

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) Nos. 512 of 2026

(Arising out of Order dated 12.03.2026 passed by the Adjudicating Authority (National Company Law Tribunal), Division Bench, Court-1, Ahmedabad in IA(Plan)19(AHM)2025 in C.P.(IB)/61 (AHM)2025)

IN THE MATTER OF:

Manohar Lal Vij

...Appellant

Versus

Khushvinder Singhal & Ors.

...Respondents

Present:

For Appellant : Mr. Krishnendu Datta, Sr. Advocate with Mr. Vishal Hirawat and Mr. Abhishek Devgan, Advocates

For Respondents : Mr. Anand Varma, Mr. Ayush Gupta and Ms. Disha Joshi, Advocates for R2.

Mr. Sandeep Bajaj, Ms. Honey Satpal, Mr. Mayank Biyani, Mr. Akash Agarwalla, Nipun Singhvi and Mr. Aman, Advocates for R4.

With

Company Appeal (AT) (Insolvency) Nos. 513 of 2026

(Arising out of Order dated 12.03.2026 passed by the Adjudicating Authority (National Company Law Tribunal), Division Bench, Court-1, Ahmedabad in IA(Plan)19(AHM)2025 in C.P.(IB)/61 (AHM)2025)

IN THE MATTER OF:

Meghdoot Leisure LLP

...Appellant

Versus

Khushvinder Singhal & Ors.

...Respondents

Present:

For Appellant : Mr. Abhijeet Sinha, Sr. Advocate with Mr. Vishal Hirawat, Mr. Anshul Rao, Himanshu Satija and Mr. Abhishek Devgan, Advocates.

For Respondents : Mr. Anand Varma, Mr. Ayush Gupta and Ms. Disha Joshi, Advocates for R2.
Mr. Krishnendu Datta, Sr. Adv. with Mr. Vishal Hirawat, Abhishek Devgan, Adv. for R3
Mr. Sandeep Bajaj, Ms. Honey Satpal, Mr. Mayank Biyani, Mr. Akash Agarwalla, Nipun Singhvi and Mr. Aman, Advocates for R4.

J U D G M E N T

Ashok Bhushan, J.

These two Appeals have been filed against the same order dated 12.03.2026 passed by National Company Law Tribunal, Division Bench, Court-1, Ahmedabad in IA(Plan)19(AHM) 2025 with IA/1451/(AHM)2025 and IA/62(AHM)2026 in C.P. (IB/61(AHM)2025). By the impugned order, the Adjudicating Authority has rejected IA(Plan)19(AHM) 2025 by issuing various directions, IA/1451/(AHM)2025 and IA/62(AHM)2026 were accordingly disposed of. Company Appeal (AT) (Ins.) No.512 of 2026 has been filed by Resolution Professional (“**RP**”) challenging the impugned order, whereas Company Appeal (AT) (Ins.) No.513 of 2026 has been filed by Successful Resolution Applicant, whose Resolution Plan was approved by 100% by the Committee of Creditors (“**CoC**”) in its 6th CoC Meeting held on 12.11.2025. The Adjudicating Authority by the impugned order after rejecting the Plan approval application, restored the CIRP at the stage of issuance of Form-G. The RP was replaced and a direction was issued to complete the CIRP within 90 days.

2. Brief facts of the case necessary to be noticed for deciding the Appeal are:

- (i) The Corporate Debtor ("**CD**") Aldiam Motors Pvt. Ltd. had obtained financial facilities from IDBI Bank Ltd. ("**IDBI Bank**") The facilities were taken by the CD against the mortgage of the immovable property to the Financial Creditor.
- (ii) The CD failed to adhere to the financial discipline and default was committed on 08.01.2020 and Loan Agreement was declared as NPA on 08.01.2020. Financial Creditor issued notice under Section 13 sub-section (2) of the SARFAESI Act, 2002. An OTS proposal was submitted by the CD, which was not accepted.
- (iii) A Section 7 application was filed by the Financial Creditor being C.P. (IB/61(AHM)2025 claiming dues of Rs.30,46,11,634.42, where Rs.19,06,29,908/- being principal amount and rest the interest. The Adjudicating Authority issued notice and by an order dated 06.05.2025 admitted Section 7 application and appointed Manohar Lal Vij as Interim Resolution Professional ("**IRP**").
- (iv) In the Corporate Insolvency Resolution Process ("**CIRP**"), claims were filed. The IDBI Bank filed its claim as Financial Creditor. The CoC was constituted by the IRP with IDBI Bank Ltd. having 100% vote share. The State Tax Department filed its claim, which

was admitted by the RP. Income Tax Department also filed its claim. No other claim was admitted by the IRP.

