.2024, SBI, notified e-auction of the assets of U.V cotton under the SARFAESI Act. It included the warehouse to which the cotton bales had been earlier shifted. See paragraph: 2(l) above.
 - b) On 10.12.2024, this Tribunal passed an interim Order which reads:
“.. cotton bales in which the applicant claims right and have been shifted by the state bank of India to the other place may not be auctioned till the next date.” However, this interim Order was not seen to have been extended periodically thereafter.
 - c) On 16.12.2025, SBI emailed the appellants to inform inter alia that the cotton bales were not being sold in the e-auction scheduled for 18.12.2025.
 - d) By 18.09.2025, the pleadings in the appeals were completed. SBI would then inform the tribunal that inasmuch as it had sold the warehouse of UV Cotton, it was under an obligation to empty the said warehouse for it to be handed over the auction purchaser thereof and required for an early hearing of the appeal. This tribunal briefly heard the parties and directed listing of the appeals *‘on 24.09.2025 as part-heard’*. By 15.10.2025, we have heard the appellants in full and directed listing of the appeals *‘on 03.11.2025 as Part Heard’*.
 - e) In the meantime, on 17.09.2025, SBI has e-mailed to BoB for disposing of the cotton bales in terms of the earlier Order of the DRAT, dated

29.06.2017 (the very Order based on which SBI had earlier sold 1255 bales of cotton). BoB consented to the same vide its e-mail dated 23.09.2025. This move of the SBI to sell the cotton bales in the warehouse of UV cotton is challenged by the Giriraj and Nilesh in I.A.6090 of 2025 and I.A.6089 of 2025, but of no avail, as SBI proceeded to e-auction the cotton bales stocked in the warehouse of the UV Cotton, and it received a solitary bid on 03.10.2025. After negotiation with the auction purchaser the bid value was increased by an insignificant difference and was sold. But the auction purchaser was requested by SBI not to lift the cotton owing to the pendency of these appeals.

f) The SBI, therefore, has moved I.A.7879 of 2025 and 7880 of 2025 to allow it to hand over the stock of cotton to the auction purchaser and to retain the sale proceeds of the said cotton in an interest-bearing account as directed vide the Order of the DRAT dated 29.06.2017.

4. Both the appellants and the SBI have filed their respective replies to the set of the applications which the other has filed. And this is largely reflected in the arguments they made. Therefore, we choose to dispense with the narration of the replies.

Prelude to Arguments

5. The complexion of the appeals now stands drastically changed, since the dispute, if keenly observed, has moved away from where it has started.

The appellants initially had approached the Adjudicating Authority with a prayer to exclude their respective cotton bales from the liquidation asset of Galaxy cotton. Now, during the pendency of the appeals, when the issue is before us, SBI has chosen to dispose of the cotton that was available physically in the warehouse of UV Cotton, but without reference to the Tribunal. It falls back on an earlier Order of the DRAT to sell those cotton bales. But after disposing of the cotton it has approached us to let the auction purchaser of the cotton to lift it as it is now under dual obligation to, (a) to hand over vacant possession of the warehouse of the UV cotton to its auction-purchaser, and (b) to hand over the cotton to its auction purchaser since without removing the cotton, warehouse cannot be handed over. These *pendente lite* developments happened during the pendency of these appeals engineered a shift in position of the parties. The cotton that was once there is now replaced by its value – not the market value but the value its auction sale has generated when the issue revolving around it is *sub judice*. This is the setting in which I.A.6090 of 2025 and 6089 of 2025 filed by the appellants, and I.A. 7879 of 2025 and I.A.7880 of 2025 filed by SBI have become significant.

6. How to deal with the sale of cotton by SBI? Do the appellants have any right over it? What then could be the relief which the appellants deserve in law. These issues engage us now.

