

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**DIVISION BENCH, COURT – 1, AHMEDABAD**



ITEM No.301 - IA(Plan)19(AHM)2025  
ITEM No.302 - IA/1451(AHM)2025  
ITEM No.303 - IA/62(AHM)2026  
In  
C.P.(IB)/61(AHM)2025

**IA(Plan)19(AHM)2025**

**Under Section 30 IB Code, 2016**

**IN THE MATTER OF:**

Manohar Lal Vij RP for Aldiam Motors Pvt. Ltd .....Applicant

**IA/1451(AHM)2025**

**Under Section Rule 11 NCLT**

**IN THE MATTER OF:**

Ms/ Claro Energy Ltd the Resolution Applicant .....Applicant

V/s

Manohar Lal Vij RP of Aldiam Motors Pvt. Ltd & Ors .....Respondent

**IA/62(AHM)2026**

**Under Section Sec 60(5) of IBC, 2016 Rule 11 of the NCLT Rules, 2016**

**IN THE MATTER OF:**

M/s Claro Energy Limited Prospective RA .....Applicant

V/s

Mr. Manohar Lal Vij RP of M/s Aldiam Motors Pvt. Ltd .....Respondent

**Order delivered on: 12/03/2026**

**C O R A M:**

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

**ORDER**  
**(Hybrid Mode)**

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

—SD—

**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**

—SD—

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

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

**IA(Plan) No. 19 of 2025  
with  
IA No. 1451 of 2025  
and  
IA No. 62 of 2026  
in  
CP(IB) No. 61 of 2025**

In the matter of: **Aldiam Motors Pvt. Ltd.**

**IA(Plan) No. 19 of 2025**

*(Application under Section 30 read with Section 31 of the  
Insolvency and Bankruptcy Code, 2016 r/w Regulation 39(4) of  
IBBI (Insolvency Resolution Process for Corporate Persons)  
Regulations, 2016 seeking approval of the Resolution Plan.)*

**In the matter of:**

**MANOHAR LAL VIJ  
RESOLUTION PROFESSIONAL OF  
ALDIAM MOTORS PRIVATE LIMITED**

Having addressed at:  
8/28, 3<sup>rd</sup> Floor, Abdul Aziz Road,  
Karol Bagh, New Delhi – 110005

**.... Applicant**

**WITH**

**IA No. 1451 of 2025**

*(Application filed under Rule 11 of the National Company Law  
Tribunal Rules, 2016.)*

**M/S. CLARO ENERGY LIMITED**

Resolution Applicant  
D-196, Second Floor, Saket,  
New Delhi, Delhi – 110017

**.... Applicant**

**Versus**



- 1. MANOHAR LAL VIJ  
RESOLUTION PROFESSIONAL OF  
M/S. ALDIAM MOTORS PRIVATE LIMITED**  
Reg. No. IBBI/IPA-001/IP-P-01480/2018-2019/12269  
8/28, 3<sup>rd</sup> Floor, Abdul Aziz Road,  
Karol Bagh, New Delhi – 110005
- 2. COC OF ALDIAM MOTORS PRIVATE LIMITED  
THROUGH LEAD BANK – IDBI BANK**  
Garg Plaza, 1<sup>st</sup> Floor, 46A,  
Gautam Nagar, Race Course Road,  
Vadodara – 390007
- 3. SURVI INFRASPACE LLP**  
Office No. 9, 3<sup>rd</sup> Floor,  
Nathdwara Avenue,  
Waghodia - Dabhoi Ring Road,  
Vadodara – 390017
- 4. MEGHDOOT LEISURE LLP**  
603-604, Midtown Heights,  
Jetapur Road, Vadodara – 390007

.... Respondents

**IA No. 62 of 2026**

*(Application filed under Section 60(5) of the Insolvency and  
Bankruptcy Code, 2016 read with Rule 11 of the National  
Company Law Tribunal Rules, 2016.)*

**In the matter of:**

**M/S. CLARO ENERGY LIMITED**

Resolution Applicant  
D-196, Second Floor, Saket,  
New Delhi, Delhi – 110017

.... Applicant

***Versus***

- 1. MANOHAR LAL VIJ  
RESOLUTION PROFESSIONAL OF  
M/S. ALDIAM MOTORS PRIVATE LIMITED**  
Reg. No. IBBI/IPA-001/IP-P-01480/2018-2019/12269



8/28, 3<sup>rd</sup> Floor, Abdul Aziz Road,  
Karol Bagh, New Delhi – 110005

**2. COC OF ALDIAM MOTORS PRIVATE LIMITED  
THROUGH LEAD BANK – IDBI BANK**

Garg Plaza, 1<sup>st</sup> Floor, 46A,  
Gautam Nagar, Race Course Road,  
Vadodara – 390007

.... Respondents

Order Pronounced on: 12.03.2026

**CORAM:**

**SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)**  
**SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)**

**APPEARANCE:**

For the Applicant : Mr. Rashesh Sanjanwala, Sr. Adv. a.w.  
: Mr. Vishal Hirawat, Adv.  
: Mr. Manohar Lal Vij, RP in Person  
(in IA(Plan) No. 19 of 2025)  
: Mr. Nipun Singhvi, Adv. a.w.  
: Ms. Pragati Tiwari, Adv.  
(in IA 1451 of 2025 & IA 62 of 2026)

For the Respondent : Mr. Pratik Thakkar, Adv.  
(in IA(Plan) No. 19 of 2025)  
: Mr. Ravi Pahwa, Adv.  
(in IA No. 62 of 2026)

**COMMON ORDER**

**(Per: Bench)**

- 1. IA(Plan) No. 19 of 2025** has been filed on 18.11.2025 vide  
Inward Diary No. E2939 by the Applicant, Mr. Manohar Lal  
Vij (hereinafter as, “the **Applicant**”), Resolution Professional



of Aldiam Motors Private Limited (hereinafter as, “the **Corporate Debtor**”) under Section 30 read with Section 31 of the Insolvency and Bankruptcy Code, 2016 (hereinafter as, “the **Code**”) read with Regulation 39(4) of IBBI (Insolvency Resolution Process of Corporate Persons) Regulations, 2016 (hereinafter as, “the **CIRP Regulations**”) seeking approval of the Resolution Plan and further seeking following prayers:-

- i. *allow the present Application;*
- ii. *pass necessary order(s)/direction(s) under Section 31 of the Code, approving the Resolution Plan submitted by the Successful Resolution Applicant Meghdoot Leisure LLP which has been approved by the COC with 100% vote casted in favour of the Resolution;*
- iii. *pass necessary order(s)/direction(s) declaring that upon approval of the Resolution Plan by this Tribunal, the provisions of the Resolution Plan shall be binding on the Corporate Debtor, its creditors, guarantors, members, statutory authorities (Income Tax, EPFO, GST, VAT) and other stakeholders in accordance with Section 31 of the Code, and shall be given to and implemented pursuant to the order of this Tribunal;*
- iv. *pass necessary order(s) approving reliefs and concession sought by the SRA mentioned in Chapter 10 of the Resolution Plan;*
- v. *pass appropriate order/directions approving the appointment of the monitoring committee as stated in the Resolution Plan and confirmed by the Committee of Creditors;*
- vi. *pass necessary order(s)/direction(s) vacating the moratorium on Corporate Debtor imposed under Section 14 of the Code;*



- vii. *pass necessary order(s)/direction(s) discharging the Resolution Professional Mr. Manohar Lal Vij from the duties of the Resolution Professional of the Corporate Debtor.*
- viii. *pass any further order(s)/direction(s) as may deem fit to this Tribunal.*

**2.** Some relevant **facts** as available in the submitted application are summarized below:-

2.1. It is stated that the captioned Application under Section 7 of the Code filed by the Financial Creditor against the Corporate Debtor was admitted by this Tribunal vide Order dated 06.05.2025, whereby the Corporate Insolvency Resolution Process ("**CIRP**") was initiated against the Corporate Debtor and the Applicant was appointed as the Interim Resolution Professional ("**IRP**"). Subsequently, in the 1st meeting of the Committee of Creditors ("**CoC**") held on 03.06.2025, the Applicant was confirmed as the Resolution Professional ("**RP**"), which was taken on record by this Tribunal vide Order dated 23.06.2025. True copy of the Order dated 06.05.2025 is annexed to the application as ANNEXURE A-2.

2.2. Pursuant to the aforesaid Order, the Applicant issued a public announcement in Form A on 09.05.2025 inviting claims from creditors of the Corporate Debtor. The announcement was published on 09.05.2025 in *Indian Express* (English) and *Loksatta* (Gujarati) having



wide circulation at the place of the registered office of the Corporate Debtor and was also uploaded on the IBBI Portal. The Applicant thereafter invited, collated and provisionally admitted claims in accordance with law. True copy of the newspaper publications dated 09.05.2025 is annexed as ANNEXURE A-3, and the list of creditors is annexed as ANNEXURE A-4.

2.3. The Committee of Creditors comprising IDBI Bank Limited as the sole Financial Creditor was constituted on 26.05.2025. A report certifying constitution of the CoC was filed before this Adjudicating Authority through IA (I.B.C)/692/AHM/2025 and the same was taken on record vide Order dated 01.07.2025. In compliance with Section 24 of the Code read with Regulation 17(2) of the CIRP Regulations, the first meeting of the CoC was convened on 03.06.2025 wherein, inter alia, the appointment of the IRP as RP was approved. The decision of the CoC was communicated to this Tribunal through IA No. 749/AHM/2025 and taken on record vide Order dated 23.06.2025. True copy of the minutes of the 1<sup>st</sup> CoC meeting dated 03.06.2025 along with voting results and the Order dated 23.06.2025 are annexed as ANNEXURE A-5 (COLLY).

2.4. In terms of Regulation 27 of the CIRP Regulations, the Applicant appointed two registered valuers, namely



AAA Valuation Professionals and Adroit Appraisers and Research Pvt. Ltd., after inviting competitive quotations for valuation of Land and Building (L&B), Plant and Machinery (P&M) and Securities and Financial Assets (SFA). The valuation reports were thereafter submitted to the Applicant and shared with the CoC members upon receipt of confidentiality undertakings. A brief synopsis of the valuation reports along with the valuation reports are annexed as ANNEXURE A-6.

2.5. The 2<sup>nd</sup> CoC meeting was convened on 23.06.2025 wherein, inter alia, the CoC approved the eligibility criteria for Prospective Resolution Applicants (“**PRAs**”), the timelines for submission of resolution plans, the evaluation matrix and the Request for Resolution Plan (“**RFRP**”). True copy of the minutes of the 2<sup>nd</sup> CoC meeting dated 23.06.2025 is annexed as ANNEXURE A-7. Pursuant thereto, the Applicant issued Form G dated 05.07.2025 inviting Expression of Interest (“**EoI**”), which was published in *Indian Express* (English and Gujarati editions) and *Loksatta* (Gujarati edition) and uploaded on the IBBI Portal. The last date for submission of EoI was fixed as 22.07.2025. True copy of Form G dated 05.07.2025 along with publication is annexed as ANNEXURE A-8.

2.6. The Applicant received seven (7) EoIs along with requisite EMD up to the last date of submission, i.e.,



22.07.2025. After due diligence, six (6) EoIs were included in the provisional list of PRAs issued on 31.07.2025, and thereafter the final list containing six (6) PRAs was published on 16.08.2025. True copy of the provisional list of PRAs is annexed as ANNEXURE A-9, and the final list dated 16.08.2025 is annexed as ANNEXURE A-10.

2.7. In the 3<sup>rd</sup> CoC meeting held on 06.08.2025, the Applicant apprised the CoC regarding the activities undertaken including a visit to Vadodara for taking possession of assets. The Applicant also informed the CoC that upon examination of records under Regulation 35A, an opinion was formed that the Corporate Debtor might have been subjected to avoidance transactions. Accordingly, Shambu Gupta & Co., Chartered Accountants, was appointed as Transaction Auditor after inviting competitive quotations and the fee of the Transaction Auditor was ratified by the CoC. True copy of the minutes of the 3<sup>rd</sup> CoC meeting dated 06.08.2025 is annexed as ANNEXURE A-11.

2.8. Thereafter, in terms of Regulation 36B of the CIRP Regulations, the Applicant provided access to the Virtual Data Room containing the Information Memorandum, evaluation matrix and RFRP to the PRAs. Four (4) resolution plans were received by the



last date of submission, i.e., 22.09.2025. The 4<sup>th</sup> CoC meeting was convened on 23.09.2025 wherein the resolution plans were opened in the presence of the CoC members and the financial proposals were read out. A tentative timeline for vetting, negotiations and voting on the plans was also discussed. True copy of the minutes of the 4<sup>th</sup> CoC meeting dated 23.09.2025 is annexed as ANNEXURE A-12.

2.9. The resolution plans along with financial synopses were thereafter shared with the CoC members. Queries were raised by the Applicant and communicated to the respective Resolution Applicants (“RAs”). Survi Infraspaces LLP and Meghdoot Leisure LLP submitted complete responses and their plans became compliant. Parshvanath Trading & Logistics Private Limited furnished only partial responses, while Claro Energy Limited failed to respond despite reminders and their plans remained non-compliant. In order to verify compliance under Section 29A of the Code, the Applicant appointed Lever Up Consultancy, which submitted its report dated 29.09.2025 stating that all RAs were qualified under Section 29A of the Code. True copy of the report dated 29.09.2025 is annexed as ANNEXURE A-13.

2.10. A physical meeting for financial negotiations was held on 03.10.2025 at IDBI Bank Zonal Office, Ahmedabad.



Three RAs, namely Survi Infraspaces LLP, Meghdoot Leisure LLP and Parshvanath Trading & Logistics Private Limited attended the meeting and submitted improved financial proposals. However, the sole CoC member, IDBI Bank Limited, found the revised proposals unsatisfactory and requested further negotiations. Accordingly, the 5<sup>th</sup> CoC meeting was convened on 09.10.2025 wherein the Applicant apprised the CoC regarding the compliance status of the plans and discussions were held with the participating RAs. The RAs were directed to submit their final revised resolution plans by 13.10.2025. During the said meeting the Applicant also placed the Determination Report regarding avoidance transactions and informed that no preferential, undervalued, extortionate or fraudulent transactions were determined. True copy of the minutes of the 5<sup>th</sup> CoC meeting dated 09.10.2025 is annexed as ANNEXURE A-14.

2.11. The 6<sup>th</sup> CoC meeting was convened on 16.10.2025 wherein the revised plans submitted by the RAs were opened and discussed. Claro Energy Limited raised concerns regarding alleged unfair advantage to certain RAs which were addressed by the Applicant. The Applicant further informed the CoC that the CIRP period was set to expire on 02.11.2025 and the remaining time would be insufficient to complete the



process including voting and filing the approval application. Accordingly, the CoC approved seeking extension of the CIRP period by 90 days beyond the initial 180 days. IA No. 1301/2025 was filed and this Tribunal allowed the extension vide Order dated 07.11.2025. True copy of the Order dated 07.11.2025 is annexed as ANNEXURE A-15.

2.12. The 6<sup>th</sup> CoC meeting resumed on 28.10.2025 (rescheduled from 27.10.2025). Upon consideration of the compliance status of the plans, the CoC observed as follows:

*“Resolution Plan of Meghdoot Leisure LLP and Survi Infraspace LLP are fully compliant*

*Resolution Plan of Parshvanath Trading & Logistics Private Limited is also compliant except that sources of funds is not fully demonstrated. Since, Resolution Applicant has adequate net worth and submitted that it has adequate funds, therefore, Resolution Plan can be considered as compliant.*

*Resolution Plan of Claro Energy Limited is non-compliant due to violation of mandatory provision of the Code and CIRP Regulations, as stated hereinabove.*

*CoC further observed that RP had given adequate/sufficient opportunities to Claro Energy Limited to address queries/ amend its Resolution Plan but PRA has failed to resolve queries and made its Resolution Plan compliant. CoC expressed its dismay on tactics being deployed by PRA to delay CIRP process which inter-alia include non-attending CoC meetings convened to discuss Resolution Plan with PRA, non-addressing queries adequately despite allowing about 25 days' time, sending revised/ amended Resolution Plan after*



*stipulated time lines etc. Accordingly, CoC declared Resolution Plan of Claro Energy Limited as no responsive pursuant to clause 2.1.4 (d) of RFRP and pursuant to CIRP Regulation 39(1B) (c) of CIRP Regulations asked RP, not to put up Resolution Plan of Claro Energy Limited for its consideration and voting.”*

2.13. The CoC thereafter deliberated upon the feasibility and viability of the remaining three resolution plans and approved the evaluation matrix in accordance with Regulation 39(3) of the CIRP Regulations. The scores assigned were as follows:

<b>S. No.</b>	<b>Name</b>	<b>Score</b>	<b>Ranking</b>
1.	Meghdoot Leisure LLP	95.00	H-1
2.	Survi Infraspace LLP	80.50	H-2
3.	Parshvanath Trading & Logistics Private Limited	55.97	H-3

True copy of the evaluation matrix is annexed to the application as ANNEXURE A-16.

2.14. Thereafter, the CoC discussed the three (3) Resolution Plans in detail and observed as under:

- a) *All three Resolution Plan were received within time as specified under Regulation 36B of CIRP Regulation and in RFRP issued by CoC/RP.*
- b) *Names of all three PRAs are appearing in the final list of PRAs, issued by RP*
- c) *All three Resolution Plans are feasible and viable, as all three Resolution Applicants have capability to implement their Resolution Plans, and demonstrated that their Resolution Plans are feasible and viable.*
- d) *Finalised the Evaluation Matrix, draft of which was placed by the Resolution Professional in the meeting. As per evaluation*



*matrix, respective score and ranking of each resolution applicant is as stated hereinabove.*

2.15. Thereafter, the three resolution plans were put to email voting. The voting window initially remained open till 05.11.2025 and was subsequently extended till 12.11.2025 in increments of 24 hours in terms of Regulation 25(5) of the CIRP Regulations. The CoC, exercising its commercial wisdom, approved the Resolution Plan submitted by Meghdoot Leisure LLP with 100 percent voting share. The relevant extract of the resolution reads as under:-

*“RESOLVED THAT the Resolution Plan received from Meghdoot Leisure LLP, having a Resolution Plan Value of Rs. 13,34,00,000/- and having H-1 ranking as per the Evaluation Matrix, a copy of Resolution Plan duly initiated by the Chairman for purpose of identification was placed on the table of the meeting, be and is hereby approved in the CJR Process of Aldiam Motors Private Limited, Corporate Debtor;*

*RESOLVED FURTHER THAT the Resolution Professional be and is hereby authorised to submit Resolution Plan, as approved herein above, to Adjudicating Authority along with compliance certificate in Form H of the Schedule and to do all such acts and deeds as may be necessary and expedient relating thereto.”*

2.16. In compliance with Regulations 38(4) and 38(5), the CoC also approved the constitution, composition, duties and fees of the Monitoring Committee wherein the RP would act as Chairman. True copy of the minutes of the 6<sup>th</sup> CoC meeting dated 16.10.2025 and 28.10.2025 along with voting results is annexed as ANNEXURE A-17.



