

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.101
C.P.(IB)/199(AHM)2025

Proceedings under Section 7 IBC

IN THE MATTER OF:

Indian Renewable Energy Development Agency LimitedApplicant

V/s

Gensol EV Lease LimitedRespondent

Order delivered on: 13/06/2025

Coram:

Mr. Shammi Khan, Hon'ble Member(J)

Mr. Sanjeev Kumar Sharma, Hon'ble Member(T)

PRESENT:

For the Applicant : Mr. Navin Pahwa, Sr. Advocate a/w.

: a.w. Ms. Grishma Ahuja, Advocate

Mr. Shalin Jani, Advocate.

I/B Shardul Amarchand Mangaldas

For the Respondent : Mr. Rahul Kr. Kanoujia, Advocate a/w.

: Mr. Vijay K. Singh, Advocate

ORDER
(Hybrid Mode)

Now a reply to the additional affidavit of the financial creditor has also been filed by the corporate debtor on 12.06.2025, vide inward diary No.D-3729 physically. The same is taken on record.

Today, we have Ld. Sr. Counsel for the applicant/FC as well as Counsel for the respondent/CD and perused the records.

The order is reserved.

Let the matter be re-listed at **4.00 P.M.** today itself for pronouncement of order.

- SD -

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

- SD -

SHAMMI KHAN
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
DIVISION BENCH
COURT - 1

ITEM No.101
C.P.(IB)/199(AHM)2025

Proceedings under Section 7 IBC

IN THE MATTER OF:

Indian Renewable Energy Development Agency Limited
V/s
Gensol EV Lease Limited

.....Applicant

.....Respondent

Order delivered on: 13/06/2025
At 4.30 PM

Coram:

Mr. Shammi Khan, Hon'ble Member(J)
Mr. Sanjeev Kumar Sharma, Hon'ble Member(T)

ORDER
(Hybrid Mode)

During the morning session, after hearing the submissions of Ld. Sr. Counsel for the Applicant/Financial Creditor as well as Ld. Counsel for Respondent / Corporate Debtor, the case was reserved for order and fixed the time for pronouncement of order today at 4.30 P.M.

The order is pronounced in the open court at 4.30 P.M., vide separate sheet.

-sd- ✓

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

- SD -

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD**

CP (IB) No.199/AHM/2025

(An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the Matter of:

**Indian Renewable Energy Development
Agency Limited (IREDA)**

(CIN: L65100DL1987GOI027265)

Registered office at 1st Floor,
East Court Core, India Habitat Centre,
4A, Lodhi Road, New Delhi – 110003.

...Applicant/Financial Creditor

VERSUS

Gensol EV Lease Limited

(Formerly known as Gensol EV Lease Private
Limited)

(CIN: U77100GJ2023PLC141416)

Registered office at Westgate Business Bay,
15th Floor, A Block, Makarba,
Jodhpur Char Rasta, Ahmedabad,
Gujarat – 380015.

...Respondent/Corporate Debtor

Order Pronounced On: 13.06.2025 (at 4.30PM)

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV KUMAR SHARMA, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

L-1

For the Applicant/F.C. : Mr. Navin Pahwa, Sr. Advocate
a.w. Ms. Grishma Ahuja, Advocate
Mr. Shalin Jani, Advocate.
I/B Shardul Amarchand Mangaldas
For the Respondent/CD: Mr. Rahul Kr. Kanoujia, Advocate
a.w. Mr. Vijay K. Singh, Advocate

ORDER

1. The present Petition is filed on 15.05.2025 by the Applicant
- Indian Renewable Energy Development Agency Limited (IREDA) (hereinafter referred to as **"Financial Creditor"**) against the Respondent-**Gensol EV Lease Limited** (hereinafter referred to as **"Corporate Debtor"**) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as **"IBC, 2016"**) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as **"IB (AAA) Rules, 2016"**) for initiation of Corporate Insolvency Resolution Process (**CIRP**) in the case of the Corporate Debtor, to appoint Interim Resolution Professional (hereinafter referred to as **"IRP"**) and declare the moratorium for having defaulted in payment of its outstanding dues of **Rs.218,95,21,990/-**.