Arguments

7. The learned counsel for SBI contended:

- a) the dispute involving 4,100 bales of cotton in essence is a dispute relating to competing security interests between SBI and Bank of Baroda and is already pending adjudication before the DRAT in Appeal No.101 of 2017. By challenging the sale of cotton, the appellants now attempt to indirectly re-open an issue arising out of SARFAESI proceedings and the pending appeal before DRAT. It is plainly impermissible.
- b) The appellants do not have any locus standi, since even according to them they had parted with their interest in the cotton bales to bank of Baroda.
- c) The mortgage of the immovable assets of Galaxy Cotton and the hypothecation rights it has obtained over its goods preceded the lease of the warehouse of Galaxy in favour of the appellants and also their sub-lease arrangements with NCMSL, the agent of bank of Baroda. Indeed, Galaxy cotton had not only mortgaged its immovable assets in 2008 but has also hypothecated all its present and future goods and movable assets lying therein. Consequently, the subsequent lease/sub-lease arrangements of 06.01.2014, allegedly executed without SBI's prior consent, could not defeat SBI's secured interest. SBI further contended that the Corporate Debtor was contractually prohibited from creating third-party rights in the mortgaged premises without prior

consent of SBI and therefore the lease and sub-lease arrangements relied upon by the appellants were unenforceable against SBI.

- d) the DRAT, by orders dated 24.04.2017 and 29.06.2017, expressly permitted SBI to proceed with the sale of the cotton bales, and those orders permitting sale of the cotton bales were not independently challenged by the appellants. Pursuant thereto, 1,255 cotton bales were sold and the sale proceeds were retained in fixed deposits in terms of DRAT directions. The balance stock of cotton bales could not be sold earlier owing to its poor quality.
- e) the tribunals constituted under the IBC lack jurisdiction to adjudicate disputed questions of title, charge or *inter se* rights over the cotton bales, especially when those issues are pending before the DRAT. The appellants, instead of approaching the DRAT have invoked wrong jurisdiction under the IBC.
- f) At any rate, the liquidator of Galaxy cotton has not made the disputed cotton-bales as part of the liquidation estate. This is borne out by the e-auction process memorandum issued by the Liquidator, which specifically excluded disputed cotton-bales from the liquidation estate. This has been taken note of by the Adjudicating Authority and hence it, by order dated 08.07.2024, directed SBI to remove the goods from the premises of the Corporate Debtor.
- g) According to SBI, once the goods stood excluded from the liquidation estate and had already been removed from the premises of the

Corporate Debtor, the applications filed by the appellants before the Adjudicating Authority had rightly become infructuous.

h) the appellants themselves had filed Form-G claims before the Liquidator, which were provisionally admitted, thereby indicating that their claims remained disputed and unresolved.

8. The quintessential contentions of the counsel for the appellants are:

a) the 4,100 cotton bales stored in the warehouse premises of Galaxy Cotton were the exclusive property of the appellants and never formed part of the assets of the Corporate Debtor. While the warehouse belonged to Galaxy Cotton, the cotton bales had been independently financed by Bank of Baroda through separate cash credit facilities of ₹4.90 crores each and stood hypothecated exclusively in favour of BoB. Therefore, Galaxy Cotton could not have created any valid mortgage or hypothecation of the goods that were not in its own favour of SBI.

b) The contention of SBI that the lease and sub-lease arrangements created by Galaxy Cotton in favour of the appellants, and appellants in favour of NCMSL were invalid for want of SBI's consent goes, even if there are any restrictive covenants in the deed of mortgage, they yet cannot confer ownership of the cotton-bales of the appellants on the SBI.

c) the present proceedings are distinct from the dispute pending before the DRAT. While the proceedings before the DRT or DRAT concern the competing security interests between SBI and BoB under the

SARFAESI Act, the present proceedings concern the treatment, custody and preservation of third-party assets during CIRP and liquidation proceedings under the IBC, particularly the obligations of the Resolution Professional and Liquidator in relation thereto.

- d) that despite repeated communications addressed to the Resolution Professional and later to the Liquidator asserting ownership over the cotton bales and requesting preservation thereof, no adequate measures were taken to safeguard the stock. According to the appellants, 4,100 cotton bales weighing approximately 6,68,300 kilograms were originally stored in the warehouse, whereas during joint inspection in 2023 the available stock weighed only about 3,06,742.67 kilograms, and ultimately SBI shifted only 2,98,225 kilograms from the premises pursuant to the order dated 08.07.2024. This, according to the appellants, demonstrated substantial depletion and deterioration of the stock while under the custody and control of the insolvency administration and SBI.
- e) that once the liquidator himself had accepted that the cotton bales did not form part of the liquidation estate of Galaxy Cotton, the Adjudicating Authority ought not to have disposed of the applications as infructuous merely because the goods had been shifted from the premises. According to the appellants, the substantive issues relating to exclusion, custody, preservation and consequential reliefs remained

unadjudicated, and therefore the impugned order dated 23.08.2024 deserved to be set aside.