2.17. Pursuant to the approval of the resolution plan, the RP issued a Letter of Intent dated 13.11.2025 to the Successful Resolution Applicant which was unconditionally accepted on 14.11.2025. The Successful Resolution Applicant deposited performance security of Rs. 1,50,00,000 (Rupees One Crore and Fifty Lacs only) including EMD of Rs. 25,00,000 (Rupees Twenty Five Lacs only) by way of bank transfer. True copy of the Letter of Intent and proof of payment are annexed as ANNEXURE A-18. The Applicant has also filed the compliance certificate in Form-H in terms of Regulation 39(4), annexed as ANNEXURE A-19. It is submitted that the Resolution Plan approved by the CoC satisfies the requirements of Section 30(2) of the Code, contains provisions for its effective implementation and meets the conditions under Section 32A of the Code. Accordingly, in terms of Section 30(6) read with Section 31(1) of the Code, the Applicant has filed the present Application seeking approval of the Resolution Plan of Meghdoot Leisure LLP as approved by the CoC with 100 percent voting share.

3. The matter was first taken up for hearing on 21.11.2025, wherein this Tribunal directed the Applicant/Resolution Professional to furnish certain additional information, namely: (a) to obtain declarations under Section 29A of the



Code from the SRA, being an LLP, as well as from all its partners individually, (b) to place on record an affidavit from the SRA disclosing the source of funds for implementation of the Resolution Plan along with a tentative cash flow for payment under the Plan; (c) to clarify the treatment of the admitted operational debt of the State Tax Department in respect of GVAT and GST, in addition to the claim of the sole Financial Creditor, and (d) to specify the reliefs and concessions sought under the Resolution Plan and to disclose whether any new directors or shareholders would be inducted in the Corporate Debtor, and if so, to provide their DIN numbers along with individual declarations under Section 29A of the Code where such persons are different from the partners of the SRA. Notice was also issued to the State Tax Department inviting its response in relation to the admitted claim and the proposed payout under the Resolution Plan. The said order is reproduced below:

"IA(Plan)19(AHM)2025

*This is an Application filed by the Applicant/RP under Section 30(6) read with Section 60(5) of the Insolvency and Bankruptcy Code, 2016 seeking approval of the Resolution Plan Submitted by Meghdoot Leisure LLP, duly approved by the Members of the Committee of Creditor of Aldiam Motors*

Private Limited.

We have heard Ld. Counsel for the Applicant/RP on salient features of the Resolution plan described in the application as well as in Form - H.

Ld. Counsel for the applicant / RP is directed to provide the following information:-

1. The Applicant / RP to obtain 29(A) declaration from the SRA LLP as well as from its all partners separately.
2. The Applicant/RP is also directed to obtain from SRA an affidavit of declaration along with proof of source of fund which will show towards payments of resolution plan with tentative cash flow. Further, the RP to ensure to remain present on the next date of hearing for assistance.
3. Further it is seen that, apart from the sole Financial Creditor there is an operational claims of the State Tax Department in the shape of GVAT as well as GST which was admitted by the RP.
4. Specific relief and concession sought by SRA and also whether there will be new directors and new shareholders in the company, if yes, then obtain their DIN Number and declaration on oath U/s 29A separately if those are different from partners.

Meanwhile, let notice be issued to the State Tax Department and inviting response on the admitted claims and pay out with the Resolution Plan, If any, within a period of seven days.

The Applicant is directed to collect the notice from the Registry within three days and serve upon the State Tax Department along with copy of this order through Registered Ad post / Speed-post, Dasti mode as well as on the registered email ID of the State Tax Department registered with the MCA within seven days.

The State Tax Department may file reply, if any, within two weeks from the date of receipt of notice. Rejoinder, if any, be filed within two weeks thereafter.

Proof of Service be filed by way of an affidavit before the next date of hearing.

Re-list for further consideration on 12.12.2025."



4. In compliance of the order dated 21.11.2025, two **additional affidavits** have been filed by the applicant/RP on 09.12.2025 vide Inward Diary No. D8132 and on 26.12.2025 vide Inward Diary No. D8805. In the said additional affidavit, it is stated that:

4.1. This Tribunal has directed the applicant/RP to place on record the:

- i. *29(A) declaration from the SRA LLP as well as from its all partners separately.*
- ii. *an affidavit of declaration from the SRA along with proof of source of fund which will show towards payments of resolution plan with tentative cash flow.*
- iii. *Specific relief and concession sought by SRA and also whether there will be new directors and new shareholders in the company, if yes, then obtain their DIN Number and declaration on oath U/s 29A separately if those are different from partners.*

4.2. It is stated that in compliance of the order passed by this Tribunal all the partners of the SRA have submitted individual affidavits confirming their eligibility under Section 29A of the Code. Further, the LLP had already submitted its affidavit along with the Resolution Plan. True copy of the 29A affidavits for all the partners and the LLP is annexed to this affidavit as Annexure-B.

4.3. That further, in compliance with the directions passed in the aforesaid Order, the SRA has submitted an



Affidavit of declaration along with proof of source of fund. True copy of the declaration regarding source of fund is annexed as Annexure-C.

4.4. Furthermore, with respect to the query regarding proposed directors, shareholders and specific reliefs sought, the SRA vide email dated 28.11.2025 has submitted as under:

**“1. Proposed Directors**

*Upon approval of the Resolution Plan by the Hon'ble Tribunal, the following individuals shall be appointed as Directors of Aldiam Motors Private Limited:*

*i. Mr. Anand Bharat Shah, DIN: 00509866*

*ii. Mr. Hrutik Kalpesh Shah, DIN: 09518625*

*Both the aforesaid individuals are Partners of Meghdoot Leisure LLP and are fully eligible under Section 29A of the Insolvency and Bankruptcy Code, 2016.*

**2. Proposed Shareholding**

*Upon approval of the Resolution Plan, the entire shareholding of Aldiam Motors Private Limited shall vest in and be held by Meghdoot Leisure LLP and its partners.*

**3. Reliefs and Concessions Sought**

*Relief sought in resolution plan can be categorised in three category as detailed below:*

**A. General Reliefs available under Regulation 37 of CIRP Regulations** *The reliefs sought under Clauses 10.4, 10.5, 10.6, 10.9, 10.10, 10.11, 10.12, 10.13, 10.14, 10.15, 10.16, 10.17 and 10.19 of the Resolution Plan are general reliefs arising out of and in conformity with the provisions of the Insolvency and Bankruptcy Code, 2016, and are integral to the clean slate principle recognised under the Code.*



**B. Reliefs under Income Tax Act**

The reliefs sought under Clauses 10.1, 10.2, 10.7 and 10.8 of the Resolution Plan pertain to matters governed by the Income-tax Act, 1961, and may kindly be granted subject to and in accordance with the provisions of the Income-tax Act, including Section 79 thereof.

**C. Specific Reliefs**

Clause 10.3 Change in shareholding and directors pursuant to approval of this resolution plan shall not be constructed as transfer of land and accordingly, no transfer charges shall be payable to GIDC on approval of this resolution plan. GIDC shall recognise resolution applicant or its nominees, as if they were original allottee of land and shall not Levy or charge any fee, Levy, transfer charges, interest, compound interest etc. pursuant to its rules & regulation of GIDC and the same, if payable, stand waived off on approval of the plan.

ii. That all charges except in favour on continuing creditors shall be released on approval of resolution plan and charges created in favour of continuing creditors shall release on payment of amount assumed in resolution plan (kindly refer clause 9.2 of the resolution plan. The successful Resolution Applicant (SRA) respectfully seeks the above reliefs from the Tribunal.”

True copy of the email dated 28.11.2025 sent by the SRA is annexed as Annexure-D.

5. The **State Tax Department** had filed their **reply** on 27.01.2026 vide Inward Diary No. D458, wherein following observations were made by the department: -

5.1. The Respondent states that the Corporate Debtor was registered with the VAT Department on 17.12.2008 and that tax dues relating to the Assessment Years 2013-



14, 2014-15 and 2015-16 under the Gujarat Value Added Tax Act, 2003 ("GVAT Act") remain outstanding. It is specifically stated that the tax liability for the Assessment Year 2013-14 amounts to Rs. 1,47,21,542/- together with interest at the rate of 18 percent till the date of payment. Copy of the notice dated 25.11.2025 issued by this Tribunal and the order dated 12.12.2025 are annexed to the reply as ANNEXURE-R1.

5.2. It is further submitted that in order to recover the said dues, the State Tax Officer issued a bank attachment order dated 15.05.2019 under Section 44 of the GVAT Act to the Manager of Oriental Bank of Commerce, Alkapuri, Vadodara for recovery of unpaid dues for the Assessment Year 2014-15 amounting to Rs. 23,45,463/-. A copy of the said bank attachment order dated 15.05.2019 is annexed as ANNEXURE-R2.

5.3. It is submitted that thereafter the Corporate Debtor addressed a letter dated 17.09.2019 to the State Tax Officer stating that it was willing to settle the outstanding tax dues for the AY 2014-15 under the Amnesty Scheme-2019 (Vera Samadhan Yojana-2019). In the said communication, the Corporate Debtor acknowledged that the outstanding dues comprised tax of Rs. 13,75,638/- and interest of Rs. 9,69,825/- aggregating to Rs. 23,45,463/-. Copy of the letter dated



17.09.2019 is annexed as ANNEXURE-R3.

- 5.4. It is further submitted that the State Tax Officer thereafter issued a letter dated 23.10.2019 informing the Corporate Debtor that under the Amnesty Scheme-2019 it would be required to pay the principal tax amount of Rs. 13,75,638/- and that upon payment of the said amount the interest component of Rs. 9,69,825/- would stand waived. Copy of the letter dated 23.10.2019 is annexed as ANNEXURE-R4.
- 5.5. It is submitted that as the dues remained unpaid, the State Tax Officer again issued a bank attachment order dated 19.03.2021 under Section 44 of the GVAT Act to the Manager, Bank of Baroda, GIDC Makarpura Branch, Vadodara for recovery of outstanding dues of Rs. 87,00,412/- relating to the Assessment Year 2014-15. A copy of the said bank attachment order dated 19.03.2021 is annexed as ANNEXURE-R5.
- 5.6. It is further submitted that subsequently on 17.01.2022 the State Tax Officer issued a notice under Section 200 of the Bombay Land Revenue Code, 1879 to the Corporate Debtor for recovery of outstanding GVAT dues for the Assessment Years 2013-14, 2014-15 and 2015-16. A copy of the said notice issued under Section 200 of the BLRC is annexed as ANNEXURE-R6.
- 5.7. It is further submitted that on 04.03.2022 the State



Tax Officer addressed a communication to the Income Tax Officer, Circle-1(1)(1), Vadodara seeking information relating to PAN No. AAHCA4154H of the Corporate Debtor for the purpose of recovery of government dues under the GVAT Act, 2003. Copy of the letter dated 04.03.2022 is annexed as ANNEXURE-R7.

- 5.8. It is further submitted that the State Tax Officer again issued a bank attachment order dated 04.03.2023 to the Manager, Bank of Baroda, Makarpura Branch for recovery of GVAT dues amounting to Rs. 1,79,36,458/- pertaining to the Assessment Years 2013-14, 2014-15 and 2015-16. A copy of the said bank attachment order dated 04.03.2023 is annexed as ANNEXURE-R8.
- 5.9. It is further submitted that on 15.03.2023 the State Tax Officer issued a letter to the Manager/Compliance Officer of National Securities Depositories Limited, Mumbai seeking attachment and freezing of the demat account of the Corporate Debtor bearing PAN No. AAHCA4154H. Copy of the said communication dated 15.03.2023 is annexed as ANNEXURE-R9.
- 5.10. It is submitted that after receipt of notice from this Tribunal the Respondent examined the Resolution Plan submitted by Meghdoot Leisure LLP and observed that the dues of the State Tax Department under the GVAT Act have been classified in the Resolution Plan as



“Secured Operational Creditor” and placed under the category of operational creditors, while GST dues of Rs. 13,01,33,332/- have been treated as unsecured debts in the Resolution Plan at page 45, paragraph 6.4.3. The Respondent contends that such classification is erroneous and contrary to law.

5.11. It is submitted that the Resolution Professional has failed to take into account the statutory charge created in favour of the State Tax Department under Section 48 of the GVAT Act in respect of the tax dues relating to the Assessment Years 2013-14, 2014-15 and 2015-16, which arose prior to commencement of the CIRP. It is contended that the statutory charge over the assets of the Corporate Debtor renders the State Tax Department a secured creditor and that the Resolution Plan ought to have provided for appropriate treatment of such secured dues,

5.12. It is further submitted that under Section 30(2) of the Code read with Regulations 37 and 38 of the CIRP Regulations, the Resolution Professional is required to examine whether the resolution plan conforms to the statutory requirements before placing it before the Committee of Creditors. It is contended that the resolution plan approved by the CoC fails to satisfy these requirements and has been prepared without considering the statutory rights of the Respondent.



- 5.13. The Respondent has further relied upon the judgment of the Hon'ble Supreme Court in *Ghanashyam Mishra & Sons (P) Ltd. v. Edelweiss Asset Reconstruction Company Ltd.*, wherein the scheme of the CIRP process has been explained and the obligation of the Resolution Professional and the Committee of Creditors to examine compliance with Section 30(2) has been reiterated.
- 5.14. It is further submitted that by virtue of Section 48 of the GVAT Act, any amount payable towards tax, interest or penalty constitutes a first charge on the property of the dealer. The Respondent relies upon the judgment of the Hon'ble High Court of Delhi in *IFCI Ltd. v. Commercial Tax Officer, WP(C) No. 337 of 2011* decided on 03.06.2011, wherein it was held that tax dues secured by statutory charge are to be treated as secured dues. Copy of the said judgment is annexed as ANNEXURE-R10.
- 5.15. Reliance is also placed upon the judgment of the Hon'ble High Court of Gujarat in *Shree Radhekrushna Ginning and Pressing Pvt. Ltd. v. State of Gujarat*, decided on 29.03.2022 in SCA No. 5413 of 2022, wherein it has been held that once assessment orders determining tax liability are passed, a statutory charge over the property of the dealer arises by operation of law under Section 48 of the GVAT Act. Copy of the said judgment is annexed as ANNEXURE-R11.



5.16. It is further submitted that the Hon'ble Supreme Court in *State Tax Officer v. Rainbow Papers Pvt. Ltd.*, Civil Appeal No. 1661 of 2020, has recognized the State Tax Department as a secured creditor in respect of statutory dues arising under the GVAT Act. Copy of the said judgment is annexed as ANNEXURE-R12. It is further stated that the said judgment has been affirmed by the Hon'ble Supreme Court in *Review Petition*, (2024) 2 SCC 362, and the same is annexed as ANNEXURE-R13.

5.17. On the basis of the aforesaid facts, documents and judicial precedents, the Respondent contends that the classification of the State Tax Department merely as an operational creditor in the resolution plan is contrary to the law laid down by the Hon'ble Supreme Court and that the statutory charge created under Section 48 of the GVAT Act confers upon the Respondent the status of a secured creditor in respect of the tax dues of the Corporate Debtor.

6. In response to the above averments made by the State Tax Department, an **affidavit-in-rejoinder** was filed by the Applicant/RP on 27.01.2026 vide Inward Diary No. D687, making following submissions: -

6.1. The Applicant has submitted that the reply of the State Tax Department has been filed in a mechanical manner



without verification of the correct facts of the case. In particular, the Department has incorrectly alleged that its claim was not admitted, whereas the claim relating to GVAT has in fact been admitted as a secured operational creditor. It is also stated that the Department has wrongly mentioned the insolvency commencement date as 17.07.2023, whereas the CIRP in the present matter commenced on 06.05.2025.

6.2. It is further submitted that pursuant to the public announcement issued in the CIRP, the State Tax Department filed its claim towards GVAT dues amounting to Rs. 2,24,84,927/- relating to the period FY 2013-2016. Upon verification, the Resolution Professional admitted the claim to the extent of Rs. 2,10,96,928/- in accordance with the provisions of the Code. Relying upon the judgment of the Hon'ble Supreme Court in *State Tax Officer v. Rainbow Papers Ltd.*, the said GVAT claim was admitted as a secured operational debt. A copy of the claim form filed by the State Tax Department has been annexed as Annexure A-20.

6.3. It is further submitted that the State Tax Department had also filed a separate claim in respect of GST dues amounting to Rs. 13,30,93,046/-, which was admitted to the extent of Rs. 13,01,33,332/- as an unsecured operational debt. In this regard, reliance has been



placed on the judgment of this Tribunal in *State Tax Officer v. Shri Vinod Tarachand Agrawal, IRP for M/s Jay Formulations Limited & Ors.*, IA No. 435(AHM)2025, wherein it was held that unpaid CST dues to the State do not fall within the category of secured debt and that GST dues cannot be treated as secured dues. Accordingly, GST claims are required to be dealt with in terms of Section 53 of the Code in the same manner as CST dues. It is also stated that the GST Department did not raise any objection regarding the classification of its claim as an unsecured operational debt. A copy of the said judgment has been annexed as Annexure A-21.

- 6.4. It is further submitted that on the basis of the claims received and collated during the CIRP, the Corporate Debtor has two secured creditors, namely IDBI Bank Limited as the secured financial creditor having an admitted claim of Rs. 33,62,39,118/- and the State Tax Department in respect of GVAT as a secured operational creditor having an admitted claim of Rs. 2,10,96,928/-.
- 6.5. It is submitted that under the Resolution Plan, the Successful Resolution Applicant has treated the dues of the secured financial creditor and the secured operational creditor on an equal footing in accordance with the waterfall mechanism provided under Section



53. Accordingly, an amount of Rs. 13,18,00,000/- has been proposed to be paid to the secured creditors in proportion to their admitted claims. The plan further provides that the CIRP cost has been provisionally estimated at Rs. 15 lakh and any increase in the actual CIRP cost shall be adjusted from the funds proposed for the secured creditors.

6.6. It is further submitted that paragraphs 1 to 11 of the reply filed by the State Tax Department do not require any specific rejoinder and any allegations beyond the record are denied. It is reiterated that the GVAT claim of Rs. 2,24,84,927/- filed by the State Tax Department has been admitted to the extent of Rs. 2,10,96,928/- as a secured operational creditor and that the Department has not raised any objection regarding the quantum of claim admitted by the RP.


6.7. It is further submitted that in terms of Section 3(11) of the Code, a debt may be either a financial debt or an operational debt. Section 5(21) of the Code expressly includes dues payable to the Central Government, State Government or any local authority within the ambit of operational debt. Consequently, the dues payable towards GVAT constitute operational debt and the State Tax Department is therefore an operational creditor within the meaning of Section 5(20) of the Code. It is further stated that Section 3(30) of the Code



defines a secured creditor as a creditor in whose favour a security interest is created. The expression “secured” denotes the existence of a security interest, whereas the classification as financial or operational creditor depends upon the nature of the underlying debt. In view of the judgment of the Hon’ble Supreme Court in *State Tax Officer v. Rainbow Papers Ltd.*, the GVAT dues are secured in nature and accordingly the claim has been rightly treated as that of a secured operational creditor. It is also submitted that the claim forms prescribed by the Insolvency and Bankruptcy Board of India do not provide a separate category of “secured creditor” simpliciter and therefore the classification necessarily depends upon whether the debt is financial or operational.

6.8. It is further submitted that GST dues are required to be treated as unsecured operational debt in accordance with the settled legal position. A copy of the claim form prescribed by the IBBI has been annexed as Annexure A-22.