2. On perusal of Part-I of the Form-1 revealed that the Financial Creditor is a 'Navratna' Government of India Enterprise under the administrative control of the Ministry of New and Renewable Energy ("MNRE"). IREDA is a Public Limited Government Company established as a Non-Banking Financial Institution (NBFC). IREDA has been notified/incorporated on 11.03.1987 as a Public Financial Institution under section 4 'A' of the Companies Act, 1956, and is registered as NBFC with Reserve Bank of India (RBI) having **CIN: L65100DL1987GOI027265**, Registered office at 1st Floor, East Court Core, India Habitat Centre, 4A, Lodhi Road, New Delhi – 110003. A copy of the Master Data is annexed at **Annexure-1**.
3. The Financial Creditor is engaged in promoting, developing, and extending financial assistance for setting up projects relating to new and renewable sources of energy and energy efficiency/conservation. This Petition is filed through its Addl. General Manager, Mr. Vikram Singh Yadav, who has been authorised by Board Resolution dated 21.05.2004, which is annexed at Annexure-2, with his authority further supported by an office order dated 01.01.2019,

redesignating Deputy General Manager as Additional General Manager (Exhibit-14).

4. On perusal of Part-II of the Form-1 revealed that the Corporate Debtor is one Gensol EV Lease Limited, having CIN No. U77100GJ2023PLC141416. The Corporate Debtor was incorporated on 24.05.2023 and has a registered office at Westgate Business Bay, 15th Floor, A Block, Makarba, Jodhpur Char Rasta, Ahmedabad, Gujarat – Pin- 380015. The authorized share capital of GEVL is INR 5,00,00,000/-, and the paid-up share capital is INR 1,62,85,016/-. The Corporate Debtor is engaged in the business of leasing electric vehicles and related infrastructure. The Corporate Debtor's master data is annexed at **Annexure-3**.
5. On perusal of Part-III of the Form-1 revealed that the Financial Creditor has proposed the named **Mr. Pulkit Gupta**, having Registration No. IBBI/IPA-001/IP-P-02364/2021-2022/13697, having his address at EY Restructuring LLP, 3rd Floor, Worldmark 1, IGI Airport Hospitality District, Aerocity, New Delhi – 110037, (**e-mail:** Pulkit.Gupta@in.ey.com) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**). He has filed

his written communication in Form-2 annexed with the Application as **Annexure-4** as per the requirement of Rule 9(l) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

6. On perusal of Part-IV of the Form-1 reveals that the total dues as claimed by the Financial Creditor is Rs.218,95,21,990/-, consisting of principal and interest up to 30.04.2025, with the date of default being 13.05.2025.
7. It is stated that the Financial Creditor sanctioned three Term Loan Facilities to the Corporate Debtor for projects related to electric vehicle leasing and infrastructure, detailed as follows:-

- (a) **Facility No. 1 (Project 2766):** A term loan of Rs. 513,89,00,000 /-, sanctioned vide Sanction Letter dated 06.12.2023 (**Annexure 9**) and an amount of Rs. 171,30,00,000 was disbursed through a Facility Agreement dated 19.12.2023 (**Annexure 10**).
- (b) **Facility No. 2 (Project 2828):** A term loan of Rs. 99,80,00,000/-, sanctioned vide Sanction Letter dated 28.02.2024 (**Annexure 22**) and an amount of Rs. 33,27,00,000/- was disbursed through a Facility Agreement dated 19.03.2024 (**Annexure 23**).

0
←

(c) **Facility No. 3 (Project 2895):** A term loan of Rs. 1,50,00,00,000/-, sanctioned vide Sanction Letter dated 25.06.2024 (**Annexure 39**) and an amount of Rs. 50,00,00,000/-disbursed through a Facility Agreement dated 23.07.2024 (**Annexure 40**).