9. Reiterating its stands about the creation of security interest over 4,100 bales of cotton of the appellant, the learned counsel for Bank of Baroda explained how SBI began dealing or interfering with the security interest of BoB, and why BoB was constrained to initiate successfully S.A.91 of 2016 before the DRT and the challenge to it by the SBI before the DRAT Appeal No.101 of 2017 and the order of DRAT dated 29.06.2017 permitting SBI to sell the cotton bales etc, the learned counsel submitted:
- a) SBI's stand that the cotton stock that remained after the sale of 1255 bales had become waste or unsaleable is disputed. According to BoB, all the 4,100 cotton bales were originally of similar quality and condition and the subsequent deterioration, disappearance or depletion of the remaining stock occurred only while the goods remained in the possession and control of SBI after it took physical possession of the warehouse of Galaxy on 01.03.2016. SBI is solely liable and accountable for the missing, damaged, changed or deteriorated cotton bales and was bound to compensate Bank of Baroda for the loss caused due to improper handling and continued possession of the pledged goods.
 - b) that the Liquidator himself had accepted that the disputed cotton bales did not form part of the liquidation estate of Galaxy Cotton and were excluded from the liquidation process and e-auction. Consequently,

SBI could not assert any right over the cotton bales as assets of the Corporate Debtor.

- c) that if the remaining cotton bales were sold pursuant to the DRAT orders, the sale proceeds together with accrued interest ought to be preserved and dealt with strictly in accordance with the pending proceedings before the DRAT.

10. The learned counsel for the liquidator submitted:

- a) the applications filed by the appellants before the Adjudicating Authority were themselves not maintainable since the cotton bales were excluded from the liquidation estate of Galaxy Cotton & Textiles Pvt., owing to dispute over the security interest created in terms of Section 36(4) of the IBC. It was never included in the process memorandum dated 03.01.2024 or the e-auction conducted in relation to the assets of the Corporate Debtor. This is also stated in the compliance affidavit of the liquidator, dated 26.03.2024, filed before the Adjudicating Authority.
- b) once the disputed stock was removed from the premises of the Corporate Debtor, the applications filed by the appellants have become infructuous and the responsibility for preservation of the cotton bales thereafter rested solely with SBI.
- c) the present appeals had been initiated by related parties of the Corporate Debtor with the object of obstructing and delaying the liquidation proceedings. It is explainable through the shareholding

- pattern. The Liquidator has no obligation to preserve or maintain third-party's goods that have been hypothecated to Bank of Baroda. Any dispute concerning quantity, quality, deterioration or entitlement to the cotton bales were matters exclusively between the appellants, SBI and Bank of Baroda.
- d) the claims filed by the appellants even though were provisionally admitted, the same were subsequently rejected upon verification as not maintainable.
 - e) since the disputed cotton bales had already been removed from the premises of Galaxy Cotton and never formed part of the liquidation estate, the applications filed by the appellants had become infructuous.
 - f) at any rate, given the fact that there is an ongoing dispute between SBI and BoB over the security interest over the cotton bales now pending adjudication by the DRAT, the same cannot be agitated before the tribunals under the IBC.
11. The appellants laboured to explain how they are related parties, but detailing the same is quite irrelevant in the context of the appeals.

Discussion & Decision

12. It has been a long narration of facts and arguments, but to deal with the shortest of questions: should the cotton-bales in question be excluded from the liquidation asset of Galaxy Cotton? That was the prayer with which both the appellants approached the Adjudicating Authority. The

answer to this question is even shorter: they have already been excluded by the liquidator, and the SBI does not object to it. Therefore, there is nothing that we need to do in these appeals.