6.9. The Applicant has further submitted that the contentions raised in paragraphs 13 and 14 of the reply are devoid of merit as the claim of the State Tax Department has already been admitted as a secured operational creditor and has been appropriately dealt with in the Resolution Plan. It is further stated that the



GVAT claim has been accorded priority in accordance with Section 53 of the Code.

6.10. It is also submitted that notices of all meetings of the Committee of Creditors were duly issued to the State Tax Department in terms of Section 24(3)(c) of the Code, however the Department did not participate in any of the meetings. In these circumstances, the Department cannot subsequently contend that its interests have been prejudiced. Without prejudice, it is reiterated that the GVAT dues have been treated as secured and have been placed on par with the secured financial debt under the Resolution Plan.

6.11. It is further submitted that in view of the judgment of the Hon'ble Supreme Court in *State Tax Officer v. Rainbow Papers Ltd.*, GVAT dues have been treated as secured dues. Further reliance has been placed on the judgment of the Hon'ble NCLAT in *State Tax Officer v. Nitin Narang, RP of Afcan Impex Pvt. Ltd. & Ors.*, wherein it has been held that CST dues are not secured and the same principle is applicable to GST claims as well. A copy of the said judgment has been annexed as Annexure A-23.

6.12. On the basis of the aforesaid submissions, the Applicant has prayed that the objections raised by the State Tax Department be rejected and that the IA seeking approval of the Resolution Plan be allowed.



7. Thereafter, **written submissions** came to be filed by the Applicant RP, in the present IA on 13.02.2026, vide Inward Diary No. D1291. Written submissions were also filed on behalf of the SRA on 16.02.2026, vide Inward Diary No. D1408, and on behalf of the State Tax Department on 16.02.2026, vide Inward Diary No. D1423.

**IA No. 1451 of 2025**

8. During the proceedings of the application for approval of Resolution Plan, an application bearing number **IA No. 1451 of 2025** was preferred by one M/s. Claro Energy Limited (hereinafter as, "**Claro Energy/Unsuccessful RA**"), one of the Unsuccessful Resolution Applicants, wherein the eligibility of the SRA and the Plan approval process was in turn challenged by Claro Energy and further seeking following prayers: -

(A) *that this Tribunal be pleased to direct the Respondents to clarify the position of the assets and declare the related parties being Respondent No.3 and 4 as ineligible under Section 29A of the IBC.*

(B) *During the pendency of this Application let there be no decision or finalisation of the Resolution Plan by the RP.*

(C) *pass such other / further and other reliefs as this Tribunal may deem fit and proper in the facts and circumstances of the present case.*



9. Following were the **submissions** made by the Unsuccessful RA: -

9.1. It is submitted that the present Interlocutory Application has been filed by M/s Claro Energy Limited, being a prospective Resolution Applicant in the Corporate Insolvency Resolution Process of M/s Aldiam Motors Private Limited, seeking directions and clarification regarding the assets of the Corporate Debtor and further seeking a declaration that Respondent Nos. 3 and 4 are related parties and therefore ineligible to participate in the resolution process.

9.2. It is submitted that the Corporate Debtor, Aldiam Motors Private Limited, came to be admitted into Corporate Insolvency Resolution Process by order dated 06.05.2025 passed by this Adjudicating Authority in CP (IB) No. 61 of 2025, whereby Mr. Manohar Lal Vij was appointed as the Interim Resolution Professional. A copy of the said order has been annexed as Annexure A to the application.

9.3. It is further submitted that thereafter the Resolution Professional issued the Information Memorandum on 05.08.2025, which has been annexed as Annexure B. The Information Memorandum records that the Corporate Debtor had earlier operated a Hyundai car



dealership and had established sales and service facilities at Plot No. 986/31 (physically Plot No. 986/32), GIDC, Makarpura, Vadodara, Gujarat. However, the dealership was terminated by Hyundai Motor India Limited in the year 2020, following which IDBI Bank Limited took possession of the said property on 08.09.2020 under the provisions of the SARFAESI Act, 2002, and since then the Corporate Debtor has not been carrying on any business activities.

9.4. It is further submitted that the Applicant submitted its Resolution Plan on 22.09.2025, which is annexed as Annexure C. Thereafter, the Resolution Professional, by email dated 25.09.2025 (Annexure D), communicated certain observations regarding the plan submitted by the Applicant. Upon further examination of the information available, the Applicant claims to have noticed certain discrepancies and lack of clarity with regard to the possession and title of the assets of the Corporate Debtor, which according to the Applicant may affect the transparency and fairness of the resolution process.

9.5. It is submitted that the Applicant has alleged that Aster Motors Private Limited is presently in possession of Plot No. 31, which is stated to be an asset of the Corporate Debtor, and that certain entities participating in the resolution process, namely



Meghdoot Leisure LLP and Survi Infraspace LLP, appear to have common directorships or business associations with Aster Motors. According to the Applicant, this creates apprehension of undue advantage being obtained by certain prospective resolution applicants having prior association with the assets of the Corporate Debtor.

9.6. It is further submitted that the Applicant had conveyed its willingness to participate in discussions with the Committee of Creditors and even to submit a revised financial bid if required. However, the Applicant informed the Resolution Professional telephonically on 03.10.2025 and through email dated 06.10.2025 (Annexure E) that it would be unable to attend the meeting with the CoC on that day but expressed readiness to submit a revised financial offer and requested clarification on certain queries raised with regard to the assets of the Corporate Debtor,

9.7. It is submitted that thereafter the Applicant addressed a detailed email dated 16.10.2025 to the Resolution Professional (Annexure F), pointing out several aspects arising from the Information Memorandum and publicly available records. The Applicant has stated that Aldiam Motors Private Limited and Aster Motors Private Limited were earlier owned by Mr. Vipul Anandlal Shah (DIN: 02162295) and that Plots No.



986/31 and 986/32 situated at GIDC Makarpura, Vadodara, were mortgaged to IDBI Bank Limited under Charge ID 10582569 (Aldiam) and Charge ID 100060830 (Aster) respectively.

9.8. It is further submitted that the Information Memorandum refers to a communication from the suspended directors dated 11.07.2025, stating that the Corporate Debtor initially owned two adjacent plots, namely Plot No. 986/31 and Plot No. 986/32, out of which one plot had been sold earlier and the loan from IDBI Bank was secured against the remaining plot. It was also indicated that there appeared to be confusion regarding the numbering of the plots, and that as per the map of GIDC, the plot actually in possession of the Corporate Debtor was Plot No. 986/32 and not Plot No. 986/31 as reflected in certain charge documents.

9.9. The Applicant has further referred to the Panchnama dated 24.08.2021, stated to have been prepared when IDBI Bank took possession of the mortgaged property under the SARFAESI Act. According to the Applicant, the Information Memorandum does not clearly reconcile whether the possession taken by the bank related to Plot No. 31 or Plot No. 32, thereby giving rise to ambiguity regarding the exact asset forming part of the Corporate Debtor's estate.

9.10. It is further submitted that the Applicant has alleged



that Plot No. 32, which is stated to have been sold earlier, was transferred to Aster Motors Private Limited, a company also owned by Mr. Vipul Anandlal Shah and Mr. Mayakbhai Anandlal Shah, and that the said company had availed a loan facility from IDBI Bank Limited secured by Charge ID 100060830 dated 08.11.2016, which was subsequently satisfied on 31.03.2022.

9.11. According to the Applicant, Aster Motors was later transferred to Mr. Anand Bharatkumar Shah (DIN: 00509866) in or around the year 2022, after which the charge on Plot No. 32 was released by the bank.

9.12. The Applicant has further stated that Mr. Anand Bharatkumar Shah, who is presently a director of Aster Motors Private Limited since 14.04.2023, is also a Designated Partner in Meghdoot Leisure LLP, one of the prospective resolution applicants. It is also alleged that the partners of Survi Infraspaces LLP, namely Mr. Dhrumil Vipinchandra Patel and Mr. Viralbhai Dilipbhai Patel, were partners with the said Anand Bharatkumar Shah in Meghdoot Leisure LLP, thereby suggesting interconnection among the entities participating in the resolution process.

9.13. In view of the above circumstances, the Applicant requested the Resolution Professional to clarify whether the actual plot in possession had been properly verified



vis a vis the charge documentation, whether any steps had been taken to secure physical possession of Plot No. 31 which is allegedly registered in the name of the Corporate Debtor but stated to be under the control of Aster Motors, and whether the relationship between the prospective resolution applicants had been disclosed to the Committee of Creditors. The Applicant also sought clarification regarding the role, if any, of the GIDC, IDBI Bank, the Resolution Professional, or the erstwhile promoters in the alleged irregularities relating to the identification and possession of the property.

9.14. It is submitted that according to the Applicant, accurate identification and possession of the assets of the Corporate Debtor is fundamental for proper valuation and for ensuring fairness and transparency in the CIRP. The Applicant further states that since no satisfactory response was received, another email dated 21.10.2025 (Annexure G) was sent seeking clarification.

9.15. It is further submitted that the Applicant subsequently received a response stating that the issue had already been explained in the Information Memorandum and earlier communications, and that the Resolution Professional was presently in possession of Plot No. 32, though the legal documentation referred to Plot No. 31. According to the Applicant, such response itself



indicates lack of clarity regarding the title and possession of the property forming part of the Corporate Debtor's assets.

9.16. The Applicant has therefore contended that Aster Motors Private Limited, which allegedly holds possession of the property, and the entities Meghdoot Leisure LLP and Survi Infraspaces LLP, which are stated to be participating in the resolution process, are interconnected entities having common management and business associations. It is alleged that these entities are attempting to derive benefit in the resolution process while being in possession of the assets of the Corporate Debtor.

9.17. It is further submitted that the Applicant has alleged that the resolution process is being conducted on an "as is where is basis", and that without clarity regarding title and possession of the assets, genuine third party resolution applicants would effectively be purchasing litigation if their resolution plans are approved. The Applicant has therefore contended that proper disclosure and clarification regarding the assets of the Corporate Debtor would enable it and other applicants to submit improved financial offers and thereby maximise the value of the Corporate Debtor.

9.18. In these circumstances, the Applicant has filed the present application under Rule 11 of the NCLT Rules,



2016 read with Section 60(5) of the Code, seeking directions from this Adjudicating Authority to clarify the status of the assets of the Corporate Debtor and to declare Respondent Nos. 3 and 4, namely Survi Infraspaces LLP and Meghdoot Leisure LLP, as related parties and consequently ineligible under Section 29A of the Code to participate in the resolution process. The Applicant has also prayed that during the pendency of the present application, the Resolution Professional be restrained from finalising the resolution plan.

**10.** In response to the above averments made in the Application, the **RP**, who is the Respondent No.1 in this application have filed an **affidavit-in-reply** on 26.12.2025 vide Inward Diary No. D8769 where following contentions were raised by the RP: -

10.1. It is submitted that Respondent No. 1, being the Resolution Professional of the Corporate Debtor, has filed the present reply denying the allegations made in the application and contending that the same is frivolous, misconceived and filed with the intent to delay the Corporate Insolvency Resolution Process of the Corporate Debtor.

10.2. It is submitted that the present application has been filed at a belated stage after the Committee of Creditors had already approved the Resolution Plan submitted by



Respondent No. 4, Meghdoot Leisure LLP, and therefore the timing of the application itself demonstrates that it has been filed with the intention to derail and delay the resolution process.

10.3. It is further submitted that the applicant has sought reliefs inter alia seeking clarification regarding the status of the assets of the Corporate Debtor and seeking a declaration that Respondent Nos. 3 and 4 are ineligible under Section 29A of the Code. According to the Resolution Professional, the prayer seeking clarification regarding the assets has become infructuous as the Resolution Plan has already been approved by the Committee of Creditors in exercise of its commercial wisdom and the CIRP has reached the concluding stage.

10.4. It is submitted that the applicant has no locus standi to question the eligibility of Respondent Nos. 3 and 4 under Section 29A of the Code, inasmuch as Regulation 36A(8) of the CIRP Regulations vests the responsibility of conducting due diligence and determining the eligibility of prospective resolution applicants with the Resolution Professional. It is contended that both the provisional list and final list of eligible prospective resolution applicants were duly shared with the applicant and therefore any objection ought to have been raised at the relevant stage of the



CIRP.

- 10.5. It is submitted that two adjacent plots bearing Plot No. 986/31 and Plot No. 986/32 situated at GIDC Estate, Makarpura, Vadodara were transferred by LMP Motors Private Limited in favour of the Corporate Debtor on 08.05.2009. Subsequently, in the year 2012, the Corporate Debtor transferred Plot No. 986/32 to Aster Motors Private Limited, a company promoted by the promoter of the Corporate Debtor, namely Mr. Vipul Shah.
- 10.6. It is further submitted that thereafter both the Corporate Debtor and Aster Motors Private Limited availed separate credit facilities from IDBI Bank Limited and created security interests by mortgaging their respective plots in favour of the said bank. Upon default in repayment of the credit facilities, IDBI Bank invoked the provisions of the SARFAESI Act, 2002 and took physical possession of both the plots.
- 10.7. It is submitted that thereafter the One Time Settlement proposal in respect of the loan availed by Aster Motors Private Limited was accepted by IDBI Bank. In order to discharge the said liability, Mr. Vipul Shah sold Aster Motors Private Limited to Mr. Anand Bhartkumar Shah and the dues of IDBI Bank relating to Aster Motors Private Limited were settled. Consequently, the bank released its charge over Plot No. 986/32 and



handed over the title deeds and possession of the said plot to the buyer of Aster Motors Private Limited.

10.8. It is further submitted that after commencement of CIRP of the Corporate Debtor, it was informed in the first meeting of the Committee of Creditors that IDBI Bank had inadvertently handed over possession of Plot No. 986/31, which belonged to the Corporate Debtor, to the buyer of Aster Motors Private Limited instead of handing over possession of Plot No. 986/32. Consequently, while the title deeds of Plot No. 986/31 continued to remain with IDBI Bank and the security interest subsists over the said plot, the physical possession thereof is presently with Aster Motors Private Limited.

10.9. It is submitted that thereafter IDBI Bank handed over possession of Plot No. 986/32 to the Resolution Professional whereas the title deeds of Plot No. 986/31 continue to remain with the bank. The Resolution Professional states that the aforesaid factual position regarding the mismatch in possession and title of the plots had been expressly disclosed in the Information Memorandum circulated to all resolution applicants including the present applicant.

10.10. It is further submitted that pursuant to the invitation of Expressions of Interest, the provisional list and final list of prospective resolution applicants were issued



and four resolution plans, including that of the applicant, were received. The plans were opened in the 4th meeting of the Committee of Creditors held on 23.09.2025 wherein the financial parameters of the bids were read out and the Committee decided that the first round of negotiations would be held through a physical meeting scheduled on 03.10.2025.

10.11. It is submitted that after the 4<sup>th</sup> CoC meeting, the Resolution Professional carried out vetting of the resolution plans and communicated certain queries, deficiencies and non-compliances to the respective resolution applicants. The applicant was informed of such queries on 25.09.2025 and was requested to submit a revised resolution plan within three days. However, instead of submitting the revised plan, the applicant sought extension of time.

10.12. It is further submitted that a physical negotiation meeting was scheduled on 03.10.2025 at the IDBI Bank Zonal Office for discussion and negotiation of financial proposals. While all other resolution applicants attended the said meeting, the applicant failed to attend the same and only subsequently expressed inability to attend while stating that a revised financial bid would be submitted. replyla1451

10.13. It is submitted that despite repeated reminders including communication dated 06.10.2025, the



applicant failed to submit a compliant resolution plan and instead continued to raise queries regarding the status and possession of the assets of the Corporate Debtor, despite the same having already been disclosed in the Information Memorandum and earlier communications.

10.14. It is further submitted that the 5th meeting of the Committee of Creditors was convened on 09.10.2025 wherein it was observed that out of the four resolution plans received, two plans including that of the applicant were non-compliant. The Committee nevertheless granted a final opportunity to the applicant to submit a duly amended and compliant resolution plan by 13.10.2025 addressing all pending queries.

10.15. It is submitted that although reminders were sent on 11.10.2025, 12.10.2025 and 13.10.2025, the applicant submitted its revised resolution plan only in the late hours of 13.10.2025 in a password protected format. Thereafter, during the 6th meeting of the Committee of Creditors held on 16.10.2025, the applicant asserted that it had addressed the queries but simultaneously raised allegations regarding unfair advantage to certain prospective resolution applicants.

10.16. It is further submitted that upon vetting the revised plan submitted by the applicant, it was found that the



queries remained unaddressed and the applicant was again requested through communications dated 18.10.2025 and 19.10.2025 to submit a compliant plan by 21.10.2025. However, instead of submitting a revised plan, the applicant once again raised identical queries regarding the status and possession of the plots.

10.17. It is submitted that thereafter the applicant submitted another revised plan on 25.10.2025. Upon vetting the said plan and placing the same before the Committee of Creditors in the adjourned 6th CoC meeting held on 28.10.2025, it was observed that the applicant's plan continued to remain non-compliant whereas the other plans were compliant. Accordingly, the Committee of Creditors declared the resolution plan of the applicant as non-responsive under the provisions of the Request for Resolution Plan and Regulation 39 of the CIRP Regulations and directed that the said plan shall not be placed for consideration and voting.


10.18. It is therefore submitted that the conduct of the applicant demonstrates that despite repeated opportunities it failed to submit a compliant resolution plan, did not participate in negotiation meetings and repeatedly raised identical queries thereby delaying the CIRP. It is further contended that neither Respondent No. 3 nor Respondent No. 4 is a related party of the



Corporate Debtor and the applicant has failed to produce any evidence to substantiate the allegation of ineligibility under Section 29A of the Code. Consequently, the present application is stated to be devoid of merit and liable to be dismissed.

**11.** To the above reply, an **affidavit-in-rejoinder** was filed on behalf of the Applicant in this IA, Claro Energy, on 19.01.2026 vide Inward Diary No. D168, where in following submissions were raised by Claro Energy: -

11.1. It is submitted that the allegation of the Resolution Professional that the application has been filed at a belated stage after approval of the resolution plan by the Committee of Creditors is denied as baseless. The Applicant submits that the application has been filed in its capacity as a bona fide prospective resolution applicant seeking clarification and appropriate directions regarding the properties and assets of the Corporate Debtor, which information was allegedly not provided by the Resolution Professional despite repeated communications. It is further submitted that under Sections 18, 20 and 25 of the Insolvency and Bankruptcy Code, 2016, the Resolution Professional is under a continuing statutory obligation to take custody and control of the assets of the Corporate Debtor and to preserve and protect their value for the benefit of all



stakeholders throughout the CIRP.

11.2. It is further submitted that the Resolution Professional cannot evade or postpone the discharge of these duties on the ground that the Committee of Creditors has approved a resolution plan. According to the Applicant, any failure on the part of the Resolution Professional to clarify or secure the assets of the Corporate Debtor undermines transparency in the CIRP and frustrates the objective of value maximisation under the Code. The Resolution Professional is stated to act in a fiduciary capacity and is therefore obliged to respond and take corrective steps whenever irregularities or ambiguities relating to the assets of the Corporate Debtor are brought to his notice.