8. The total disbursed amount was Rs. 254,57,00,000, as supported by a table of disbursement dates (Annexure-5). Each facility carries a repayment schedule of 180 monthly instalments following a 12-month moratorium from the first disbursement. The Financial Creditor asserts that these facilities are secured by hypothecation of vehicles, personal guarantees by Mr. Anmol Singh Jaggi and Mr. Puneet Singh Jaggi, corporate guarantees by Gensol Engineering Limited (GEL), share pledges, and Trust and Retention Account (TRA) agreements, as evidenced by Deeds of Hypothecation (Annexures-11, 24, 42), Irrevocable Powers of Attorney (Annexures-12, 25, 43), TRA Agreements (Annexures-13, 36, 41), Personal Guarantees (Annexures-14, 15, 30, 31, 44, 45), Corporate Guarantees (Annexures-21, 32, 46), Share Pledge Agreements (Annexures-18, 19, 26, 29, 47, 49, 51), and Powers of Attorney for pledges (Annexures-17, 20, 27,

0
4

48, 50, 52). Charges are registered with the Registrar of Companies (Annexure-7).

9. The Financial Creditor alleges that the Corporate Debtor defaulted on its repayment obligations, with defaults triggered by cross-default clauses linked to payment failures by GEL on its facilities, namely Project 2791 (Rs. 192,87,00,000) and Project 2876 (Rs. 250,00,00,000), with overdues of Rs. 29,98,00,000 since 31.03.2025 and Rs. 71,34,00,000 since 19.04.2025, respectively. The Financial Creditor issued a Notice of Event of Default to the Corporate Debtor on 04.05.2025 (Annexure-54), demanding rectification within seven days, and a Loan Recall Notice to GEL (Annexure-55). The total outstanding debt from the Corporate Debtor as of 30.04.2025 is Rs. 218,95,21,990 and 13.05.2025 is the default date following the failure to cure defaults (Annexure-8, Form C submitted to NESL on 13.05.2025). The Financial Creditor invoked guarantees on 13.05.2025 (Annexure-57) due to continued non-compliance. Additional defaults in the Facility Agreements include failure to obtain clearances, provide insurance documents, and maintain stock exchange listing, as noted

in the Notice of Event of Default of 04.05.2025 (Annexure-54). The Securities and Exchange Board of India (SEBI) issued an interim order on 15.04.2025 (Annexure-56), restraining Mr. Anmol Singh Jaggi and Mr. Puneet Singh Jaggi from holding directorial positions in GEL, which the Financial Creditor cites as relevant to the default context.

10. The Financial Creditor filed two additional affidavits on 05.06.2025 to supplement the petition. The first affidavit was filed to place on record an order dated 28.05.2025 from the Debts Recovery Tribunal (DRT), New Delhi, in Original Application (OA) No. 8 of 2025 (Exhibit-1), which grants interim reliefs, including restraining asset transfers and appointing a Court Receiver. This order, issued after the petition's filing, is submitted for the Tribunal's consideration.

11. The second affidavit was filed on 05.06.2025 in response to the Tribunal's order dated 03.06.2025, submitting ledger extracts and bank statements for Facility No. 1 (Exhibits-1, 2), Facility No. 2 (Exhibits-3, 4), and Facility No. 3 (Exhibits-5, 6), the Corporate Debtor's balance sheets for 2023-24 (Exhibit-7), and Mr. Pulkit Gupta's registration certificate as

an Insolvency Professional (Exhibit-8). Documents related to GEL include ledger extracts for Project 2791 (Exhibit-9), Project 2876 (Exhibit-10), a loan agreement dated 01.02.2024 (Exhibit-11), a guarantee facility agreement dated 09.05.2024 (Exhibit-12), demand notices dated 30.04.2025 (Exhibit-13), a demand calculation report (Exhibit-14), proof of delivery of notices dated 04.05.2025 (Exhibit-15), and an office order dated 01.01.2019 clarifying Mr. Yadav's designation as Additional General Manager (Exhibit-16). These documents aim to substantiate the debt, default, and authority of the signatory.

12. Notice was issued to the Corporate Debtor on 16.05.2025, directing it to file a reply within seven days from the date of service of notice. The Financial Creditor served the notice through: (a) Speed Post on 21.05.2025; (b) Email on 20.05.2025. The service was confirmed by the Financial Creditor through a service report affidavit filed on 22.05.2025. However, despite due service, the Corporate Debtor failed to appear or file any reply. Therefore, on 03.06.2025, this Tribunal closed the Corporate Debtor's right to file a reply and proceeded **ex-parte**.