- (v) The first CoC meeting was held on 03.06.2025, in which IRP placed the steps to be taken towards the CIRP. The IDBI Bank informed the IRP about the security interest in Plot No.986/31 only. IRP was confirmed as RP. The 2nd CoC Meeting was held on 23.06.2025 where eligibility criteria for Prospective Resolution Applicants (“**PRAs**”) was decided, Evaluation Matrix and request for Resolution Plans were also noted and approved.
- (vi) RFRP was issued inviting Resolution Plans on 21.08.2025 including detailed terms and conditions of participation. Information Memorandum was also prepared. In response to the Form-G, seven Expression of Interests (“**EoIs**”) were received. Final list containing six PRAs was published on 16.08.2025. Four Resolution Plans which were received were opened in 4th CoC Meeting. In 6th CoC Meeting, it was noted that Resolution Plan of Meghdoot Leisure LLP and Survi Infra Space LLP are fully compliant. It was further informed that Plan of Parshvanath Trading and Claro Energy Ltd. (“**Claro Energy**”) are non-compliant. The CoC deliberated on the feasibility and viability of three Resolution Plans and on the basis of e-voting the Plan of Meghdoot Leisure LLP having received Plan value of Rs.13.34 crores and having H-1 ranking as per the Evaluation Matrix, was

approved with 100% vote share. After approval of the Resolution Plan, Successful Resolution Applicant (“SRA”) deposited the performance security and the RP filed Plan approval application IA(Plan)19(AHM) 2025 for approval of Resolution Plan.

- (vii) The Adjudicating Authority on 21.11.2025 directed the RP to furnish certain additional information and to obtain declaration under Section 29A from the SRA as well as from its all partners separately. The RP filed two additional affidavits in compliance of the directions of the Adjudicating Authority. The SRA has also submitted an affidavit of declaration. The State Tax Department was also issued notice, which filed its reply explaining its claim of GVAT as well as GST, which was admitted by the RP as secured Operational Creditor.
- (viii) Claro Energy (Respondent No.4 to the Appeal) filed an IA/1451/(AHM)2025 seeking a direction to RP to clarify the position of the assets and declare the related parties as ineligible under Section 29A of the IBC. Certain other prayers were made. In the application, the Claro Energy raised the issue regarding the assets of the CD. The application filed by Claro Energy Ltd. was objected by the RP by filing a reply.
- (ix) Claro Energy Ltd. filed another application being IA/62(AHM)2026 seeking a direction to the RP to provide the Applicant fair and reasonable opportunity for consideration of its

Resolution Plan and place the same for discussion before the CoC. It was prayed that a direction be issued to the RP to take physical possession of the assets of the CD including the asset under the possession of Aster Motors. The said application was also replied by the RP.

- (x) The Adjudicating Authority heard the parties and framed four issues for consideration. One of the issues was regarding ineligibility of SRA under Section 29A and as to whether the Resolution Plan of submitted by Claro Energy was rightly held as non-compliant. One of the issue was as to whether the CIRP was conducted in a fair and transparent manner in accordance with the provisions of the Code and CIRP Regulations, and last issue was as to whether the approval of Resolution Plan by 100% vote share of CoC satisfies the requirement of Section 30 sub-section (2) of the Code. The Adjudicating Authority heard the parties and answered Issue No.2 regarding ineligibility of SRA in favour of SRA, holding that SRA is not ineligible under Section 29A. With regard to Resolution Plan submitted by Claro Energy, the Adjudicating Authority approved the decision of the CoC that Plan of Claro Energy was non-compliant. With respect to Issue Nos.1 and 4, the Adjudicating Authority held that SRA has advantage enjoyed by it due to being privy to better information about the CD. It was held that valuation of the CD was carried

out without physical inspection, owing to the fact that possession of the plot was not available with the RP, which inevitably introduce uncertainty with respect to the true status and realisable value of the assets. The RP did not take steps to clarify and rectify the said position and control of Plot No.986/31 with another entity. The Adjudicating Authority concluded that the CIRP process was affected by material irregularity, which have a direct bearing on fairness and integrity of the resolution process and value maximisation and successful resolution of the insolvency of the CD. Consequently, the Resolution Plan submitted by the SRA cannot be approved. The Adjudicating Authority rejected IA(Plan)19(AHM) 2025 and directed restoration of CIRP to the stage at issuance of Form-G. Extension of CIRP of 90 days was granted. The RP was replaced. IA/1451/(AHM)2025 and IA/62(AHM)2026 were also disposed of in view of the observations that they did not survive for further consideration. Aggrieved by the above order, these two Appeal(s) have been filed.

3. We have heard Shri Krishnendu Datta, learned Senior Counsel appearing for the RP; Shri Abhijeet Sinha, learned Senior Counsel appearing for SRA; Shri Sandeep Bajaj, learned Counsel appearing for Claro Energy (Respondent No.4); and Shri Anand Varma, learned Counsel appearing for the CoC.