11.3. It is submitted that the averments made by the Resolution Professional regarding the sale of Aster Motors Private Limited by Mr. Vipul Shah to Mr. Anand Bharatkumar Shah in the year 2022 and the settlement of dues of IDBI Bank are misleading and contrary to the record. The Applicant states that an independent search of the records of the Registrar of Companies indicates that from the incorporation of Aster Motors Private Limited in June 2010 till August 2023, statutory filings continued to bear the signature of Mr. Mayank Shah as Director, thereby suggesting that there was no effective change in management or



control. Copies of the relevant company documents have been annexed as Annexure-1.

11.4. It is further submitted that the Resolution Professional himself has disclosed in the Information Memorandum that Aster Motors Private Limited is a related party of the Corporate Debtor. Having made such disclosure, the Resolution Professional is stated to be estopped from contending otherwise. A copy of the relevant extract of the Information Memorandum has been annexed as Annexure-2. The details, as reproduced from the Information Memorandum, are as follows: -

*“7. Particulars of Debt Due from or to Corporate Debtor with respect to Related Parties*

*Directors have provided provisional financial statements and accounting data as on the CIRP commencement date, i.e., 06.05. 2025, Details of debts due from or to the Corporate Debtor with respect to related parties, based on the such provisional financial statements and accounting data (subject to audit & reconciliation) are as under:*

*a. Debt Due from Corporate Debtor to related parties\**

*(Amount in Lakhs)*

<b>Particulars</b>	<b>Relationship</b>	<b>06.05.2025</b>	<b>31.03.2025</b>
<b>Unsecured Loans</b>			
Hastisingh Narayan Singh Rajpurohit	Director	1823.32	1823.32
Vipul Shah	Director	574.70	574.70
Mayank Shah	Ex-Director	115.00	115.00
Niral Shah	Relative of	26.00	26.00



	Director		
Aster Motors Pvt. Ltd.	Associate Concern	32.10	32.10
Miles Motors Pvt. Ltd.	Associate Concern	5.71	5.71
<b>Total</b>		2576.83	2576.83

(\*Source: Audited Financial Statements for the year ended 31<sup>st</sup> March 2025 and Provisional Financial Statements as on 6<sup>th</sup> May 2025)


11.5. It is further submitted that Mr. Anand Bharkat Kumar Shah, who is presently shown as a Director of Aster Motors Private Limited, is also a Designated Partner of Meghdoot Leisure LLP, which is the Successful Resolution Applicant. According to the Applicant, this overlap of managerial personnel demonstrates common control and influence between the entities, thereby attracting the definition of "related party" under the Code. Copies of the master data of Meghdoot Leisure LLP and Aster Motors Private Limited have been annexed as Annexure-3.

11.6. It is further submitted that Aster Motors Private Limited continues to remain in occupation and possession of Plot No. 31, which allegedly forms part of the assets of the Corporate Debtor. The Applicant contends that the said property ought to be taken into custody and control by the Resolution Professional in terms of Sections 18 and 25 of the Code and that continued possession by an entity connected with Meghdoot Leisure LLP demonstrates indirect control over the assets and affairs of the Corporate Debtor.



11.7. On the basis of the above facts, the Applicant contends that Aster Motors Private Limited is a related party of the Corporate Debtor and that Meghdoot Leisure LLP is connected with Aster Motors Private Limited through common directors and control. Consequently, Meghdoot Leisure LLP is alleged to be indirectly related to the Corporate Debtor and therefore ineligible under Sections 29A(c), 29A(j) and 29A(k) of the Code. It is further contended that consideration or approval of any resolution plan submitted by Meghdoot Leisure LLP is contrary to the provisions of the Code and vitiated by suppression of material facts.

11.8. It is further submitted that the allegations of the RP that the Applicant Claro Energy failed to participate meaningfully in the CIRP process are incorrect and misleading. The Applicant submits that it had submitted its resolution plan on 22.09.2025 along with an Earnest Money Deposit of Rs. 25,00,000/- and subsequently engaged with the Resolution Professional in good faith to address queries and deficiencies. Upon receipt of the email dated 25.09.2025 from the Resolution Professional pointing out certain deficiencies, the Applicant revised its proposal and submitted a final revised resolution plan on 25.10.2025, which was subsequently acknowledged upon receipt of the hard copy on 01.11.2025. A copy of the communication dated 25.10.2025 forwarding the



revised plan has been annexed as Annexure-4.

11.9. It is further submitted that despite receipt of the revised plan, the Resolution Professional neither communicated any fresh deficiencies nor informed the Applicant that the plan was considered non-compliant. Instead, the Applicant's plan was allegedly excluded from consideration without placing it before the Committee of Creditors. The Applicant further submits that it was not invited to attend the 6th meeting of the Committee of Creditors held on 28.10.2025, thereby depriving it of the statutory right under Section 30(5) of the Code to present and explain its resolution plan before the Committee of Creditors.

11.10. It is further submitted that the subsequent approval of another resolution plan without informing the Applicant and without returning its Earnest Money Deposit in terms of the Request for Resolution Plan demonstrates arbitrariness and lack of transparency in the conduct of the CIRP. The Applicant states that it has consistently expressed willingness to revise and improve its financial bid, including through communication dated 10.12.2025, and remains ready to enhance its proposal in consultation with the Committee of Creditors in the interest of value maximisation.

11.11. It is therefore submitted that the actions and omissions



of the Resolution Professional are arbitrary, non-transparent and contrary to the provisions of the Code. According to the Applicant, the Resolution Professional has exceeded his administrative role by excluding the Applicant's resolution plan from consideration, denying the Applicant its statutory rights under Section 30(5) of the Code, failing to properly verify and protect the assets of the Corporate Debtor, and withholding the Applicant's Earnest Money Deposit in violation of the RFRP. The Applicant submits that these actions have caused serious prejudice and have undermined the principles of fairness and value maximisation underlying the CIRP.

**12.** Thereafter, **written submissions** came to be filed on behalf of Respondent No. 1 - Resolution Professional on 13.02.2026, vide Inward Diary No. D1291.

**IA No. 62 of 2026**

**13.** Thereafter, another IA was preferred by Claro Energy bearing **IA No. 62 of 2026** against the RP further seeking following reliefs: -

*(A) allow the present application:*

*(B) issue necessary directions to Resolution Professional to provide the Applicant a fair and reasonable opportunity for consideration of its resolution plan and to place the same for discussion before the Committee of Creditors.*



- (C) *issue necessary directions to the Resolution Professional to take physical possession of the assets of the Corporate Debtor including assets under the possession of Aster Motors and secure the same in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016*
- (D) *Your Lordship may be pleased to issue necessary directions to Resolution Professional to provide opportunity to applicant to modify/amend/ revise its financial bid in consultation with CoC of Corporate Debtor, And*
- (E) *Pending hearing and final disposal of present interlocutory application IA (Plan)19 of 2025 filed by Resolution Professional for approval of resolution plan.*

**14.** In support of the reliefs sought in the said application, the Applicant has set out following **factual assertions**: -

14.1. It is further submitted that pursuant to the commencement of CIRP, the RP issued FORM G dated 05.07.2025 inviting EoI from prospective resolution applicants and fixed 22.07.2025 as the last date for submission of the EoI. The Applicant, Claro Energy Limited, submitted its EoI on 22.07.2025, and upon seeking certain clarifications by the RP, the Applicant furnished the same through emails dated 23.07.2025 and 25.07.2025.

14.2. It is submitted that thereafter the Resolution Professional, vide email dated 16.08.2025, confirmed the inclusion of the Applicant in the final list of eligible Prospective Resolution Applicants and informed that the Information Memorandum and the Request for



Resolution Plan would be shared to enable submission of the resolution plan.

14.3. It is further submitted that the Applicant submitted its Resolution Plan for the Corporate Debtor through email dated 22.09.2025 along with proof of payment of the Earnest Money Deposit of Rs. 25,00,000/-. Thereafter, the Resolution Professional, vide email dated 25.09.2025, informed the Applicant that upon vetting the plan certain deficiencies had been noticed and required substantial revision, inter alia relating to compliance under Section 30 of the Code, identification of cause of default, disclosure of future business operations, inconsistencies in definitions and timelines, lack of clarity regarding assets and financial impact during the CIRP period, and absence of confirmation regarding adherence to the terms of the Request for Resolution Plan.

14.4. It is submitted that in response to the aforesaid communication, the Applicant submitted a revised resolution plan on 25.10.2025, incorporating the suggestions and clarifications sought by the Resolution Professional, and subsequently furnished the physical copy of the revised plan which was acknowledged by the RP on 01.11.2025.

14.5. It is further submitted that the Applicant later came to know that the Resolution Professional had filed IA



(Plan) No. 19 of 2025 on 14.11.2025 seeking approval of the resolution plan of Meghdoot Leisure LLP. Upon obtaining the certified copy of the said application on 10.12.2025, the Applicant became aware that during the 6th meeting of the Committee of Creditors held on 28.10.2025, the resolution plans submitted by other prospective resolution applicants were discussed and placed for voting, whereas the resolution plan submitted by the Applicant was treated as non-compliant and was not placed before the Committee of Creditors for discussion or voting.

14.6. It is submitted that the Applicant contends that the RP acted in breach of the terms of the RFRP by not placing the Applicant's revised resolution plan before the CoC. According to the Applicant, the alleged non-compliances relied upon by the RP were never communicated to the Applicant and the Applicant had already submitted a revised plan incorporating all suggestions conveyed by the RP. Consequently, the exclusion of the Applicant's plan from consideration is stated to have deprived the CoC of its statutory right to evaluate the plan on merits.

14.7. It is further submitted that the Applicant has relied upon the judgment of the Hon'ble Supreme Court in *Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta & Ors.*, wherein it has been held



that the role of the Resolution Professional is administrative in nature and the decision regarding acceptance or rejection of a resolution plan lies exclusively within the commercial wisdom of the Committee of Creditors. The Applicant therefore contends that the Resolution Professional exceeded his authority by unilaterally discarding the Applicant's resolution plan without placing it before the Committee of Creditors.

14.8. It is further submitted that the Applicant was not invited to participate in the 6th meeting of the Committee of Creditors held on 28.10.2025, during which the resolution plans were discussed. According to the Applicant, such non invitation deprived it of its statutory right under Section 30(5) of the Insolvency and Bankruptcy Code, 2016, which permits a resolution applicant to attend the meeting of the Committee of Creditors in which its resolution plan is considered.


14.9. It is also submitted that the Applicant had repeatedly sought clarification from the Resolution Professional regarding the possession and title status of Plot No. 31, which constitutes a core asset of the Corporate Debtor. However, despite communications dated 16.10.2025 and 21.10.2025, the Resolution Professional allegedly failed to provide clear information regarding whether



the said property was in possession of the Resolution Professional, the secured creditor, or any third party. According to the Applicant, such lack of clarity adversely affects valuation of the Corporate Debtor and impairs the ability of prospective resolution applicants to formulate accurate resolution plans.

14.10. It is further submitted that the Applicant has alleged that Meghdoot Leisure LLP, whose resolution plan has been approved by the Committee of Creditors, is ineligible under Section 29A of the Code on the ground that it is allegedly connected with Aster Motors Private Limited, which is stated to be a related party of the Corporate Debtor and is presently in possession of Plot No. 31. According to the Applicant, common managerial personnel between Aster Motors Private Limited and Meghdoot Leisure LLP establishes such connection and therefore renders Meghdoot Leisure LLP ineligible to submit a resolution plan.

14.11. It is further submitted that the Applicant has alleged that the Resolution Professional failed to disclose the approval of the resolution plan of another applicant and did not communicate to the Applicant that its resolution plan had been rejected or treated as non compliant. According to the Applicant, such non communication deprived it of the opportunity to address any deficiencies, improve its plan, or



participate in negotiations before the Committee of Creditors.

14.12. It is also submitted that despite the approval of another resolution plan, the Resolution Professional did not refund the Earnest Money Deposit of Rs. 25,00,000/- submitted by the Applicant, which according to the Applicant is contrary to the terms of the Request for Resolution Plan that require refund of the Earnest Money Deposit within 15 days from the date of declaration of the successful resolution applicant.

14.13. It is further submitted that the Applicant has alleged that the CIRP process was conducted in undue haste, particularly in view of the fact that the extended CIRP period was scheduled to expire on 30.01.2026, and that the actions of the Resolution Professional deprived the Applicant of a fair opportunity to participate in the resolution process.

14.14. It is lastly submitted that the Applicant asserts that it remains ready and willing to revise and improve its financial proposal and claims that its revised resolution plan proposes a total resolution value of Rs. 17.00 crores, which according to the Applicant is higher than the consideration of approximately Rs. 13.54 crores offered under the resolution plan of Meghdoot Leisure LLP. The Applicant therefore contends that consideration of its resolution plan would result in



better value maximisation for the stakeholders of the Corporate Debtor.

**15.** In response to the aforesaid application, the Respondent in this IA, the **RP** has filed an **affidavit-in-reply** on 27.01.2026 vide Inward Diary No. D617, opposing the reliefs sought by the Applicant and further making following contentions: -

15.1. It is submitted that the Applicant, Claro Energy Limited, was duly included in the final list of eligible Prospective Resolution Applicants communicated vide email dated 16.08.2025 (Annexure D) after submission of its Expression of Interest dated 22.07.2025, along with clarificatory communications dated 23.07.2025 and 25.07.2025 (Annexure C Colly). Pursuant thereto, the Applicant submitted its Resolution Plan on 22.09.2025 along with Earnest Money Deposit of Rs. 25,00,000/- (Annexure E).

15.2. It is further submitted that upon vetting the Resolution Plan, the Respondent RP communicated certain deficiencies and non-compliances vide email dated 25.09.2025 (Annexure F) and requested the Applicant to revise the plan in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, the CIRP Regulations and the terms of the Request for Resolution Plan.




- 15.3. It is submitted that instead of curing the deficiencies within the stipulated timelines, the Applicant addressed emails dated 16.10.2025 and 21.10.2025 (Annexure H) seeking clarification regarding the possession and title of Plot No. 31, which forms part of the assets of the Corporate Debtor. According to the Respondent RP, the relevant information regarding the assets had already been disclosed in the Information Memorandum (Annexure R) and the Virtual Data Room, and therefore the Applicant's repeated queries were unwarranted.
- 15.4. It is further submitted that the Applicant subsequently submitted a revised resolution plan through email dated 25.10.2025 (Annexure G). However, upon further scrutiny the revised plan was again found to be non-compliant with the provisions of the Code and the RFRP.
- 15.5. It is submitted that during the 6th meeting of the Committee of Creditors held on 28.10.2025, the resolution plans received from the prospective resolution applicants were considered and discussed. Since the Applicant's plan continued to remain non-compliant, the same was declared non-responsive in terms of the Request for Resolution Plan and Regulation 39 of the CIRP Regulations and was therefore not placed before the Committee of Creditors



for consideration or voting.

- 15.6. It is further submitted that the Applicant cannot claim an absolute right to have its resolution plan placed before the CoC when the plan fails to comply with the requirements of the Code, the CIRP Regulations and the Request for Resolution Plan (Annexure Q). According to the Respondent, the Resolution Professional is statutorily obligated under Section 30(2) of the Code to examine whether a resolution plan complies with the statutory requirements before placing the same before the Committee of Creditors.
- 15.7. It is also submitted that the CIRP is a time bound process and the Resolution Professional is required to ensure adherence to the timelines prescribed under the Code. The Respondent contends that the Applicant repeatedly failed to cure deficiencies in its plan and continued to raise identical queries regarding the assets of the Corporate Debtor despite the same being disclosed in the Information Memorandum (Annexure R) and other documents available in the Data Room.
- 15.8. It is further submitted that the Applicant had also addressed a communication dated 10.12.2025 to the CoC and the RP seeking an opportunity to present its resolution plan (Annexure M). According to the Respondent, the said request cannot be entertained once the CoC had already exercised its commercial



wisdom and approved another resolution plan.


15.9. The Respondent has also referred to various documents placed on record including chronology relating to the transfer of Plot No. 31 (Annexure I), master data of the Corporate Debtor and Aster Motors Private Limited (Annexure J), master data of Meghdoot Leisure LLP (Annexure K Colly), and compliance checklist relating to the resolution plans (Annexure L) in order to demonstrate that the CIRP process was conducted in accordance with law.

15.10. It is therefore contended that the present application seeking directions to place the Applicant's resolution plan before the Committee of Creditors is not maintainable and is liable to be dismissed.

15.11. In support of the aforesaid submissions, the Respondent Resolution Professional has relied upon the following judgments:

**Hon'ble Supreme Court of India**

- a. *K. Sashidhar v. Indian Overseas Bank & Ors.*, Civil Appeal No. 10673 of 2018.
- b. *Jaypee Kensington Boulevard Apartments Welfare Association & Ors. v. NBCC (India) Limited & Ors.*, Civil Appeal No. 3395 of 2020.
- c. *Ebix Singapore Private Limited v. Committee of*



*Creditors of Educomp Solutions Limited & Anr., Civil Appeal No. 3224 of 2020.*

- d. *State Bank of India & Ors. v. The Consortium of Mr. Murari Lal Jalan and Mr. Florian Fritsch and Anr., Civil Appeal Nos. 5023-5024 of 2024.*

**Hon'ble National Company Law Appellate Tribunal**

- a. *M/s. Pioneer Engineering Industries v. Anjali Capfin Private Limited & Ors., Company Appeal (AT) (Ins.) No. 1382 of 2024.*
- b. *Cine-Corp Filmdom Pvt. Ltd. v. Ashok Kumar Gulla (RP) and Anr., Company Appeal (AT) (Ins.) No. 1614 of 2025.*
- c. *Express Resorts and Hotels Limited v. Amit Jain, Resolution Professional & Ors., Company Appeal (AT) (Ins.) No.1158 of 2022.*
- d. *Nivaya Resources Pvt. Ltd. v. Asset Reconstruction Company (India) Ltd. and Anr., Company Appeal (AT) (Ins.) No. 1184 of 2022.*
- e. *Mehar Bhoomi Bhawan Pvt. Ltd. v. Shashi Bhushan Prasad (RP) and Ors., Company Appeal(AT)(Ins.) No. 1876 of 2025.*
- f. *Calyx Chemicals and Pharmaceuticals Private Limited v. Ravindra N. Athavale & Ors., Company Appeal (AT)(Ins.) No. 522 of 2024.*



- g. *CoC of Meenakshi Energy Ltd. Through State Bank of India v. Consortium of Prudent ARC Lid. & Vizag Minerals and Logistics P. Ltd., Company Appeal (AT) (CH)(Ins.) Nos.166 & 174 of 2021.*

**16.** Respondent No. 2 in this IA, the **Committee of Creditors** being represented by the lead bank , the IDBI Bank has also filed an **affidavit-in-reply** on 28.01.2026 vide Inward Diary No. D716, in terms of the order dated 19.01.2026, wherein following contentions were raised: -

16.1. It is further submitted that the Applicant cannot claim an absolute right to have its resolution plan placed before the Committee of Creditors when the plan fails to comply with the requirements of the Code, the CIRP Regulations and the Request for Resolution Plan (Annexure Q). According to the Respondent, the Resolution Professional is statutorily obligated under Section 30(2) of the Code, to examine whether a resolution plan complies with the statutory requirements before placing the same before the Committee of Creditors.