13. Later on, the Corporate Debtor filed IA No.712 of 2025 on 06.06.2025 to recall and set aside the order dated 03.06.2025 of Ex-parte order and closure of its right to file reply. This IA was allowed vide order dated 09.06.2025. The Corporate Debtor was granted liberty to file its reply to the Petition within twenty-four hours by 10.06.2025, with an advance copy to the Petitioner and its Counsel.

14. The Corporate Debtor filed a reply on 10.06.2025, contesting the petition's maintainability. The reply, supported by an affidavit from Mr. Puneet Singh Jaggi, submitted that the petition is premature, lacks merit, and misuses IBC provisions for debt recovery. The Corporate Debtor denies any default under Section 3(12) of the IBC, asserting that the claimed debt of Rs. 218,95,21,990 was not due on 14.05.2025, and the default date of 13.05.2025 is unsupported (Annexure-8). It disputes the reliance on cross-default clauses linked to GEL's alleged defaults under Project 2791 and Project 2876, noting that a separate petition against GEL (CP (IB) 195(AHM)2025) is pending before this Tribunal. The Corporate Debtor submits that no independent default by itself has occurred, and the debt

amount is not crystallized. It cites ***Laxmi Pat Surana v. Union Bank of India, (2021) 8 SCC 481***, to argue that a default requires non-payment of a due debt, which is not proved in this case. The reply further contends that the petition lacks a repayment schedule or amortization chart to substantiate the default (Annexure-54).

15. The Corporate Debtor raised procedural objections, arguing that Mr. Vikram Singh Yadav lacks valid authorization, as the Board Resolution dated 21.05.2004 (Annexure-2) predates the IBC and does not specifically empower him to file the petition. It also notes the absence of a statement of account from a financial institution, as required by Form 1, Part V, rendering the petition defective.

16. The Corporate Debtor also objected to the appointment of Mr. Pulkit Gupta as IRP, citing a conflict of interest due to his association with EY Restructuring LLP, linked to Ernst & Young LLP, which was engaged by GEL for advisory services (Annexures R-1, R-2, R-3). The engagement letter, email exchanges, and a Non-Disclosure Agreement demonstrate this relationship, which was not disclosed, violating Regulation 3(1) and 3(2) of the IBBI (Insolvency

Resolution Process for Corporate Persons) Regulations, 2016. The Corporate Debtor relies on **Anoop Kumar Srivastava v. Neerav Bhatnagar, 2025 SCC OnLine NCLAT 92**, to emphasize the need for IRP independence.

17. The Corporate Debtor submitted that the petition is filed with the intent to recover debts rather than resolve insolvency, citing **Invent Asset Securitisation and Reconstruction Pvt. Ltd. v. Girnar Fibres Ltd., Civil Appeal No. 3033 of 2022**, dated 25.04.2025, which holds that the IBC is not a debt recovery mechanism. The timing of the petition, filed shortly after the SEBI interim order dated 15.04.2025 (Annexure-56), suggests an attempt to exert commercial pressure amid regulatory scrutiny. The Corporate Debtor notes that the SEBI investigation into GEL is ongoing, and admitting the petition could prejudice stakeholders. Parallel proceedings before the DRT in OA No. 8 of 2025, with orders dated 22.05.2025 and 28.05.2025 (Annexures R-5, R-6), further indicate a recovery-driven approach, as per **Santoshi Finlease Private Limited v. Mothers Pride Dairy India Private Limited, Company Petition No. (IB)-662(ND)/2022**.