4. Shri Krishnendu Datta, learned Senior Counsel appearing for the RP submitted that the Adjudicating Authority committed error in rejecting the Plan approval application, which was approved with 100% vote share of CoC. The CIRP was conducted in accordance with the IBC and CIRP Regulations. All relevant information was included in the Information Memorandum for information of all Resolution Applicants. The access to virtual data room was made available to all Resolution Applicants. The CD was in possession of Plot No.986/32 along with its plant & machinery, which possession was taken by the IDBI Bank in pursuance of the SARFAESI proceedings initiated by it. It was the IDBI Bank, which handed over the possession of Plot No.986/32 to the RP. The Plot No.986/32 being in possession of the CD was got valued and RFRP clearly indicated that Plans are invited with regard to the CD on 'as is where is' basis. The fact that the CD's Plot No.986/32 was adjoining with other Plot, which was in possession of another company i.e. Aster Motors, cannot be said to belong to the CD. The possession of the Plot No.986/31 was handed over to the Aster Motors by the IDBI Bank, which had taken possession, it having security interest on the Plot. The IDBI Bank having 100% vote share of the CoC and was only secured Financial Creditor, was well aware of the facts and situations with regard to title and possession of both Plots, i.e. 986/31 and 986/32. The CoC approved the Evaluation Matrix and RFRP, inviting Resolution Plans with regard to asset of the CD on 'as is where is' basis. All Resolution Applicants were similarly situated and have access to all information. The grievances raised by Claro Energy before the

Adjudicating Authority were baseless. Claro Energy Ltd. did not submit any compliant Plan, which was noted in the 6th CoC Meeting. The objection raised by Claro Energy regarding ineligibility of SRA was also rejected by the Adjudicating Authority and no Appeal having been filed by Claro Energy challenging the decision of the Adjudicating Authority holding its Plan non-responsive and SRA as ineligible, it is not open for the Claro Energy to raise any ground or objection regarding ineligibility of the SRA or that its Plan is compliant. The CoC had conducted the CIRP and the RP has carried out CIRP under the decisions taken by the CoC. The RP cannot be said to have committed any material irregularities in conduct of the CIRP and the observations of the Adjudicating Authority that all Resolution Applicants were not provided equal information is incorrect and baseless. The Resolution Plan approved by the CoC can be rejected only when it is non-compliant of Section 30 sub-section (2). No ground was made out, nor there was any finding in the impugned order that Resolution Plan is non-compliant of Section 30 sub-section (2) of the IBC. The Adjudicating Authority committed error in rejecting the Resolution Plan, which was approved by the 100% CoC. No stakeholder of the CD had raised any objection to the process of Resolution Plan. Claro Energy, who is an unsuccessful Resolution Applicant cannot be heard in objecting to the Resolution Plan, which was in accordance with law.

5. Shri Abhijeet Sinha, learned Senior Counsel appearing for the SRA in support of the Appeal submits that SRA was not a related party to the CD. In the year 2022 OTS proposal of Aster Motors was approved and to fund the

OTS amount, Vipul Shah sold the Aster Motors Pvt. Ltd. to Anand Bharatkumar Shah, partner of SRA. Anand Bharatkumar Shah does not have any relation with Vipul Shah, Mayank Shah and Anand Lal Shah of the CD. The RP had obtained a Report regarding eligibility of all Resolution Applicants and Report was received that all Resolution Applicants are 29A compliant. After the order of the Adjudicating Authority in the Plan approval application, an additional affidavit was filed by the RP and SRA regarding their ineligibility under Section 29A. In any view of the matter, the Adjudicating Authority having found SRA not ineligible under Section 29A, the question cannot be raised by Claro Energy, who is unsuccessful Resolution Applicant. It is submitted that SRA has the same information regarding the CD as available in the public domain and captured in the Information Memorandum. The observation of the Adjudicating Authority that Resolution Applicants did not have access to equal information and there may be some special facts, which were in the knowledge of the SRA, is not correct. All relevant facts being mentioned in the Information Memorandum, no prejudice can be said to have caused to any Resolution Applicants. The Plan submitted by Claro Energy was not compliant, which has also been found by the Adjudicating Authority. Claro Energy has no locus to challenge the approval of the SRA's Plan. No material irregularity was committed by the RP, who conducted the CIRP in accordance with the decision of the CoC, which is 100% IDBI Bank, the secured Financial Creditor. The CIRP is a time bound process, which is to be completed within time bound period and the CD is not expected to enter into

litigation during the CIRP. The RFRP clearly provided that Plans invited for the CD are on 'as is where is' basis.