16.2. It is also submitted that the CIRP is a time bound process and the Resolution Professional is required to ensure adherence to the timelines prescribed under the Code. The Respondent contends that the Applicant



repeatedly failed to cure deficiencies in its plan and continued to raise identical queries regarding the assets of the Corporate Debtor despite the same being disclosed in the Information Memorandum (Annexure R) and other documents available in the Data Room.

16.3. It is further submitted that the Applicant had also addressed a communication dated 10.12.2025 to the Committee of Creditors and the Resolution Professional seeking an opportunity to present its resolution plan (Annexure M). According to the Respondent, the said request cannot be entertained once the Committee of Creditors had already exercised its commercial wisdom and approved another resolution plan.

16.4. The Respondent has also referred to various documents placed on record including chronology relating to the transfer of Plot No. 31 (Annexure I), master data of the Corporate Debtor and Aster Motors Private Limited (Annexure J), master data of Meghdoot Leisure LLP (Annexure K Colly), and compliance checklist relating to the resolution plans (Annexure L) in order to demonstrate that the CIRP process was conducted in accordance with law.

16.5. It is therefore contended that the present application seeking directions to place the Applicant's resolution plan before the Committee of Creditors is not maintainable and is liable to be dismissed.



16.6. It is further submitted that during the aforesaid meeting the CoC recorded that the resolution plan submitted by the Applicant was non-compliant, inter alia, for the following reasons:

- i. Non-compliance with Regulation 38(1)(a) of the CIRP Regulations, inasmuch as priority payment to operational creditors was not ensured.
- ii. Non-compliance with Regulation 38(4)(a) of the CIRP Regulations, as the plan did not provide the Committee of Creditors the right to constitute the Monitoring Committee.
- iii. Non-compliance with Regulation 38(3)(b) of the CIRP Regulations, since the plan failed to demonstrate the feasibility and viability of the Corporate Debtor post resolution and did not establish the availability of funds for implementation of the plan.
- iv. Non-compliance with Clause 2.1.4(d) of the Request for Resolution Plan (RFRP).
- v. Presence of contradictory clauses in the resolution plan submitted by the Applicant.

16.7. It is submitted that in view of the aforesaid deficiencies, the Committee of Creditors, in accordance with Clause 2.1.4(d) of the RFRP and Regulation 39(1B)(c) of the CIRP Regulations, declared the resolution plan of the Applicant as non-responsive and directed the Resolution Professional not to place the same before the Committee of Creditors for voting or consideration.

16.8. It is further submitted that placing the Applicant's resolution plan for voting would have been contrary to



Regulation 39(1B)(c) of the CIRP Regulations, as the plan was non-compliant. It is also contended that even otherwise the value offered by the Applicant in its plan was substantially lower than the value offered by the Successful Resolution Applicant.

16.9. It is stated that while the Applicant had offered Rs. 12,00,00,000/- under its final resolution plan submitted on 25.10.2025, the Successful Resolution Applicant had submitted a plan value of Rs. 13,34,00,000/-. The Applicant has now sought to rely upon a subsequent offer of Rs. 14,00,00,000/- mentioned in Annexure-N of the application, however the same cannot be considered once the resolution plan has already been approved by the CoC.

16.10. In support of the aforesaid contention, reliance has been placed upon the judgment of the Hon'ble NCLAT, Principal Bench, New Delhi in *Express Resorts and Hotels Limited v. Amit Jain*, Company Appeal (AT) (Ins.) No. 1158 of 2022, wherein it has been held that once a resolution plan has been approved by the Committee of Creditors in exercise of its commercial wisdom, subsequent offers cannot be entertained and the process cannot be reopened. A copy of the said judgment has been annexed as Annexure-R4.

16.11. It is further submitted that pursuant to the approval of the resolution plan, the Resolution Professional issued



a Letter of Intent dated 13.11.2025 to the Successful Resolution Applicant, and the Successful Resolution Applicant furnished a Performance Guarantee of Rs. 1,50,00,000/- through RTGS.

16.12. It is contended that the revised plan now sought to be proposed by the Applicant has been formulated only after the Applicant obtained knowledge of the financial proposal submitted by the Successful Resolution Applicant. Permitting such revision would undermine the sanctity of the confidential bidding process and would require reopening the entire negotiation process, which is impermissible under the scheme of the Code.

16.13. It is further submitted that allowing the relief sought by the Applicant would open the floodgates of litigation by unsuccessful resolution applicants seeking repeated reconsideration of their plans, which would defeat the objective of a strict and time bound resolution process under the Code and result in depletion of the value of the Corporate Debtor.

16.14. It is also submitted that adequate opportunities were granted to the Applicant to revise its proposal and make its resolution plan compliant. Having failed to avail such opportunities and having offered a lower value, the Applicant cannot now seek a fresh opportunity at a belated stage by offering a higher bid.



16.15. It is further submitted that the prayer of the Applicant seeking directions to the Resolution Professional to take physical possession of the assets of the Corporate Debtor, including assets alleged to be in possession of Aster Motors, is misconceived and contrary to the terms of the RFRP, which clearly provides that the Successful Resolution Applicant shall take over the assets of the Corporate Debtor on an “as is where is basis”.

16.16. It is therefore submitted that the Committee of Creditors, in exercise of its commercial wisdom, has consciously decided to stand by its decision approving the resolution plan of Meghdoot Leisure LLP and does not intend to reconsider or entertain the revised resolution plan submitted by the Applicant.

16.17. Accordingly, Respondent No.2 has prayed that the present application be dismissed and that this Tribunal may proceed with the adjudication and approval of the resolution plan of Meghdoot Leisure LLP as approved by the Committee of Creditors.

17. The **Applicant Claro Energy** has filed **rejoinders** to the replies filed by Respondent No.1 – RP on 13.02.2026 vide Inward Diary No. D1375 as well as Respondent No.2 - CoC through IDBI Bank on 13.02.2026 vide Inward Diary No. D1374, denying the allegations made in the replies and



reiterating the averments made in the application: -

17.1. The Applicant contends that the reliance placed by the Resolution Professional on the doctrine of commercial wisdom of the Committee of Creditors is misplaced, as the Applicant's Resolution Plan was never placed before the Committee of Creditors for consideration and therefore was never subjected to any financial or commercial evaluation. According to the Applicant, the plan was rejected at the threshold on the alleged ground of non-compliance with the Request for Resolution Plan and the Insolvency and Bankruptcy Code, 2016, and consequently the question of the Committee of Creditors exercising commercial wisdom does not arise in the present case.

17.2. It is further submitted that the Resolution Professional misrepresented the Applicant as "non-responsive" before the Committee of Creditors and excluded the Applicant's Resolution Plan from consideration without placing the same before the CoC. The Applicant submits that such action amounts to a procedural impropriety and is contrary to the scheme of the Code.

17.3. The Applicant contends that it had consistently participated in the Corporate Insolvency Resolution Process and had promptly responded to communications from the Resolution Professional. In support of the same, the Applicant has relied upon a



chronology of email communications exchanged between the Applicant and the Resolution Professional between 23.07.2025 and 01.11.2025, demonstrating that the Applicant submitted its Resolution Plan on 22.09.2025 along with the Earnest Money Deposit of Rs. 25,00,000/-, responded to queries raised by the Resolution Professional, and submitted revisions whenever deficiencies were pointed out.

17.4. It is further submitted that the Applicant had submitted its revised and duly signed final Resolution Plan on 25.10.2025, incorporating all modifications and clarifications sought by the Resolution Professional. A copy of the said communication dated 25.10.2025 has been annexed as Annexure-4 to the rejoinder.

17.5. The Applicant also contends that despite receipt of the revised Resolution Plan, the Resolution Professional never communicated any further deficiencies nor issued any notice declaring the plan to be non-compliant. Instead, the Resolution Professional allegedly unilaterally excluded the Applicant's plan from consideration and portrayed the Applicant as non-responsive before the Committee of Creditors.

17.6. It is further submitted that the Applicant had sought clarification regarding the status and possession of Plot No. 31, which constitutes a key asset of the Corporate



Debtor. According to the Applicant, the Resolution Professional failed to take custody of the said asset or provide clear disclosures regarding its possession, which prevented the Applicant from fully assessing the feasibility and value of its Resolution Plan.

17.7. The Applicant further contends that the Resolution Professional failed to disclose that Aster Motors Private Limited, which continues to remain in possession of Plot No. 31, is a related party of the Corporate Debtor as reflected in the Information Memorandum. A copy of the Information Memorandum relied upon by the Applicant has been annexed as Annexure-2.

17.8. It is also submitted that Mr. Anand Bharatkumar Shah (DIN: 00509806), who is shown as a Director of Aster Motors Private Limited, is also a Designated Partner of Meghdoot Leisure LLP, the Successful Resolution Applicant. According to the Applicant, this overlap of managerial personnel establishes a nexus between Aster Motors Private Limited and Meghdoot Leisure LLP, thereby attracting the definition of "related party" under the Insolvency and Bankruptcy Code, 2016. In support of this contention, the Applicant has placed on record the master data of Meghdoot Leisure LLP and Aster Motors Private Limited, annexed as Annexure-3.

17.9. The Applicant therefore contends that Meghdoot Leisure LLP is ineligible under Sections 29A(c), 29A(g)



and 29A(j) of the Insolvency and Bankruptcy Code, 2016, as it is allegedly connected with an entity exercising control over the assets of the Corporate Debtor.

17.10. It is further submitted that the Applicant had requested postponement of the meeting of the Committee of Creditors scheduled on 09.10.2025, with a bona fide intention of ensuring meaningful participation in the process. A copy of the said communication has been annexed as Annexure-6. However, the request was allegedly rejected by the Resolution Professional without justification.

17.11. The Applicant further contends that it was never invited to the Committee of Creditors meeting held on 28.10.2025, during which its Resolution Plan was allegedly declared non-compliant and excluded from consideration. According to the Applicant, such exclusion without notice violates Section 30(5) of the Insolvency and Bankruptcy Code, 2016, which mandates that the Resolution Applicant shall be permitted to attend the meeting of the Committee of Creditors where its resolution plan is considered.

17.12. It is further submitted that the Applicant had subsequently addressed an email dated 10.12.2025 expressing its willingness to revise and improve its financial offer in consultation with the Committee of




Creditors. A copy of the said communication has been annexed as Annexure-5.

17.13. The Applicant further contends that the Resolution Professional failed to refund the Earnest Money Deposit of the Applicant even after the resolution plan of another applicant was approved by the Committee of Creditors, allegedly in violation of the provisions of the Request for Resolution Plan.

17.14. It is therefore submitted that the exclusion of the Applicant's Resolution Plan from consideration by the Committee of Creditors was arbitrary, non-transparent and contrary to the provisions of the Insolvency and Bankruptcy Code, 2016. According to the Applicant, the CIRP process has been vitiated by procedural irregularities, suppression of material facts and denial of an opportunity to the Applicant to participate in the decision-making process.

17.15. In support of its submissions regarding value maximisation and reconsideration of resolution plans, the Applicant has placed reliance on the following decisions of the Hon'ble NCLAT:

- a. *State Bank of India v. Subodh Kumar Agrawal, RP of Ushdev International Ltd., Company Appeal (AT) (Insolvency) No. 1377 of 2019.*
- b. *Vistra ITCL (India) Ltd. v. Torrent Investments Pvt.*



*Ltd. & Ors., Company Appeal (AT) (Insolvency) Nos. 132, 133, 134 and 139 of 2023.*

c. *Panna Pragati Infrastructure Pvt. Ltd. & Anr. v. Amit M. Pareek & Ors., Company Appeal (AT) (Insolvency) Nos. 515 and 516 of 2020.*

**18.** Thereafter, **written submissions** came to be filed by the Applicant, Claro Energy Limited, in the present IA on 24.02.2026, vide Inward Diary No. D1732; and were also filed on behalf of Respondent No. 1 – RP on 13.02.2026, vide Inward Diary No. D1287, and on behalf of Respondent No. 2 – CoC on 16.02.2026, vide Inward Diary No. D1379.

**19.** We have heard the counsel for the Applicant as well as the Counsel for the SRA and have perused the material available on record.

**20.** In the present case, the Resolution Professional has filed IA (Plan) No. 19 of 2025 under Section 30 read with Section 31 of the Code read with Regulation 39(4) of the CIRP Regulations seeking approval of the Resolution Plan submitted by Meghdoot Leisure LLP, which was approved by the Committee of Creditors with 100 percent voting share.



21. IA No. 1451 of 2025 has been filed by Claro Energy Limited, one of the unsuccessful Resolution Applicant in the CIRP of the Corporate Debtor seeking directions and clarifications with respect to the assets of the Corporate Debtor, particularly regarding the possession and title of Plot No. 986/31 and Plot No. 986/32 situated at GIDC Makarpura, Vadodara. The Applicant has further alleged that certain entities participating in the resolution process, namely Survi Infraspaces LLP and Meghdoot Leisure LLP, have business associations with Aster Motors Private Limited, which according to the Applicant is connected with the assets of the Corporate Debtor. On this basis, the Applicant has prayed for a declaration that the said entities are related parties and consequently ineligible to participate in the resolution process under Section 29A of the Code, and has also sought restraint against finalisation of the resolution plan during the pendency of the application.

22. IA No. 62 of 2026 has also been filed by Claro Energy Limited seeking directions against the Resolution Professional. In the said application, the Applicant has



essentially contended that its Resolution Plan was wrongly treated as non-compliant and was not placed before the Committee of Creditors for consideration or discussion. The Applicant has alleged that the Resolution Professional exceeded his administrative role by excluding its plan without placing the same before the CoC and thereby deprived the CoC of the opportunity to evaluate the plan in exercise of its commercial wisdom. On this basis, the Applicant has prayed for directions to the Resolution Professional to provide a fair and reasonable opportunity to the Applicant and to place its Resolution Plan before the Committee of Creditors for discussion and consideration.

**23.** Before proceeding to examine the merits of IA (Plan) No. 19 of 2025, this Tribunal considers it appropriate to first adjudicate upon the two interlocutory applications filed by the unsuccessful Resolution Applicant, namely IA No. 1451 of 2025 and IA No. 62 of 2026, as the reliefs sought therein relate to the conduct of the CIRP process and have a direct bearing upon the resolution plan approval application.

**24.** In response to the aforesaid applications, it is submitted by



the RP that the Applicant Claro Energy, despite being included in the final list of Prospective Resolution Applicants and having participated in the CIRP process, repeatedly failed to submit a compliant Resolution Plan within the stipulated timelines.

25. According to the Resolution Professional, several deficiencies and non-compliances in the Applicant's Resolution Plan were communicated vide email dated 25.09.2025 and subsequent reminders; however, the Applicant instead continued to raise queries relating to the possession and title of the assets of the Corporate Debtor, despite the relevant information having already been disclosed in the Information Memorandum and the Virtual Data Room. It is further contended that the Applicant did not attend the negotiation meeting convened on 03.10.2025 and failed to cure the deficiencies in its plan despite repeated opportunities granted by the Resolution Professional and the Committee of Creditors. Consequently, upon further vetting, the Resolution Plan submitted by the Applicant was found to be non-compliant with the provisions of the Code, the CIRP



Regulations and the terms of the Request for Resolution Plan and was therefore declared non responsive in terms of Regulation 39 of the CIRP Regulations and the relevant clauses of the RFRP.

26. The Resolution Professional has further submitted that the allegations raised by the Applicant regarding the assets of the Corporate Debtor and the alleged relationship between the participating resolution applicants are incorrect and misleading. It is contended that the factual position relating to Plot No. 986/31 and Plot No. 986/32 situated at GIDC Makarpura, Vadodara, including the mismatch between possession and title arising out of actions taken by the secured creditor under the SARFAESI Act, had already been clearly disclosed in the Information Memorandum circulated to all Prospective Resolution Applicants. According to the Resolution Professional, neither Survi Infraspaces LLP nor Meghdoot Leisure LLP is a related party of the Corporate Debtor within the meaning of the Code, and the Applicant has failed to produce any material evidence to substantiate the allegation of ineligibility under Section 29A of the Code.



**27.** The Committee of Creditors through its lead bank, IDBI Bank, has also opposed the applications and supported the stand taken by the Resolution Professional. It is submitted that the Committee of Creditors, after due deliberation and in accordance with the provisions of the Code and the CIRP Regulations, had recorded that the Resolution Plan submitted by the Applicant suffered from multiple deficiencies, including non-compliance with Regulations 38(1)(a), 38(3)(b) and 38(4)(a) of the CIRP Regulations, non-demonstration of feasibility and viability of the plan, and contradictions in the clauses of the Resolution Plan. In view of such deficiencies, the Committee of Creditors, in accordance with Clause 2.1.4(d) of the Request for Resolution Plan and Regulation 39(1B)(c) of the CIRP Regulations, declared the Applicant's Resolution Plan as non-responsive and directed the Resolution Professional not to place the same before the Committee of Creditors for voting or consideration.

**28.** The CoC has further contended that the Applicant had offered a resolution value of Rs. 12,00,00,000/- under its



final plan submitted on 25.10.2025, whereas the plan submitted by Meghdoot Leisure LLP, which was subsequently approved by the Committee of Creditors, provided a resolution value of Rs. 13,34,00,000/-. It is submitted that the Applicant is now seeking to rely upon a subsequent improved offer made after becoming aware of the financial proposal submitted by the Successful Resolution Applicant, which cannot be permitted once the Committee of Creditors has already exercised its commercial wisdom and approved the Resolution Plan. It is therefore contended that entertaining such requests would undermine the sanctity of the CIRP process and defeat the objective of a time bound resolution under the Code.

**29.** In light of the rival submissions advanced by the parties and the material placed on record, the following **issues** arise for consideration before this Tribunal:

**(i) Whether the CIRP in the present matter was conducted in a fair and transparent manner in accordance with the provisions of the Code and the CIRP Regulations?**

**(ii) Whether the allegations regarding the association**



between Meghdoot Leisure LLP, Survi Infraspac LLP and Aster Motors Private Limited give rise to any issue affecting eligibility under Section 29A of Code or otherwise impacting the integrity of the resolution process?

(iii) Whether the Resolution Professional was justified in treating the Resolution Plan submitted by Claro Energy Limited as non-compliant and declaring the same as non-responsive, and whether the concerns raised by the said Applicant regarding the assets of the Corporate Debtor were appropriately addressed during the CIRP process?

(iv) Whether the Resolution Plan submitted by Meghdoot Leisure LLP, though approved by the Committee of Creditors with 100 percent voting share, satisfies the requirements of Section 30(2) of the Code and is liable to be approved under Section 31 of the Code?

**30. Issue (i):** Whether the CIRP in the present matter was conducted in a fair and transparent manner in accordance with the provisions of the Code and the CIRP Regulations?

30.1. Before examining the resolution plan placed for approval, it is necessary to consider whether the CIRP conducted in the present matter adhered to the



principles of transparency and fairness contemplated under the Code. The framework of the Code proceeds on the premise that all prospective resolution applicants must be provided with accurate and reliable information regarding the assets and affairs of the Corporate Debtor so that informed and competitive resolution plans may be submitted for the purpose of value maximisation.