- 18.** The Corporate Debtor submitted that it is a going concern, having utilized the sanctioned funds to procure 3,800 electric vehicles leased to BluSmart Mobility Pvt. Ltd. under agreements dated 19.12.2023 and 19.03.2024 (Annexures-20, 34) and for EV charging facilities (Annexure-37). Loan repayments were serviced from lease rentals without default within permissible limits. The Loan Recall Notice dated 04.05.2025 (Annexure-54) was issued during ongoing negotiations, and the petition was filed prematurely. The Corporate Debtor requests dismissal of the petition, arguing that its solvent status and monetizable assets render CIRP unnecessary.
- 19.** In response to the Additional Affidavit filed by the Financial Creditor on 05.06.2025, the Corporate Debtor also filed a reply by way of another Additional Affidavit in Reply on 11.06.2025, authorized by the NCLT order dated 09.06.2025, denying the affidavit's contents except where admitted. It submitted that the additional documents (Exhibits-1 to 16) attempt to rectify fundamental defects in the original petition, which is procedurally improper. The ledger extracts and bank statements (Exhibits-1 to 6) do not

establish a default under Section 7 of the IBC. The Corporate Debtor reiterates the conflict of interest concerning Mr. Pulkit Gupta, providing evidence of EY Restructuring LLP's connection to Ernst & Young LLP, including LLP Form No. 11 listing Mr. Hiresh Wadhawan as a partner in both entities (Annexure R-9) and publicly available data from the Ernst & Young website (Annexure R-8). The Corporate Debtor disputes the Financial Creditor's claim of Mr. Yadav's authorization, arguing that the office order dated 01.01.2019 (Exhibit-16) is a promotion order, not a legal authorization to file the petition.

- 20.** The Financial Creditor also filed a rejoinder on 11.06.2025, denying the Corporate Debtor's allegations and adopting the contents of the petition and the Additional Affidavit dated 05.06.2025. The rejoinder asserts that the Corporate Debtor's objections are hyper-technical and fail to dispute the crystallized debt of Rs. 218,95,21,990, which became due on 13.05.2025 following the failure to cure defaults notified on 04.05.2025 (Annexure-54, Exhibit-2). The Financial Creditor relies on cross-default clauses in the facility agreements, triggered by GEL's defaults on Project

2791 and Project 2876 (Exhibits-9, 10, 11, 12), which were not rectified within the seven-day cure period. The rejoinder notes that the Corporate Debtor did not address additional defaults, such as failure to obtain clearances or provide insurance documents, conceding these points. The Financial Creditor references the Affidavit-in-Rejoinder filed in CP (IB) 195(AHM)2025 against GEL (Exhibit-1) to address IRP eligibility, signatory authority, and DRT proceedings. The Securities Appellate Tribunal's order dated 07.05.2025, disposing of GEL's appeal against the SEBI order (Exhibit-3), is cited to support the Financial Creditor's case.

21. We have heard Ld. Sr. Counsel for the Financial Creditor, Ld. Counsel for the Corporate Debtor today in the forenoon. After hearing them the order was reserved for pronouncement **at 4.30 PM.**

22. We have perused the material available on record and considered the arguments of the Counsels. This Tribunal has considered the legal framework under Section 7 of the IBC, which requires the establishment of a financial debt and a default by the Corporate Debtor. The Supreme Court

⁰
4 in ***Innoventive Industries Ltd. v. ICICI Bank Ltd., (2018)***

1 SCC 407, clarified that the Adjudicating Authority must ascertain the existence of a debt that is due and a default that has occurred. The Financial Creditor has demonstrated the existence of a financial debt through the Facility Agreement dated 19.12.2023 for Facility 1 – Project 2766, Agreement dated 19.03.2024 for Facility 2-Project 2828, and Agreement dated 23.07.2024 for Facility 3-Project 895 appearing as Annexures-10, 23, and 40 respectively. Amounts of Rs 171.30 cores, Rs 33.27 crores, and Rs 50 crores were disbursed against these facilities respectively making a total disbursed amount of Rs. 254,57,00,000 (Annexure-5). The Applicant has also submitted bank statements to demonstrate the said disbursements. The outstanding debt of Rs. 218,95,21,990 as of 30.04.2025 is supported by Form C filed with NESL (Annexure-8) and ledger extracts (Exhibits-1, 3, 5). The repayment schedules, providing for 180 monthly instalments post a 12-month moratorium, are detailed in the sanction letters (Annexures-9, 22, 39).