13. The rain stops, but not the drizzling. This relates to the two applications (I.A. 6089 of 2025 and I.A. 6090 of 2025) which the appellants have taken out challenging the e-auction notice to sell the cotton bales which were shifted to the warehouse of UV cotton. Indisputably this sale was attempted and eventually carried out during the pendency of these appeals, and was done without the SBI taking this tribunal into confidence. As stated earlier, on 10.12.2024 this tribunal did pass an interim Order restraining SBI from selling the cotton bales, but this order was limited by time, and was not extended beyond 03.01.2025. Technically, when SBI sold the cotton there was no legal embargo on it to sell. But there is a larger rule of fairness, which we consider that SBI did not consider it as necessary to abide.
14. We are conscious of the extent of our statutory authority to decide the title to the cotton and the right of SBI to sell it, since there is an ongoing dispute over the same between SBI and Bank of Baroda now pending in Appeal No.101 of 2017 before the DRAT. But rule of fairness transcends beyond the technicalities of law. We consider that SBI should have shown maturity to follow the unwritten rule of fairness that forms the undercurrent for the sustenance of our legal system. If it were otherwise,

what then prompted SBI to file its two applications (I.A. 7879 of 2025 and I.A. 7880 of 2025), seeking leave of this tribunal to let the auction purchaser of the cotton bales to lift it. After all, going by SBI's logic, neither the liquidation issue concerning the warehouse of U.V. cotton, nor the title to and security interest over the cotton bales seeks a solution from us. Therefore, whether SBI seeking our order to let the auction purchaser of cotton to lift it from the warehouse of U.V Cotton is to be construed as its belated realisation of its need to be fair, or is SBI simply plays by its own rule of convenience?

15. SBI's strategy very evidently is bristled with contradiction. And, SBI's contradiction does not stop there. At one place it claims the security interest over the cotton bales by treating the same as belonging to Galaxy cotton, but alongside it stands by the decision of the liquidator to exclude the cotton bales from the liquidation-asset of Galaxy Cotton. Obviously, it enjoys playing the maze of its own contrivance. We watch the strategy of the SBI with amusement, and do not propose to undo what has been done.
16. Another argument that we heard pertains to the quality of cotton that were there after the initial sale of 1,255 bales of cotton by the SBI. While SBI asserted they were of poor quality, both the appellants and the Bank of Baroda strongly disputed it. This issue, however, may not concern us, but we underscore that the appellants are not without remedy in law, but this tribunal is not the forum where it could be agitated.

17. In fitness of things, we consider, that the appellants should have approached the DRAT concerned where the issue regarding title to cotton etc., is pending, but appeared to have believed that NCLAT as a one-stop-solution centre for all its challenges. We need to inform the appellants that our interferences with an issue is limited by the extent of our jurisdiction, and we are least inclined to walk into a territory where even angels fear to tread.
18. Before winding up, we feel it a need to correct a perception of SBI on the locus standi of the appellants to assert title over the cotton bales in question. It argued that, since the appellants have created security interest over the cotton bales in favour of BoB, only BoB has the necessary locus standi to pursue any remedy in relation to the cotton bales. What SBI has overlooked is that the appellants always have their right to redeem the hypotheca, and if they decide to redeem the same, from where will the BoB give them possession?

Conclusion

19. Both the appeals are dismissed as the issue sought to be resolved has been favourably considered by the liquidator himself. So far as I.A. 6089 of 2025 and 6090 of 2025, filed by the appellants are concerned inasmuch as the cotton bales have been sold, they are directed to work out their remedy before appropriate legal fora, and are closed. Turning to I.A. 7879

of 2025 and I.A. 7880 of 2025 is concerned, our jurisdiction does not travel beyond ascertaining if the cotton bales in question should be treated as the liquidation asset of Galaxy Cotton, and inasmuch as it has been agreed that they have not been made part of the same, we declare our lack of jurisdiction to deal with it. After all, SBI sold the cotton based on the Order of DRAT, and when DRAT is in seisin of the issue, it may be appropriate for SBI to approach the DRAT concerned. Hence I.A. 7879 of 2025 and 7880 of 2025 are closed. All other I.A.s are also closed. No costs.

[Justice N. Seshasayee]
Member (Judicial)

[Arun Baroka]
Member (Technical)

[Indevar Pandey]
Member Technical

rs/beena