30.2. From the record placed before this Tribunal, it emerges that the principal assets of the Corporate Debtor consist of immovable property comprising a plot of land and building constructed thereon on Plot No. 986/31 situated at GIDC Estate, Makarpura, Vadodara. The material placed on record further indicates that there are two plots 986/31 and 986/32 there and the title documentation relating to the said plots (986/31 and 986/32) traces back to earlier transactions beginning from the year 1998 and subsequent transfers culminating in the ownership of the Corporate Debtor, the position regarding actual possession of the said plots became complicated following the invocation of proceedings under the SARFAESI Act by the secured creditor, IDBI Bank Limited.

30.3. It is not in dispute that during the course of the CIRP proceedings, it was brought to the notice of the Committee of Creditors (comprising of only IDBI)



during its 1<sup>st</sup> meeting that although the title deeds of Plot No. 986/31 continued to remain with the secured creditor (IDBI) in relation to the financial facilities availed by the Corporate Debtor, the physical possession of the said plot (986/31) had been handed over to Aster Motors Private Limited (hereinafter as, “**Aster Motors**”) after settlement of its dues pursuant to a One Time Settlement with the Bank. Consequently, a situation arose where the Corporate Debtor continued to have title interest in respect of Plot No. 986/31, whereas the physical possession of the said plot was with a third-party entity, i.e. Aster Motors. To clarify, the plot No. 986/31 belongs to the Corporate Debtor and plot No. 986/32 belongs to Aster but the IDBI gave possession of plot no. 986/31 to Aster after settlement with them.

30.4. The relevant portion of the **Information Memorandum** relating to the assets of the Corporate Debtor is reproduced hereinbelow (Pg. 275-277 of IA 62 of 2026):

**“3.2. Brief Description of assets as on 06.05.2025:**

(Rs. In lakhs)

<b>Assets</b>	<b>Gross Block</b>	<b>Appreciated Depreciation/ Amortisation</b>	<b>Net Block</b>
<b>Tangible Assets</b>			
<b>Own Assets</b>			
Building	1026.23	447.54	578.69




Furniture and Fixture	72.03	65.30	6.73
Office Equipments	33.49	31.83	1.67
Plant and Machinery	450.44	402.31	48.13
Land	269.15		269.15
<b>Total</b>	<b>1851.34</b>	<b>946.96</b>	<b>904.38</b>

### **3.3. Details of Land & Building**

Corporate Debtor owns a leasehold immovable property situated at Plot No. 986/31, GIDC Industrial Estate, Village Makarpura, District Vadodara, Gujarat, admeasuring approximately 3,990.48 square meters, along with a constructed structure/shed thereon. Original lease for the aforesaid immovable property was granted by the Gujarat Industrial Development Corporation (GIDC) in favour of M/s LMP Motors Private Limited through Lease Deed dated 25th September 1998 (registered on 28th September 1998) for a period of 99 years with a right of renewal for another 99 years subject to terms and conditions.

Subsequently, through a registered Deed of Assignment dated 08th April 2009, the leasehold rights in respect of the said plot were transferred by M/s LMP Motors Private Limited (assignor) to the Corporate Debtor, M/s Aldiam Motors Private Limited (assignee), after obtaining due permission from GIDC. Copy of Registered Lease Deed dated 28th September 1998 and Deed of Assignment dated 08th April 2009 are annexed as Annexure-I & II respectively.

**\*Note: As per the lease deed dated 25.09.1998, read with the assignment deed dated 08.04.2009, the Corporate Debtor is owing Plot No. 986/31, admeasuring 3990.40 sq. meters. However, the Corporate Debtor is in possession of the adjoining Plot No. 986/32, admeasuring 3844.80 sq. meters. Therefore, there is a mismatch between the legal documents relating to the property owned by the Corporate Debtor ("CD") and the actual physical**



**possession of the plot held by CD.**

### **3.4. Details of Plant & Machinery & Other Fixed Assets**

As per provisional financial Statement as on 06.05.2025, gross block and net block of Plant and Machinery, furniture & fixture and other miscellaneous fixed assets was of Rs. 555.96 lakhs & Rs. 56.53lakhs respectively.

The Plant and Machinery primarily relate to the Company's operations as an authorized service centre of Hyundai Motor India Limited, which was terminated in 2020. Therefore, all plant and machinery, along with other miscellaneous fixed assets, have been lying unused and unmaintained since then.

IDBI Bank Limited took possession of the premises situated at Plot No. 986/31, (actual plot no is 986/32) GIDC Industrial Estate, Village Makarpura, District Vadodara, Gujarat on 08th September 2020 under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. Panchnama dated 24.08.2021 prepared at the time of taking possession, by IDBI Bank is annexed as Annexure -III. Subsequently, directors took re-possession of certain furniture and tools, stored/installed at the aforesaid premises, as IDBI bank did not have charge on the same and stored the same at some outside place. Details of furniture and tools which was withdrawn and stored at some outside place is given in annexed Annexure-IV.

As per physical inspection of furniture and tools, withdrawn and stored at outside place, most of furniture and fixture have been damaged due to flooding at storage place.

The corporate debtor does not have any other immovable assets, plant & machinery / furniture & fixture/other assets except as disclosed in Annexure III & IV respectively.



***Since directors have not made available detailed fixed assets register, therefore, complete description including date of acquisition, cost of acquisition, remaining useful life, identification number, book value etc. are not available.***

***Since, taking over of possession of aforesaid premises by IDBI Bank, no verification of assets has been carried out and therefore, no details about physical condition of respective assets and their functionality is available.***

***Further details of current assets / liabilities can be gathered from provisional financial statements as on CIRP commencement date i.e. 06th May 2025, annexed as Annexure "V".***

30.5. The information provided in the Information Memorandum shows that the Corporate Debtor had land, building, plant and machinery, and furniture. It appears that the RP did not take control and possession of any of the assets. Land and building was in possession of Aster and plant and machinery and furniture was removed from the building by the management of the Corporate Debtor and the Resolution Professional did not seek any information about description or location and present use of those assets. The valuer has note that information was not provided.

30.6. At this juncture, it must be noted that the said property admittedly forms part of the assets of the Corporate Debtor. Upon commencement of the CIRP,



the Code, under Section 25, casts certain duties upon the Resolution Professional which are required to be diligently discharged by him throughout the CIRP process: -

**“25. Duties of resolution professional. –**

(1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.

(2) For the purposes of sub-section (1), the resolution professional shall undertake the following actions, namely: -

(a) take immediate custody and control of all the assets of the corporate debtor, including the business records of the corporate debtor;

(b) represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial or arbitration proceedings;

(c) raise interim finances subject to the approval of the committee of creditors under section 28;

(d) appoint accountants, legal or other professionals in the manner as specified by Board;

(e) maintain an updated list of claims;

(f) convene and attend all meetings of the committee of creditors;

(g) prepare the information memorandum in accordance with section 29;

(h) invite prospective resolution applicants, who fulfil such criteria as may be laid down by him with the approval of committee of creditors, having regard



to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plan or plans.

(i) present all resolution plans at the meetings of the committee of creditors;

(j) file application for avoidance of transactions in accordance with Chapter III, if any; and

(k) such other actions as may be specified by the Board.”

30.7. Meaning thereby, once the CIRP commenced, it was incumbent upon the Resolution Professional to take custody and control of all assets of the Corporate Debtor in accordance with the duties cast upon him under the Code. In circumstances where the physical possession of such asset was stated to be with another entity, it was expected that appropriate steps would be taken by the Resolution Professional to get possession of the said property. Such steps could include approaching this Tribunal for appropriate directions or seeking assistance of the jurisdictional authorities in accordance with law in case the Resolution Professional encounters any difficulty.

30.8. The Hon'ble NCLAT in ***Ajay Kumar v. Shree Sai Industries Pvt. Ltd. & Anr., (2019) ibclaw.in 97 NCLAT***, has categorically held that in circumstances where the promoters fail to cooperate or do not hand over the necessary documents and records of the

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Corporate Debtor, the Adjudicating Authority is empowered to seek assistance from the Superintendent of Police of the concerned jurisdiction to ensure that possession of the assets and records of the Corporate Debtor is duly handed over to the Resolution Professional. Similar directions have also been issued by the Adjudicating Authority in a catena of judgments while exercising its powers under the Code to facilitate effective conduct of the CIRP.

30.9. However, from the material available on record, it does not appear that any concrete attempt was made during the CIRP to secure possession of the said property on behalf of the Corporate Debtor by the Resolution Professional. The absence of any such effort assumes significance in a resolution process where the value of the Corporate Debtor is largely dependent upon the status, possession and marketability of its immovable assets “And this is the case here.

30.10. Such inaction on the part of the Resolution Professional assumes serious significance. When the CIRP itself is centered around the value of the assets, particularly the business asset comprising of immovable property through which business was carried on, of the Corporate Debtor, the failure to secure possession and control of a principal asset directly undermines the integrity of the resolution



process. The statutory duties cast upon the Resolution Professional require him not merely to administer the process but to actively protect and preserve the assets of the Corporate Debtor so that the resolution applicants are able to assess the true value of the enterprise.

30.11. This Adjudicating Authority also considers it appropriate to refer to the valuation report placed on record, which has been annexed as Annexure A-6 to the Plan Approval Application. A perusal of the said report reveals that at Page 151 of the application, the Registered Valuer has recorded his observations regarding the assessment of the valuation of the property in question and the methodology adopted by them for arriving at the said valuation. The relevant extract of the remarks of the Registered Valuer is reproduced hereinbelow: -

List of documents/information sought by us for the valuation but which were not made available:

<b>Document/Information Sought</b>	<b>Status</b>	<b>Valuation Assumption taken in absence of information/document</b>
For Land & Building  1. Approved Site Plans/ Architectural Plans of the constructed properties. 2. Technical details of building as year of construction, types of structures, types of roofing, Height of	Information Not Available	In the absence of the approved drawing, we relied on Google Earth measurements, as we could not take the physical measurement of the structure since the RP does not have possession of Plot No.



structures, Built up area, No. of floors, No. of Buildings.		986/31.
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30.12. It can be observed from the above record that the valuation reports obtained during the CIRP process were prepared without physical inspection of the said properties and were based upon available documentation and google satellite imagery. While the appointment of registered valuers in accordance with the CIRP Regulations has not been disputed, the absence of physical verification of the assets inevitably introduces an element of uncertainty with regard to the exact status of the property forming part of the asset base of the Corporate Debtor.

30.13. At this stage it is clarified that this Tribunal is not called upon to adjudicate upon any dispute concerning the title of the aforesaid plots or the competing rights of the entities involved. However, the material placed on record indicates that the status of possession and control of the only immovable property/ assets of the Corporate Debtor was not entirely free from ambiguity during the conduct of the CIRP process. Such circumstances assume relevance in assessing whether all prospective resolution applicants were placed on an equal footing while preparing their respective resolution plans.

30.14. The objective of the CIRP under the Code is not merely



completion of a time bound process but ensuring that the process itself inspires confidence of the stakeholders and allows prospective resolution applicants to participate on the basis of clear and reliable information relating to the assets of the Corporate Debtor. When the material circumstances surrounding possession and control of a key asset remain uncertain, the possibility of informational asymmetry among bidders cannot be completely ruled out.

30.15. In view of the above discussion, this Tribunal is of the considered opinion that the circumstances surrounding the possession and valuation of the assets of the Corporate Debtor raise concerns regarding the overall transparency of the CIRP process. The implications of the aforesaid circumstances will be examined further while dealing with the subsequent issues arising for consideration in the present matter.

**31. Issue (ii):** Whether the allegations regarding the association between Meghdoot Leisure LLP, Survi Infraspac LLP and Aster Motors Private Limited give rise to any issue affecting eligibility under Section 29A of Code or otherwise impacting the integrity of the resolution process?

31.1. The next issue which arises for consideration relates to



the allegations raised by the Applicant Claro Energy Limited regarding the alleged association between Meghdoot Leisure LLP, Survi Infraspaces LLP and Aster Motors Private Limited and whether such association renders the said entities ineligible under Section 29A of the Code or otherwise impacts the integrity of the resolution process.

31.2. The Applicant Claro Energy Limited, in IA No. 1451 of 2025, has contended that the Successful Resolution Applicant Meghdoot Leisure LLP and another Prospective Resolution Applicant Survi Infraspaces LLP are closely connected with Aster Motors Private Limited, an entity which is presently in possession of Plot No. 986/31 forming part of the assets of the Corporate Debtor.

31.3. In order to appreciate the said contention, it is necessary to refer to the factual background placed on record. As noted earlier while dealing with Issue No. (i), the Corporate Debtor owns immovable property bearing Plot No. 986/31 situated at GIDC Estate, Makarpura, Vadodara. The Information Memorandum issued during the CIRP, which has been annexed as Annexure-B to IA No. 1451 of 2025 (Page 42 of the application), records the details of the assets and financial position of the Corporate Debtor.

31.4. The record further indicates that IDBI Bank Limited,



being the secured creditor of the Corporate Debtor, had invoked proceedings under the SARFAESI Act and took possession of the secured assets on 08.09.2020. The said fact has also been referred to in IA No. 1451 of 2025 while narrating the background of the property forming part of the assets of the Corporate Debtor.

31.5. It has further been brought on record that pursuant to a One Time Settlement relating to the loan facilities availed by Aster Motors Private Limited, the said entity came to be transferred to Mr. Anand Bharatkumar Shah. Previously, both Aster and the Corporate Debtor were owned by Vipul Anand Lal Shah. The ownership/shares of Aster was transferred to Mr. Anand Bharat Kumar Shah. It has been alleged that upon settlement of the dues of Aster Motors Private Limited, the secured creditor released the charge over Plot No. 986/32 but physical possession of Plot No. 986/31, which pertains to the Corporate Debtor, came to be handed over to Aster Motors Private Limited. It is unclear whether Plot No. 986/32 with building was also handed over to Aster.

31.6. The aforesaid position was disclosed during the course of the CIRP proceedings. A perusal of the minutes of the 1st meeting of the Committee of Creditors, placed on record as Annexure-A-5 (Colly) to the Plan Approval Application IA (Plan) No. 19 of 2025, shows that the



suspended director of the Corporate Debtor, Mr. Vipul Shah, had informed the Committee of Creditors regarding the factual position relating to the possession of the said plots. The relevant disclosure is recorded at Page 104 of the said minutes under Item B-4 of the agenda.

31.7. The Applicant Claro Energy Limited has further contended that Mr. Anand Bharatkumar Shah, who is presently a Director of Aster Motors Private Limited, is also a Designated Partner of Meghdoot Leisure LLP, which has emerged as the Successful Resolution Applicant in the present CIRP.

31.8. It has also been alleged that the partners of Survi Infraspace LLP, namely Mr. Dhrumil Vipinchandra Patel and Mr. Viralbhai Dilipbhai Patel, were previously partners along with Mr. Anand Bharatkumar Shah in Meghdoot Leisure LLP. According to the Applicant, these interconnections demonstrate a nexus between the entities participating in the resolution process and the entity presently in possession of one of the assets of the Corporate Debtor.

31.9. On the basis of the aforesaid circumstances, the Applicant has contended that Meghdoot Leisure LLP is indirectly connected with a related party of the Corporate Debtor and is therefore rendered ineligible under Sections 29A(c), 29A(j) and 29A(k) of the Code. It



is the case of the Applicant that consideration of the resolution plan submitted by Meghdoot Leisure LLP is contrary to the provisions of the Code.

31.10. The Resolution Professional as well as the Successful Resolution Applicant have denied the aforesaid allegations and have submitted that the eligibility of all prospective resolution applicants was duly verified during the CIRP process. It has further been contended that merely because certain individuals are associated with different business entities, the same does not ipso facto render the said entities ineligible under Section 29A of the Code.

31.11. This Tribunal has carefully examined the material placed on record in this regard. Section 29A of the Code provides specific categories of persons who are rendered ineligible to submit a resolution plan: -

***“29A. Persons not eligible to be resolution applicant. -***

*A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person—*

- (a) is an undischarged insolvent;*
- (b) is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);*
- (c) at the time of submission of the resolution plan has an account, or an account of a corporate debtor under the management or control of such person or*



of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) or the guidelines of a financial sector regulator issued under any other law for the time being in force, and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor:

Provided that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to nonperforming asset accounts before submission of resolution plan:

Provided further that nothing in this clause shall apply to a resolution applicant where such applicant is a financial entity and is not a related party to the corporate debtor.

Explanation I- For the purposes of this proviso, the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares or completion of such transactions as may be prescribed, prior to the insolvency commencement date.

Explanation II— For the purposes of this clause, where a resolution applicant has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior resolution plan approved under this Code, then, the provisions of this clause shall not apply to such resolution applicant for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under this Code;



(d) has been convicted for any offence punishable with imprisonment –

- (i) for two years or more under any Act specified under the Twelfth Schedule; or
- (ii) for seven years or more under any law for the time being in force:

Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:

Provided further that this clause shall not apply in relation to a connected person referred to in clause(iii) of Explanation I;


(e) is disqualified to act as a director under the Companies Act, 2013 (18 of 2013):

Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

(f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;

(g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code:

Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction,



*undervalued transaction, extortionate credit transaction or fraudulent transaction;*

*(h) has executed a guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code and such guarantee has been invoked by the creditor and remains unpaid in full or part;*

*(i) is subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or*

*(j) has a connected person not eligible under clauses (a) to (i).*


*Explanation I. — For the purposes of this clause, the expression "connected person" means—*

*(i) any person who is the promoter or in the management or control of the resolution applicant; or*

*(ii) any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or*

*(iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii); Provided that nothing in clause (iii) of Explanation I shall apply to a resolution applicant where such applicant is a financial entity and is not a related party of the corporate debtor:*

*Provided further that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares or completion of such*



transactions as may be prescribed, prior to the insolvency commencement date;

*Explanation II—For the purposes of this section, "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely:—*

*(a) a scheduled bank;*

*(b) any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding;*

*(c) any investment vehicle, registered foreign institutional investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the meaning assigned to them in regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999 (42 of 1999);*

*(d) an asset reconstruction company register with the Reserve Bank of India under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);*

*(e) an Alternate Investment Fund registered with Securities and Exchange Board of India;*

*(f) such categories of persons as may be notified by the Central Government."*

31.12. The allegations raised by the Applicant essentially relate to the presence of common individuals across certain business entities and the fact that one such



entity is presently in possession of an immovable property forming part of the assets of the Corporate Debtor. However, the mere existence of business associations or common managerial personnel does not automatically attract the disqualification contemplated under Section 29A unless the statutory conditions prescribed therein are satisfied.

31.13. From the material placed on record, this Tribunal does not find any evidence to suggest that Meghdoot Leisure LLP falls within any of the disqualifying categories specified under Section 29A of the Code. In particular, there is no material to demonstrate that the Successful Resolution Applicant is a promoter or person in management or control of the Corporate Debtor or that it otherwise attracts any of the specific disqualifications under the said provision.

31.14. Accordingly, the contention of the Applicant that Meghdoot Leisure LLP is rendered ineligible under Section 29A of the Code cannot be accepted.

31.15. However, the matter does not end with the question of strict statutory ineligibility under Section 29A of the Code. The material placed on record during the present proceedings reveals certain circumstances which assume significance while examining the integrity of the CIRP process. As discussed earlier, the possession of Plot No. 986/31, which forms part of the assets of



the Corporate Debtor, was admittedly with Aster Motors Private Limited during the CIRP. The record further indicates that Mr. Anand Bharatkumar Shah, who is presently a Director of Aster Motors Private Limited, is also a Designated Partner of Meghdoot Leisure LLP. It has also been brought on record that the partners of Survi Infraspac LLP were previously associated with Mr. Anand Bharatkumar Shah in Meghdoot Leisure LLP.