- 23.** The default is primarily based on cross-default clauses in the facility agreements, which stipulate that a default by

←

any obligor, including GEL, constitutes an event of default for the Corporate Debtor's facilities. The default is primarily based on cross-default clauses in the Facility Agreements dated 19.12.2023, 19.03.2024, and 23.07.2024 (Annexures-10, 23, 40), which define a default by any obligor, including Gensol Engineering Limited (GEL), as an event of default for the Corporate Debtor. The notice of 04.05.2025 under the subject "Notice of events of default under certain facilities availed by Gensol EV Lease Private Limited" notes various defaults that occurred regarding the Facility Agreements. These defaults are: cross defaults, defaults on account of clearances, inability to pay debts, insurance, change in control, misutilisation of funds, and delisting. Due to these defaults, vide notice dated 04.05.2025, the Corporate Debtor was called upon to cure the events of defaults under all the facilities within seven days. Later vide letter dated 13.05.2025, the loans were recalled and notice for invocation of guarantee for defaults committed was issued.

- 24.** The Financial Creditor has provided evidence of GEL's defaults on Project 2791 and Project 2876, with overdues of Rs. 29,98,00,000 and Rs. 71,34,00,000 (Annexure-8,

Exhibits-9, 10). The Notice of Event of Default dated 04.05.2025 (Annexure-54) notified the Corporate Debtor of these defaults, granting a seven-day cure period. The failure to rectify the defaults led to the recall of the entire outstanding debt on 13.05.2025 (Exhibit-2). The Tribunal finds that the cross-default clauses are contractually valid, as evidenced by the facility agreements (Annexures-10, 23, 40), and the Financial Creditor's invocation of these clauses is substantiated by the demand notices and proof of delivery (Exhibits-13, 15).

- 25.** The Corporate Debtor's contention that no independent default occurred and that reliance on GEL's defaults is premature is noted. However, the facility agreements explicitly link the Corporate Debtor's obligations to GEL's performance, and the Corporate Debtor has not provided evidence of curing the defaults within the stipulated period. Further, there were other defaults committed by the Corporate Debtor as noted in the notice of 04.05.2025 which were also not cured. The pendency of a separate Company Petition against GEL (CP (IB) 195(AHM)2025) does not preclude the application of cross-default clauses, as the

agreements do not require prior adjudication of GEL's defaults. The Supreme Court in **Laxmi Pat Surana v. Union Bank of India, (2021) 8 SCC 481**, cited by the Corporate Debtor, supports the principle that a default includes non-payment of a debt that is due, which is satisfied here by the recall notice making the debt due on 13.05.2025 (Exhibit-2). However, it is relevant to note that the Company Petition filed against GEL (CP (IB) 195(AHM)2025) is already admitted vide separate order dated 13.06.2025, whereby cross-default also stands established and proved herein.

26. The Corporate Debtor's objection regarding the disputed debt amount is examined. The Financial Creditor has provided ledger extracts and bank statements (Exhibits-1 to 6) to establish the outstanding amount of Rs. 218,95,21,990. The Corporate Debtor has not submitted counter-evidence, such as repayment receipts or bank statements, to dispute this figure. The Tribunal finds that the debt is sufficiently crystallized for the purposes of Section 7, as per **Innoventive Industries Ltd. v. ICICI Bank Ltd., (2018) 1 SCC 407** as well as **Swiss Ribbons Pvt. Ltd. v. Union of India, (2019) 4 SCC 17**, which holds

that the Adjudicating Authority needs only to ascertain the existence of a debt and default, not adjudicate the exact quantum.

- 27.** The procedural objections raised by the Corporate Debtor are addressed. The Board Resolution dated 21.05.2004 (Annexure-2) authorizes Mr. Vikram Singh Yadav to represent IREDA in legal proceedings, and the office order dated 01.01.2019 (Exhibit-16) clarifies his designation as Additional General Manager. While the resolution predates the IBC, it is a general authorization for legal actions, and the Corporate Debtor has not demonstrated how this affects the petition's validity. The Supreme Court in ***Rajendra Narottamdas Sheth v. Chandra Prakash Jain*** upholds pre-IBC resolutions, validating the petition's filing.
- 28.** The absence of a statement of account from a financial institution, as required by Form 1, Part V, is mitigated by the ledger extracts and bank statements (Exhibits-1 to 6), which provide equivalent evidence of default. The Tribunal finds no material non-compliance with the IBC Rules, as per ***Vidarbha Industries Power Ltd. v. Axis Bank Ltd.***,

6
L-1

(2022) 8 SCC 352, which emphasizes substance over form in procedural requirements.

- 29.** The Corporate Debtor's objection to Mr. Gupta's eligibility as IRP is critical. The Corporate Debtor has provided evidence of EY Restructuring LLP's connection to Ernst & Young LLP, which advised GEL on debt restructuring (Annexures R-1, R-2, R-3, R-7, R-8, R-9). The Non-Disclosure Agreement and email exchanges indicate a prior professional relationship, and LLP Form No. 11 (Annexure R-9) confirms shared partnership roles. Regulation 3(1) of the IBBI Regulations requires an IRP to be independent of the Corporate Debtor and related parties. The NCLAT in **Anoop Kumar Srivastava v. Neerav Bhatnagar, 2025 SCC OnLine NCLAT 92**, mandates disclosure of any relationships that could compromise independence. The Financial Creditor's rejoinder, relying on the GEL Affidavit-in-Rejoinder (Exhibit-1) filed in CP (IB) 195(AHM)2025, fails to address the conflict of interest, as this affidavit was neither submitted in the present proceedings nor disproves the documented relationship between EY Restructuring LLP and GEL (Annexures R-1, R-2, R-3, R-7, R-8, R-9). The Tribunal finds

that the undisclosed relationship raised concerns about Mr. Gupta's independence, eligibility, necessitating the appointment of an alternative IRP.

30. The Corporate Debtor's claim that the petition is a debt recovery mechanism is considered in light of ***Invent Asset Securitisation v. Girnar Fibres Ltd., Civil Appeal No. 3033 of 2022***, dated 25.04.2022, which prohibits the use of IBC for coercive recovery. The parallel DRT proceedings (Annexures R-5, R-6; Exhibit-1) and the timing of the petition post the SEBI order dated 15.04.2025 (Annexure-56) suggest a possible recovery motive. However, the existence of a financial debt and default, as established above, takes precedence under Section 7, as clarified in ***E.S. Krishnamurthy v. Bharath Hi-Tecch Builders Pvt. Ltd., (2022) 3 SCC 161***. The SEBI investigation and DRT orders do not bar CIRP initiation, as they address distinct legal remedies.

31. The Corporate Debtor's solvent status and utilization of funds for vehicle leasing (Annexures-20, 34, 37) are noted. However, solvency is not a bar to CIRP under Section 7, as per ***Vidarbha Industries Power Ltd. v. Axis Bank Ltd.***,

(2022) 8 SCC 352, where the existence of a default is the primary criterion. The Corporate Debtor's status as a going concern with leased assets (Annexures-20, 34, 37) may facilitate the formulation of a viable resolution plan during the CIRP, as contemplated under Section 30 of the IBC. The sudden recall of the loan on 04.05.2025 (Annexure-54) during negotiations is not a defence, as the facility agreements permit such action upon an event of default. The Corporate Debtor's failure to respond to the notice or cure the defaults supports the Financial Creditor's case.

- 32.** The additional defaults listed in the Notice of Event of Default (Annexure-54), such as failure to obtain clearances or provide insurance documents, are not disputed by the Corporate Debtor in its reply. The Securities Appellate Tribunal's order dated 07.05.2025 (Exhibit-3) disposing of GEL's appeal against the SEBI order further weakens the Corporate Debtor's reliance on the ongoing investigation as a defence. The Tribunal finds that the Financial Creditor has established multiple grounds for default even beyond cross-default clauses.

0
✓

33. In conclusion, the Tribunal finds that the Financial Creditor has established a financial debt of Rs. 218,95,21,990 and a default by the Corporate Debtor, as detailed in above Paragraphs, satisfying the requirements of Section 7 of the IBC. The cross-default clauses are contractually valid, and the Corporate Debtor's failure to cure defaults within the stipulated period triggered the recall of the debt on 13.05.2025 (Exhibit-2). The procedural objections do not materially affect the petition's maintainability. The Corporate Debtor's arguments regarding solvency, recovery motives, and the SEBI investigation do not negate the default under Section 7. Upon admission, the moratorium under Section 14(1) of the IBC will supersede such proceedings, as clarified in *PR Commissioner of Income Tax v. Monnet Ispat and Energy Ltd.* (2018) 18 SCC 786. However, the conflict of interest concerning Mr. Pulkit Gupta necessitates the appointment of an alternative IRP.