31.16. These circumstances indicate that individuals connected with the entities participating in the resolution process were already associated with the entity which was in possession of the said property and were therefore privy to the factual background and information concerning the possession and status of business assets of the Corporate Debtor. The existence of such prior knowledge assumes significance particularly in a resolution process where the valuation and commercial assessment of the Corporate Debtor is substantially dependent upon the status and accessibility of its immovable assets.

31.17. In a competitive resolution process, all prospective resolution applicants are expected to participate on the basis of the same set of information disclosed through the Information Memorandum and the Virtual Data Room. When certain participants are in a position to



possess prior knowledge regarding the background and factual circumstances surrounding a key asset of the Corporate Debtor, the possibility of such participants being able to place a more calculated or strategically structured bid cannot be entirely ruled out.

31.18. While such circumstances may not, strictly speaking, attract the statutory disqualification under Section 29A of the Code, they nevertheless give rise to a legitimate apprehension that certain participants in the process may have enjoyed an informational advantage over other prospective resolution applicants. And The present case illustrates such a situation. Mr. Anand Bharat Kumar Shah, a director of Aster who is in possession of business asset of the Corporate Debtor (Plot and building constructed thereon) is a designated partner of the entity whose resolution plan has been approved. The Code envisages a resolution process founded on transparency and a level playing field among bidders. Any situation which potentially allows unequal access to material information concerning the assets of the Corporate Debtor inevitably affects the perceived fairness of the process. We consider that it is a case of availability of asymmetric information to various PRAs. The SRA was knowing all material facts where as the Applicant in the IA kept asking the clarifications about the property.

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31.19. The CIRP Regulations, particularly contemplate that all Prospective Resolution Applicants shall be provided equal access to information through the Information Memorandum and the Virtual Data Room. Any circumstance leading to unequal informational access may affect the fairness of the bidding process

31.20. In the considered view of this Tribunal, the circumstances placed on record indicate that the association between the individuals connected with Meghdoot Leisure LLP, Survi Infraspace LLP and Aster Motors Private Limited had the potential to confer an undue informational advantage in relation to the background and status of the principal business assets of the Corporate Debtor. Such circumstances, though not amounting to a statutory disqualification under Section 29A, are relevant while examining whether the resolution process was conducted in a manner that ensured complete transparency and equality among prospective bidders.

31.21. Accordingly, while this Tribunal is not inclined to hold that Meghdoot Leisure LLP is rendered ineligible under Section 29A of the Code, the circumstances discussed above do raise concerns regarding the fairness and integrity of the resolution process and the advantage enjoyed by it due to being privy to better information about the Corporate Debtor created a situation of field



being not level for all the PRAs. These aspects will be further examined while considering the remaining issues arising for determination in the present matter.

**32. Issue (iii):** Whether the Resolution Professional was justified in treating the Resolution Plan submitted by Claro Energy Limited as non-compliant and declaring the same as non-responsive, and whether the concerns raised by the said Applicant regarding the assets of the Corporate Debtor were appropriately addressed during the CIRP process?

32.1. The next issue which arises for consideration relates to the treatment of the Resolution Plan submitted by Claro Energy Limited. The Applicant Claro Energy has contended that despite having submitted its Resolution Plan and subsequently providing clarifications and revisions, the Resolution Professional failed to place the said plan before the Committee of Creditors for consideration and voting. According to the Applicant, such exclusion deprived the Committee of Creditors of the opportunity to examine its proposal in exercise of its commercial wisdom.

32.2. On the other hand, it has been contended by the Resolution Professional that the Resolution Plan submitted by Claro Energy Limited suffered from multiple deficiencies and non-compliances which were



duly communicated to the Applicant during the CIRP process. It has been submitted that despite repeated opportunities granted by the Resolution Professional and the Committee of Creditors, the Applicant failed to cure the deficiencies in its Resolution Plan within the stipulated timelines prescribed under the CIRP process.

32.3. The record placed before this Tribunal indicates that the Resolution Professional had communicated various queries and deficiencies in the Resolution Plan submitted by Claro Energy Limited. The Applicant was required to submit a revised and compliant plan addressing the deficiencies pointed out during the process. However, the material on record suggests that the revised plan submitted by the Applicant continued to contain deficiencies and did not fully satisfy the requirements of the Code, the CIRP Regulations and the terms of the Request for Resolution Plan.

32.4. It is further evident from the record that during the 6th meeting of the Committee of Creditors held on 28.10.2025, the Committee recorded that the Resolution Plan submitted by Claro Energy Limited remained non-compliant with the provisions of the Code and the CIRP Regulations and was therefore declared non-responsive in terms of Clause 2.1.4(d) of the Request for Resolution Plan and Regulation 39(1B)(c) of the CIRP Regulations. The Committee of



Creditors accordingly directed the Resolution Professional not to place the said Resolution Plan for further consideration or voting.

32.5. In terms of Section 30(2) of the Code, the Resolution Professional is required to examine whether a resolution plan complies with the provisions of the Code and the CIRP Regulations before placing the same before the Committee of Creditors. Only those resolution plans which meet the statutory requirements are required to be presented before the Committee of Creditors for its commercial consideration.

32.6. In the present case, the material placed on record indicates that despite being afforded opportunities to revise its proposal, the Resolution Plan submitted by Claro Energy Limited remained non-compliant and was therefore treated as non-responsive in accordance with the terms of the Request for Resolution Plan and the CIRP Regulations. In these circumstances, this Tribunal does not find any infirmity in the decision of the Resolution Professional and the Committee of Creditors in treating the Resolution Plan submitted by Claro Energy Limited as non-responsive.

32.7. However, it is also necessary to examine the nature of the concerns raised by the said Applicant during the CIRP process. A perusal of the communications placed on record shows that Claro Energy Limited had



repeatedly sought clarification regarding the status, possession and title of Plot No. 986/31 forming part of the assets of the Corporate Debtor. The Applicant had expressed apprehension regarding the ambiguity surrounding the possession of the said property and had sought clarification from the Resolution Professional in this regard.

32.8. As has already been observed while dealing with Issue No. (i), the record indicates that the physical possession of Plot No. 986/31 was admittedly with Aster Motors Private Limited and that the Resolution Professional did not take any substantive steps during the CIRP to secure possession of the said asset on behalf of the Corporate Debtor. It has also been noted that the valuation of the said property was undertaken without physical inspection owing to the absence of possession.

32.9. In this background, the concerns raised by Claro Energy Limited regarding the status and possession of the said asset cannot be said to be entirely without basis. The uncertainty surrounding the possession of one of the principal assets of the Corporate Debtor was a matter which could reasonably affect the commercial assessment of the Corporate Debtor by prospective resolution applicants. The issue was whether the Corporate Debtor was having clear title of property and



physical possession was with the CD/Resolution Professional which will be handed over to the Successful Resolution Applicant. The Information Memorandum repeatedly cited by the Resolution Professional did not provide clarity on the issue to Claro.

32.10. Nevertheless, while the concerns raised by the Applicant may have had some basis, the same cannot justify the failure to submit a fully compliant resolution plan within the timelines prescribed under the CIRP process. The CIRP under the Code is a time bound process and prospective resolution applicants are required to strictly adhere to the timelines and requirements prescribed under the Code, the CIRP Regulations and the Request for Resolution Plan.

32.11. In view of the above discussion, this Tribunal is of the considered opinion that the Resolution Professional and the Committee of Creditors were justified in treating the Resolution Plan submitted by Claro Energy Limited as non-responsive. At the same time, the concerns raised by the said Applicant regarding the possession and status of the business asset/ property of the Corporate Debtor highlight major shortcomings in the conduct of the CIRP process, which have already been examined while dealing with Issue No. (i) and Issue No. (ii). We are of the view that till a clear picture



is given to the PRAs about the correct status of the property no prospective resolution applicant might be in a position to submit a proper financial proposal in the Resolution Plan. As noted above, the Information Memorandum created lot of uncertainties about the availability of the plot and building with clear title and about the plant and machinery. The contents of the Information Memorandum suggested that there are risks involved in the possession of the plot and this got demonstrated by the report of the valuer whose report states that:

“ We could not visit plot no 986/31, as same is in possession of some third party. Under circumstance, no buyer will come forward to purchase plot no 986/31 without substantial discount, as RP / CoC will not able to give possession of the same. Accordingly, we have considered plot no 986/31 as disputed property. Since sorting out dispute, post CIRP is likely to take time, cost and risk, therefore, we have applied 30% discount on market value of land & building to arrive at fair value.”

**33. Issue No. (iv):** Whether the Resolution Plan submitted by Meghdoot Leisure LLP, though approved by the Committee of Creditors with 100 percent voting share, satisfies the requirements of Section 30(2) of the Code and is liable to be approved under Section 31 of the Code?

33.1. The Resolution Professional has filed the present application seeking approval of the Resolution Plan submitted by Meghdoot Leisure LLP, which was



approved by the Committee of Creditors with 100 percent voting share. Ordinarily, the commercial wisdom exercised by the Committee of Creditors in approving a resolution plan is entitled to due deference and the scope of judicial review available to this Adjudicating Authority is limited to examining whether the requirements prescribed under Section 30(2) of the Code have been duly complied with.

33.2. The Hon'ble Supreme Court in ***K. Sashidhar v. Indian Overseas Bank & Ors., (2019) 12 SCC 150*** and ***Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors., (2020) 8 SCC 531*** has consistently held that the commercial wisdom of the Committee of Creditors cannot ordinarily be interfered with by the Adjudicating Authority. However, it has also been clarified that the Adjudicating Authority is required to satisfy itself that the resolution plan placed before it complies with the provisions of the Code and the CIRP Regulations before granting approval under Section 31.

33.3. In the present matter, the issues examined hereinabove reveal circumstances which go to the root of the conduct of the CIRP process itself. As discussed, while dealing with issue (i), the principal asset of the Corporate Debtor being Plot No. 986/31 with building constructed thereon admittedly remained outside the

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possession and control of the Corporate Debtor during the CIRP. Similar is the position regarding the plant and machinery and furniture. Despite the statutory duties cast upon the Resolution Professional under Section 25 of the Code to preserve and protect the assets of the Corporate Debtor and to take custody and control thereof, no effective steps were taken by the Resolution Professional to secure possession of the said property. This property was in the possession of a person closely connected with the successful resolution applicant.

33.4. The record further indicates that the valuation of the assets of the Corporate Debtor was carried out without physical inspection of the said property, owing to the fact that possession of the said plot was not available with the Resolution Professional. Such circumstances inevitably introduce uncertainty with respect to the true status and realisable value of the assets forming part of the Corporate Debtor.

33.5. It is also necessary to examine the disclosures made by the Resolution Professional in the Information Memorandum circulated to the prospective resolution applicants. The Information Memorandum constitutes the primary document through which the Resolution Professional is required to provide accurate and complete information regarding the assets and affairs of



the Corporate Debtor so as to enable prospective resolution applicants to prepare informed and competitive resolution plans.

33.6. However, a perusal of the Information Memorandum placed on record reveals that although the Resolution Professional was aware of the factual position relating to the possession and control of Plot No. 986/31, the said document does not clearly set out the full factual background regarding the said asset. The record discussed in the preceding issues demonstrates that the Resolution Professional was aware that the physical possession of the said plot was with Aster Motors Private Limited and that the Corporate Debtor did not have effective control over the said property. The Resolution Professional did not take steps to clarify or rectify the said position or recover possession of the property. We have already extracted the relevant portion of the Information Memorandum while dealing with issue no.1.

33.7. The Valuation Report also contains disclosures regarding the land, building, plant and machinery forming part of the assets of the Corporate Debtor. The relevant portion in this regard is reproduced hereinbelow (Pg. 151 to 180 of IA(Plan)19 of 2025):

*“List of documents/information sought by us for the valuation but which were not made available:*



<b>Document/Information Sought</b>	<b>Status</b>	<b>Valuation Assumption taken in absence of information/document</b>
For Land & Building 1. Approved Site Plans/ Architectural Plans of the constructed properties. 2. Technical details of building as year of construction, types of structures, types of roofing, Height of structures, Built up area, No. of floors, No. of Buildings.	Information Not Available	In the absence of the approved drawing, we relied on Google Earth measurements, as we could not take the physical measurement of the structure since the RP does not have possession of Plot No. 986/31.

### ***Physical Verification of Assets***

*AAA Valuation team member of Land & Building, carried out the site inspection of the Land & Building Assets of Aldiam Motors Private Limited. The subject property Land & Building Assets situated at Plot No. 986/31, GIDC, Makarpura, Vadodara, Gujarat, India-390014. We were facilitated by the Mr. Pawan Singhal Representative of Aldiam Motors Private Limited during the site visit. We have carried out the site visit on 11 July, 2025.*

### **Physical Verification of land**

#### ***Address of the property:***

*The subject property is situated at Plot No. 986/31, GIDC, Makarpura, Vadodara, Gujarat, India - 390014.*

#### ***Ownerships:***

*As per the Lease Deed and Deed of Assignment dated 25.09.1998 & 08.04.2009, the total land Area underneath is 3990.48 Sq. Mtr. The entire land parcel is Leasehold in nature. The Lease Deed and Deed of*



Assignment executed between the Lessor Gujarat Industrial Development Corporation Lessee M/s Aldiam Motors Private Limited. As per deed the land is industrial.

#### **Site observation.**

As per the observation made during site visit the land premises is used for Auto Vehicle repairing etc. The subject property is regular-shaped, levelled, corner plot with proper demarcation, situated on the main road. It has a gate to enter and exit. The gate towards the East direction along with approx. 50 feet wide road. It was observed that the condition of structures is good.

The factory premises are adjacent to the following:

North-Plot No. 986/32

South-Plot No. 985

East-Plot No. N.H. No. 08

West-14Mtr.Wide Road

The coordinates of the Site are 22.246455, 73.194876. The satellite picture of the said premises is attached as Photo Annexure LB 1 to this report.

#### **Conclusion of Land & Building Assets**

Initially, Aldiam motors Pvt Ltd has purchased both plot No 986/31 and 986/32 in the year 2009. Later on in the year 2012, Aldiam motors pvt. Ltd. has sold one plot to sister concern M/s Aster Motors Pvt Ltd for starting Nissan Dealership.

While transferring the plot, GIDC office has mentioned in transfer order plot number 986/32 instead of 986/31.

Therefore presently Aldiam Motors Pvt Ltd owns plot No 986/31 and Aster motors Pvt Ltd own plot No 986/32 as per GIDC.

During site visit we found that the corner plot no 986/31 is not in the possession of M/s Aldiam motors Pvt Ltd. & the nameplate of the M/s Aldiam motors Pvt Ltd is displayed on the adjacent plot i.e. 986/32 (which is on

the north side of the actual plot)

In various meeting/correspondence the RP is also confirmed about the Bonafide mistake by GIDC while transferring the plot.

Based on the above findings, corporate debtor is having possession of plot no 986/32. In legal document, in possession of corporate debtor / IDBI bank, ownership of corporate debtor is for plot no 986/31. Hence, there is mismatch between plot is possession and legal documents. We could not visit plot no 986/31, as same is in possession of some third party. Under circumstance, no buyer will come forward to purchase plot no 986/31 without substantial discount, as RP / CoC will not able to give possession of the same. Accordingly, we have considered plot no 986/31 as disputed property. Since sorting out dispute, post CIRP is likely to take time, cost and risk, therefore, we have applied 30% discount on market value of land & building to arrive at fair value.

Land(INR)	Building (INR)	Present Market Value of Land & Building Assets(INR)	Fair Value after 30% Discount of Present Market Value of Land & Building Assets	Liquidation Value
18,04,04,784	2,97,21,510	21,01,26,294	14,70,88,406	12,50,25,145

### **Valuation of Plant & Machineries/Machine & Equipment**

The value of P&M starts with the inspection. This is done to ascertain the condition of the plant and also to determine if the information provided to them is usable and related to the subject assets being valued. The factors generally considered during inspection are:

#### **Asset related**

- The asset's technical specification



- The remaining useful, economic or effective life, considering both preventive and predictive maintenance
- The asset's condition including maintenance history
- Any functional, physical or technological obsolescence.
- Additional costs associated with additional equipment, transport, installation and commissioning etc.

### **Environment related**

- The location in relation to the source of raw material and Cost for the product.
- The impact of any environmental or other legislation that either restricts utilization or imposes additional operation or decommissioning Costs.
- Licenses to operate machineries which produce or utilize radioactive substances or toxic wastes and that may be restricted in certain Countries.

### **Physical Verification**

Aldiam Motors Pvt Ltd, Makarpura was visited for physical verification with Mr. Pavanji from RP team, Mr. Vipulbhai Sah, CD and officers from IDBI bank on 11/7/2025. The showroom is in closed condition for 6 years, as told during physical verification. As per asset list provided to us, few assets were shown at backside of the showroom building. But that area was not accessible as long bushes had grown on the way. We requested RP team to clean the area. We were also told that few assets were shifted by CD to another place at New Manjaipur. We visited that place but that was locked and keys were not available. We again visited that place when we were informed that keys were available. During physical verification, we found that assets like furniture, computers were lying as scrap. When enquired, we were told that during previous monsoon season, that storage area was flooded with



*the rainy water. Due to this, the lying asset was unusable and is scrap. We visited for verification of backside assets at Makarpura on 29/7/2025 after we were informed that area was cleaned and accessible.”*

33.8. A reading of the aforesaid disclosures, when juxtaposed with the factual position already known to the Resolution Professional, indicates that the Information Memorandum did not clearly present the complete practical position regarding the possession and accessibility of the said asset. In a resolution process where the value of the Corporate Debtor is substantially dependent upon its immovable assets, the absence of clear disclosure regarding the possession and control of such asset has a direct bearing on the manner in which prospective resolution applicants assess the value of the Corporate Debtor.

33.9. Furthermore, even after being apprised of the said circumstances during the CIRP proceedings, the Resolution Professional did not take any effective steps to recover possession of the said property on behalf of the Corporate Debtor. As already discussed while dealing with Issue (i), the Code under Section 25 casts a clear duty upon the Resolution Professional to preserve and protect the assets of the Corporate Debtor and to take custody and control thereof. However, the material placed on record does not indicate that any substantive attempt was made by the Resolution Professional to secure repossession of the said property



or to seek appropriate directions from this Adjudicating Authority.

33.10. Apart from the conduct of the Resolution Professional, it is also necessary to examine the role played by the Committee of Creditors in the present CIRP. The Committee of Creditors consisted of a sole financial creditor, namely IDBI Bank Limited. The record reveals that the said financial creditor had earlier initiated proceedings under the SARFAESI Act against the assets of the Corporate Debtor and had taken possession of the secured assets on 08.09.2020.

33.11. The factual position relating to the possession of Plot No. 986/31 was brought to the notice of the Committee of Creditors during the 1st meeting of the Committee of Creditors when the Suspended Director of the Corporate Debtor disclosed that although the title of the said property continued to vest with the Corporate Debtor, the physical possession of the said plot had been handed over to Aster Motors Private Limited. Despite being apprised of this position at the very inception of the CIRP, the Committee of Creditors did not undertake any effective steps to rectify the situation or to ensure restoration of possession. It is unclear that why the IDBI did not give possession of plot no. 32 to the Aster and gave possession of plot no. 31 which belonged to the Corporate Debtor.



33.12. The valuation report placed on record further indicates that the valuation of the said asset was undertaken subject to reservations regarding the status of the property and that the valuation had been affected owing to the uncertainty relating to its possession and title.

33.13. The aforesaid observations demonstrate that the uncertainty surrounding the possession and title of the said property had a direct bearing on the valuation of the Corporate Debtor. In a resolution framework where the primary objective of the Code is maximisation of value of the assets of the Corporate Debtor, it was incumbent upon both the Resolution Professional and the Committee of Creditors to ensure that the said uncertainty was addressed so that the bidding process could take place on the basis of clarity and certainty regarding the assets of the Corporate Debtor.

33.14. The commercial wisdom of the Committee of Creditors undoubtedly deserves due deference under the scheme of the Code. However, the invocation of commercial wisdom presupposes that the resolution process itself has been conducted in accordance with the principles of fairness, transparency and value maximisation. Commercial wisdom cannot be invoked as a shield to legitimise a process which itself stands affected by circumstances that materially impact the value



discovery mechanism during the CIRP. The IDBI, the sole CoC member, was aware of the problem of handing over the possession of plot no. 31 to Aster and not 32 which belonged to that entity. Why it did not rectify the mistake and allowed it to continue?

33.15. In this regard, the Hon'ble National Company Law Appellate Tribunal in ***Amit Sangal v. Kairav Anil Trivedi & Ors., (2025) ibclaw.in 130 NCLAT*** has elaborately explained the concept of "***material irregularity***" in the conduct of CIRP. The relevant observations of the Hon'ble Appellate Tribunal are reproduced hereinbelow:

*"56. Issue No. (III) Whether, material irregularities, if any, by Interim Resolution Professional /Resolution Professional while taking approval from the Adjudicating Authority will affect the fate of approved Resolution Plan.*

*(a) At the first instance, we would mention that there is no specific definition of Material Irregularity in the Code;*

*(b) We observe that the Black's law dictionary defines the terms "Material" & "Irregularity" separately. These reads as under: -*

*Material: 'Important; more or less necessary; having influence or effect; going to the merits; having to do with matter, as distinguished from form. Representation relating to matter which is so substantial and important as to influence party to whom made is "material." See Material fact; Relevant.' and irregularity as-*

*Irregularity: 'The doing or not doing that, in the conduct of a suit at law, which, conformably with the practice of the court, ought or ought not to be done. Violation or non-*



observance of established rules and practices. The want of adherence to some prescribed rule or mode of proceeding; consisting either in omitting to do something that is necessary for the due and orderly conducting of a suit, or doing it in an unseasonable time or improper manner. The technical term for every defect in mechanics of proceedings, or the mode of conducting an action or defense, as distinguishable from defects in pleadings (see e.g. Fed.R.Civil P. 32(d), irregularities in taking of depositions). Term is not synonymous with "illegality." In Canon law, any impediment which prevents a man from taking holy orders.'

> Thus, as per the definition mentioned above, Material Irregularity refers to a significant deviation from established rules, practices, or procedures that is substantial enough to influence the outcome of a legal proceeding or decision. It involves a failure to adhere to prescribed methods, either by omitting necessary actions or performing them improperly or untimely. Such irregularities are not merely formal defects but have a material impact, affecting the merits of a case or the rights of the parties involved. Unlike illegality, which denotes a violation of law, material irregularity pertains to procedural defects that can undermine the fairness or validity of legal proceedings.

> It is crucial to note that the Code provides a comprehensive legal framework for the resolution of insolvency of corporate debtor in a timebound manner, with the objective of maximizing the value of assets of the Corporate Debtor and ensuring the equitable treatment of stakeholders. The CIRP is a critical mechanism under the Code, and it is imperative that the process is conducted fairly, transparently, and in strict compliance with the provisions of the law.

> Thus, we may derive an interference that a material irregularity in the conduct of the CIRP is one that significantly impacts the fairness, legality, and integrity of the process. Such irregularities can lead to delays, financial losses, and litigation, thereby defeating the



objectives of the Code. Material irregularities may arise from non-compliance with the statutory provisions, rules, and regulations governing the CIRP. Any deviation from these prescribed legal provisions, both procedural or substantive, may amount to a material irregularity and affect the legitimacy of the resolution process, of-course, depending upon the facts and context of each case and no strict guidelines can be laid down.

➤ In this connection, we note that Section 61(3)(ii) of the Code provides that an appeal against an order passed by the Adjudicating Authority approving the Resolution Plan may be filed if there has been material irregularities in exercise of the powers of Resolution Professional during CIRP. Section 61(3)(ii) of the Code reads as under :-

“61(3) An appeal against an approving a resolution plan under Section 31 may be filed on the following grounds, namely, ....-

(ii) There has been material irregularities in exercise of the powers by the Resolution Professional during the corporate insolvency resolution period.”

(Emphasis Supplied)

➤ Fraud or collusion by the resolution professional with the corporate debtor, or any other stakeholder involved in the CIRP concealment of material facts, non-adherence to significant CIRP Regulations etc. also constitutes a material irregularities. Any act of misrepresentation, concealment, or fraudulent conduct undermines the transparency and fairness of the process. Similarly, mismanagement of the corporate debtor during the CIRP can give rise to material irregularity. The resolution professional is entrusted with the responsibility of managing the affairs of the corporate debtor in a manner that preserves its value. Any instance of mismanagement, including diversion of funds, dissipation of assets, or any conduct that is detrimental to the corporate debtor, may be considered a material irregularity.



➤ If a material irregularity is established, the Adjudicating Authority is empowered under the Code to take corrective measures. Such measures may include setting aside decisions taken during the CIRP, directing an investigation into the conduct of the resolution professional, or imposing sanctions on the parties involved. We are conscious that the Adjudicating Authority has limited scope for rejecting a Resolution Plan under Section 31 of the Code and cannot unnecessarily interfere with the “commercial wisdom of CoC”. However, it may not mean that the Adjudicating Authority cannot look into any relevant aspect before approving the Resolution Plan proposed by the CoC. The Adjudicating Authority can reject a plan, if it does not meet the requirement of the Code or Regulations or it violate the Code or Regulations. The Resolution Plan has to be in compliance with Section 30 of the Code. The Hon’ble Supreme Court of India, time and again has stipulated that the commercial wisdom of the CoC is supreme and cannot be interfered as held in catena of judgements including, K. Shashidhar Vs. Indian Overseas Bank & Ors. [(2019) 12 SCC 15] and Committee of Creditors of Essar Steel India Ltd. Vs. Satish Kumar Gupta [(2020) 8 SCC 531]. While the Adjudicating Authority cannot interfere with the CoC’s commercial decisions, it needs to ensure that the procedure followed by the CoC and/or Resolution Professional is in accordance with the Code and Regulations. Any significant procedural lapses may be a ground for rejection.

➤ The evolving jurisprudence in this area will continue to define the scope and implications of material irregularities, but the fundamental principles of fairness, transparency, and compliance with the law must be upheld at all times. All parties involved in the CIRP, including resolution professionals, creditors, and corporate debtors, must adhere to the highest standards of integrity and diligence to ensure that the insolvency resolution process is conducted in a manner that upholds the objectives of the Code and protects the interests of all stakeholders.



➤ *In the present matter before us, the material irregularities have been observed in various instances. The conduct of Mr. Kairav Anil Trivedi, as an Interim Resolution Professional has been investigated by IBBI subsequent to which the Disciplinary Committee of IBBI found the Respondent No. 1 guilty of misconduct and therefore suspended the Respondent No. 1, for 6 months. Thus, we find that there have been material irregularities in CIRP Process, which we have discussed earlier and will not repeat once again here.”*

(Emphasis Supplied)

33.16. The Hon'ble Appellate Tribunal has thus observed that a material irregularity in the conduct of the CIRP refers to a significant deviation from established rules or procedures which materially affects the fairness, legality and integrity of the resolution process. The Appellate Tribunal has further clarified that concealment of material facts, non-adherence to significant CIRP Regulations or any conduct undermining the transparency of the process may constitute material irregularity.

33.17. In the present case, the circumstances discussed in the preceding issues clearly indicate that the CIRP process suffered from significant procedural irregularities. The failure of the Resolution Professional to secure possession of the principal asset of the Corporate Debtor, the absence of clear disclosure in the Information Memorandum regarding the status of the said asset, the continuation of the process despite uncertainty regarding the possession of the said



property, and the existence of circumstances giving rise to potential informational advantage to certain participants collectively affect the integrity, fairness, and transparency of the resolution process.

33.18. In view of the foregoing discussion, this Tribunal is of the considered opinion that the present CIRP process stands affected by material irregularities which have a direct bearing on the fairness and integrity of the resolution process and value maximisation and successful resolution of the insolvency of the Corporate Debtor. Consequently, the Resolution Plan submitted by Meghdoot Leisure LLP cannot be approved under Section 31 of the Code in the present circumstances.

#### **34. OBSERVATION: -**

34.1. Before proceeding to pass the operative directions, this Adjudicating Authority considers it necessary to record certain observations arising from the circumstances noticed during the course of adjudication of the issues discussed hereinabove.

34.2. The Insolvency and Bankruptcy Code, 2016 was introduced with the avowed objective of ensuring a transparent and time bound resolution process while maximizing the value of the assets of the Corporate Debtor. The legislative framework envisages that the Resolution Professional would act as a neutral



facilitator of the process and that the Committee of Creditors would exercise its commercial wisdom in a manner that advances the objective of value maximization.

34.3. However, the present case demonstrates that the mere invocation of the phrase “commercial wisdom” cannot be treated as a universal answer to every procedural irregularity that may arise during the CIRP. The deference accorded by the law to the commercial wisdom of the Committee of Creditors is premised on the assumption that the process leading to the exercise of such wisdom has itself been conducted in a fair, transparent and diligent manner.

34.4. In the present matter, the main asset being immovable property of the Corporate Debtor remained outside its possession throughout the CIRP process. The Resolution Professional, despite being aware of the said position, did not take effective steps to secure possession of the asset or to place the full factual position before this Adjudicating Authority. The valuer even could not enter the premises that belonged to the Corporate Debtor. Neither the RP nor the CoC brought this fact to the notice of this Adjudicating Authority and did not seek any assistance as available in section 19(2) of the Code. At the same time, the Committee of Creditors, consisting of a sole financial creditor which



had itself previously exercised enforcement actions against the said asset, appears to have allowed the process to proceed without addressing the very issue that directly affected the value of the Corporate Debtor.

34.5. The result was a resolution process in which one of the principal assets of the Corporate Debtor continued to remain subject to uncertainty regarding possession and control, the valuation of the said asset was undertaken with reservations, and the bidding process proceeded notwithstanding such uncertainty.

34.6. In such circumstances, to invoke the doctrine of commercial wisdom as a complete answer to every concern raised regarding the conduct of the process would amount to elevating form over substance. Commercial wisdom cannot operate in a vacuum. It presupposes that the underlying process has been conducted in a manner that protects the value of the assets of the Corporate Debtor and ensures a level playing field among prospective resolution applicants.

34.7. In this context, this Tribunal also considers it appropriate to take note of the observations made by the Hon'ble Madras High Court in ***The National Sewing Thread Co. Ltd. v. The Superintending Engineer, TANGEDCO & Anr., W.P. No. 29845 of 2022***, wherein the Court observed as follows:

“28.1 The ‘commercial wisdom of CoC’ is not a label 2



that the CoC may conveniently paste on a resolution plan and market it to override all other considerations. Nor the dominant or the exclusive role which the CoC enjoys within the scheme of the IBC for giving its approval to a resolution plan places it beyond the judicial reach. Commercial wisdom of the CoC, strict sense, may be understood as a knowledge based psychological factor with a subtle blending of intuition of a group of self interested creditors. Until the Rainbow Papers case, it was not adequately brought to focus that unless the commercial wisdom of the CoC in approving a resolution plan conforms to the requirements of Sec.30(2), it may not pass the scrutiny of the Adjudicating Authority under Sec.31, even though the Essar Steel case has not overlooked this aspect. If Sec.30(2) is scanned for its nature, it imposes restriction on the freedom of the CoC to decide the way their collective wisdom may tempt them to decide, by casting a duty on them – to care for the operational creditors. This aspect will be specifically discussed later.

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30. It could now be derived that any understanding that the role of the Adjudicating Authority as a mere counter-signatory to the approved plan of the CoC will be misconceived as it has the authority to reject any resolution plan, though approved by the CoC and apparently satisfies the requirements of Sec.30(2), if such approval of CoC is obtained on the basis of half disclosed and hence half-baked information.

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52.3 While the legislative intent to save the corporate debtor as a going concern may be appreciable, should it be at the cost of others, more so when IBC offers adequate space for engineering manipulation? The larger question therefore, is why should the Parliament bend backwards to protect one corporate debtor at the risk of exposing the public interest to peril? The present case, a case-study merely,

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*illustrates how IBC could be manipulated to defeat the interests of the undisclosed creditors of the corporate debtor. Some points for the Parliament to ponder, and some legislative correction for it to make, lest the long term impact of the IBC could be disastrous, if not counter productive. Incidentally, has the Parliament taken note of the percentage of recovery generally achieved out of a successful resolution process of the Corporate Debtor?"*

(Emphasis Supplied)

34.8. The observations of the Hon'ble High Court assume particular relevance in the present case. The Insolvency and Bankruptcy Code, 2016 is a beneficial legislation enacted to ensure time bound resolution of stressed assets while balancing the interests of all stakeholders. However, the success of the statutory framework depends upon the integrity with which the process is conducted by the professionals entrusted with its implementation. Any circumstance which allows the CIRP process to be conducted in a manner that creates informational asymmetry or confers undue advantage upon certain participants undermines the very objectives of the Code.

34.9. The present matter may not involve the exact circumstances considered in the aforesaid case, yet the observations resonate with the situation before this Tribunal. When the resolution process itself is allowed to proceed despite circumstances affecting the transparency of the asset base and the **asymmetry of**



**information** available to bidders, the repeated invocation of commercial wisdom begins to resemble a convenient refuge rather than a principled exercise of decision making.

34.10. The insolvency resolution framework cannot be allowed to become a mechanism where procedural lapses are overlooked merely because a resolution plan ultimately receives the approval of the Committee of Creditors. The legitimacy of the outcome depends as much upon the fairness of the process as upon the decision taken by the creditors.

34.11. The present case therefore serves as a reminder that the integrity of the CIRP process must remain paramount and that the confidence of stakeholders in the insolvency framework can only be sustained when the process is conducted with scrupulous adherence to the principles of transparency and procedural fairness envisaged under the Code.

34.12. In the present matter, the failure to secure possession of a principal asset of the Corporate Debtor, the absence of physical verification during valuation, and the continuation of the resolution process despite the existence of circumstances indicating potential informational advantage to certain participants collectively constitute material irregularities affecting the integrity of the CIRP process.




34.13. In view of the above findings, this Adjudicating Authority is **not satisfied** that the resolution process culminating in the approval of the Resolution Plan by the Committee of Creditors meets the standards of transparency and procedural fairness contemplated under the Code. Consequently, the Resolution Plan submitted by Meghdoot Leisure LLP cannot be approved under Section 31 of the Code.

**35. DIRECTIONS: -**

35.1. Accordingly, **IA (Plan) No. 19 of 2025** filed by the Resolution Professional seeking approval of the Resolution Plan submitted by Meghdoot Leisure LLP stands **rejected**.

35.2. Since the resolution process itself has been found to be affected by material irregularities, it is necessary to restore the CIRP to a stage where a fair and transparent process can be conducted. Accordingly, In exercise of powers under Section 60(5) of the Code and Rule 11 of the NCLT Rules, 2016, this Adjudicating Authority considers it appropriate to restore the **CIRP** to the stage of issuance of **Form G**.

35.3. In order to facilitate completion of the resolution process afresh, this Adjudicating Authority grants an **extension of 90 (ninety) days** to the CIRP of the Corporate Debtor, which shall be computed from the



date of this order.

35.4. In view of the findings recorded regarding failure to secure possession of the principal asset of the Corporate Debtor and the deficiencies noticed in the conduct of the CIRP process, this Tribunal is of the considered opinion that the continuation of the present Resolution Professional in the CIRP would not command the confidence of the stakeholders. Hence, considers it appropriate to **replace** the present Resolution Professional with immediate effect.

35.5. In place of the present Resolution Professional, this Adjudicating Authority hereby appoints **Mr. Khushvinder Singhal**, CS & Advocate, having Registration Number: IBBI/IPA-002/IP-N00888/2019 - 2020/12833, having Email ID kvsinghal@gmail.com, Mobile No. 99140-30030, as the Resolution Professional of the Corporate Debtor.

35.6. The outgoing Resolution Professional is directed to hand over the entire custody of the records, documents, assets, books of accounts, and all papers relating to the Corporate Debtor and the CIRP proceedings to the newly appointed Resolution Professional within a period of seven (7) days from the date of this order.

35.7. The newly appointed Resolution Professional, **Mr.**



**Khushvinder Singhal**, shall forthwith take charge of the CIRP of the Corporate Debtor and shall take all necessary steps in accordance with the provisions of the Code and the CIRP Regulations.

- 35.8. The newly appointed Resolution Professional shall take immediate steps to recover possession of the assets of the Corporate Debtor including Plot No. 986/31 in accordance with Section 25 of the Code and may seek assistance of this Tribunal under Section 19(2) if required.
- 35.9. The Resolution Professional shall take into custody and control all movable and immovable assets of the Corporate Debtor as reflected in the Memorandum and Articles of Association of the Corporate Debtor, and shall duly account for the same in the records of the Corporate Debtor at the values reflected in the latest available audited balance sheet.
- 35.10. Fresh valuation shall be conducted after securing possession of the assets in accordance with Regulation 35 of the CIRP Regulations.
- 35.11. The incumbent Resolution Professional is further directed to revise the Information Memorandum in accordance with the provisions of Section 29 of the Code and the CIRP Regulations and ensure that the details relating to the land and building forming part of



the assets of the Corporate Debtor are properly incorporated therein.

35.12. The incumbent Resolution Professional shall thereafter proceed with the CIRP from the stage of issuance of Form G, strictly in accordance with the provisions of the Code and the CIRP Regulations.

35.13. The newly appointed Resolution Professional shall issue fresh Form-G within fifteen (15) days from the date of assuming charge.

35.14. All CIRP costs incurred till date shall be treated as CIRP costs in the fresh process and shall be accounted for by the newly appointed Resolution Professional.

35.15. The newly appointed Resolution Professional is further directed to refund the Earnest Money Deposits, Performance Security and any other deposits made by the prospective resolution applicants, which are presently lying with the Corporate Debtor or the Resolution Professional, within a period of 30 days from the date of this order.

35.16. In light of the above, **IA No. 1451 of 2025** and **IA No. 62 of 2026** do ***not survive*** for further consideration and are accordingly ***disposed of***.

**36.** A certified copy of this Order be issued on demand to the parties concerned, upon due compliance.



**37.** The Registry is directed to send copy of the order forthwith to all the parties, RPs and their Learned Counsels as well as to the **IBBI** for information and for taking necessary steps. All the files related to the case covered by this order are consigned to the record.

**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**

HG