34. The present Petition is complete in terms of Section 7 (5) of the Code. The Tribunal finds that the Financial Creditor has discharged its burden of proof under Section 7 of the Code by demonstrating the existence of a financial debt and

default in payment of the financial debt by the Corporate Debtor. The outstanding financial debt is more than rupees one crore, which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present Petition as the default occurred on 13.05.2025 (Annexure-8), and the petition was filed on 15.05.2025, within the three-year limitation period under Article 137 of the Limitation Act, 1963, further supported by the Corporate Debtor's acknowledgment in the facility agreements (Annexures-10, 23, 40).

35. In light of the above findings, this Tribunal is satisfied that the Financial Creditor is entitled to the relief as sought. The Corporate Debtor's default justifies the admission of the petition and the initiation of CIRP under the Code. Hence, the Application filed under section 7(2) of the Insolvency and Bankruptcy Code for initiation of the corporate insolvency resolution process against the Corporate Debtor deserves to be admitted.

36. Accordingly, in light of the above facts and circumstances, it is **hereby ordered** as under: -

0
<4

- (i) The Respondent/Corporate Debtor - **Gensol EV Lease Limited** is **admitted** in the Corporate Insolvency Resolution Process (**CIRP**) under section 7 of the IBC, 2016.
- (ii) As a consequence, thereof, a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the IBC, 2016.
- a. *The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor, including execution of any judgment, decree, or order in any court of law, tribunal, arbitration panel, or other authority;*
 - b. *Transferring, encumbering, alienating, or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;*
 - c. *Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property, including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
 - d. *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*
 - e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor.*

- (iii) The order of moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for liquidation of the corporate debtor under Section 33 of the IBC 2016, as the case may be.
- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the corporate debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period. The corporate debtor to provide effective assistance to the IRP as and when he takes charge of the assets and management of the corporate debtor.
- (v) We appoint **Mr. Keshav Khaneja** having Registration No. **IBBI/IPA-002/IP-N01131/2021-2022/13759** (e-mail: **khanejakes@gmail.com**), Mobile No.72487-77752) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**) from the IBBI Panel List subject to submission of written consent in Form AA as per Regulation 3(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.

- (vi) The IRP so appointed shall make a public announcement of the initiation of the Corporate Insolvency Resolution Process and call for submissions of claims under section 15, as required by Section 13(1)(b) of the Code.
- (vii) The IRP shall perform all his functions as contemplated, inter-alia, by sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the corporate debtor, its promoters, or any other person associated with the management of the corporate debtor are under legal obligation as per section 19 of the Code to extend every assistance and cooperation to the IRP. Where any personnel of the corporate debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.
- (viii) The IRP is expected to take full charge of the corporate debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'corporate debtor company' and manage the operations of the corporate

debtor company as a going concern as a part of obligation imposed by section 20 of the Code.

- (x) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (xi) Considering the size of the of the business of the Corporate debtor and complexities of the issues involved, we direct the financial creditor to pay IRP a sum of Rs.10,00,000/- (Rupees Ten Lakh Only) in advance within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- (xii) The Registry is directed to communicate this order to the financial creditor, corporate debtor, and to the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specific mention regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

0

(xiii) The IRP, in view of the Regulation 6A of the IBBI (Resolution Process for Corporate Persons) Regulations, 2016 shall send a communication along with a copy of public announcement made under Regulation 6, to all creditors as per last available books of account of the corporate debtor and also serve a copy of this order to the various departments such as Income Tax, GST (centre), State Trade Tax, Provident Fund etc. who are likely to have their claim against Corporate Debtor as well as to the trade unions/employees associations so that they are informed of the initiation of CIRP against the Corporate Debtor timely.

(xiv) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

37. Accordingly, this Application **CP(IB)/199/AHM/2025** is hereby admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

—SD—

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

—SD—

SHAMMI KHAN
MEMBER (JUDICIAL)