6. Learned Counsel appearing for the CoC (IDBI Bank) supported the Appeal. It is submitted that issue regarding mismatch between Plot No.986/31 and 986/32 was brought into the notice of the CoC during the 1st CoC Meeting held on 03.06.2025 and upon due consideration, the CoC in its 2nd Meeting approved the 'request for Resolution Plan', having clause that assets would be handed over to successful Resolution Applicant on 'as is where is' basis. The CD was engaged in the business of operating a Hyundai car dealership and service station. The IDBI Bank took possession of the Plot under the SARFAESI Act, on which dealership was being operated, treating the same as an asset of the CD. The said Plot also bore the name of Aldiam Motors Pvt. Ltd. on its boundary walls. In the CIRP, the possession of the said Plot No.986/32 was handed over to the RP. All Resolution Applicants except Claro Energy participated in the negotiations. All Resolution Applicants were given opportunity to submit their revised Resolution Plan. Four Resolution Applicants attended the 6th CoC Meeting and presented their Plans. All the Plans, except the Plan of Claro Energy was held to be compliant. The CoC has approved the Resolution Plan with 100% vote share. The CIRP in the present matter conducted in a fair and transparent manner. The CoC in exercise of its commercial wisdom has resolved to stand by its decision approving the Resolution Plan and does not consider it appropriate to revisit or recommence the CIRP in the facts of the present case. Learned Counsel

for the CoC submitted that this Tribunal may allow the Appeal(s) and grant approval of the Resolution Plan submitted by SRA.

7. Shri Sandeep Bajaj, learned Counsel appearing for Claro Energy (Respondent No.4 in the Appeal) opposing the submissions of learned Counsel for the Appellant(s) submits that CIRP has not been conducted in transparent manner. The CD has ownership rights of Plot No.686/31 with respect to which title documents were on the record. The said Plot No.986/31 is in possession of another sister Company of the CD i.e. Aster Motors, which is a related party. The RP did not take any steps to take possession of Plot No.986/31 in the CIRP, where the RP is obliged under Section 18(1)(f) and Section 25 to take possession of the assets owned by the CD. It is submitted that there being no access to the Plot No.986/31, the valuation was made without even physical visit or inspection of the Plot owned by the CD. The Valuer has submitted a Report with respect to Plot No.986/32 by substantial discounting its value. It is submitted that the Claro Energy has filed its Plan and also submitted revised Resolution Plan and no clarification was received from RP regarding possession of the assets of the CD. Claro Energy has filed an application before the Adjudicating Authority being IA/62(AHM)2026 raising questions regarding transparency of the CIRP. The RP has not disclosed about the related party of the CD. Meghdoot Leisure LLP's Partner is Director in Aster Motors and hold 50% share in the Aster Motors. The CD's asset is in possession of the Aster Motors. The CoC never passed any resolution to not proceed to take possession of the assets of the CD.

Disclosure in Information Memorandum cannot waive the duty of the RP to take possession of the assets of the CD. The RP was obliged to file an application seeking clarification on possession of the assets of the CD. The RP got Plan approved of related party of Aster Motors. It is submitted that the asset of the CD is sought to be taken by the related party. The valuation conducted by the Valuer cannot be said to be in accordance with the process, since they were not able to physically visit the Plot No.986/31, on which CD has ownership rights, nor were the Valuers were given access by the RP. The observation of the Adjudicating Authority that certain participants in the CIRP has enjoyed an informational advantage over other prospective Resolution Applicants, is correct and was valid for not approving the Resolution Plan. The CIRP process suffers from significant material irregularity, which was sufficient ground to reject the Plan approval application.

8. We have considered the submissions of learned Counsel for the parties and have perused the records.

9. The Adjudicating Authority in the impugned order has noticed in detail the submissions made by the RP in support of the Plan approval application as well as submissions of Claro Energy in support of his applications IA/1451/(AHM)2025 and IA/62(AHM)2026. The sequence of facts and process in the CIRP, relevant part of the Information Memorandum has also been noticed by the Adjudicating Authority. The Adjudicating Authority after noticing the submissions of the parties and all relevant facts in the CIRP, has framed four issues in Paragraph -29 of the judgment, which are as follows:

- “(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 Infraspaces 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?”

10. We need to first notice the decision of the Adjudicating Authority on Issue Nos. (II) and (III). Issue No.(II) was regarding the eligibility under Section 29A of the SRA. Under Issue No.(II), the Adjudicating Authority noticed the contentions raised by Claro Energy regarding ineligibility of SRA under Section 29A and after considering all relevant submissions, came to the conclusion that statutory disqualification under Section 29A of the Code is not attracted. However, while deciding Issue No.(II), certain concerns have been raised regarding fairness and integrity of the resolution process and the advantage enjoyed by Meghdoot Leisure LLP due to being privy to better information about the CD, which we shall notice hereinafter.

11. In Paragraph 31.21, the Adjudicating Authority held that SRA Meghdoot Leisure LLP is not ineligible under Section 29A. Now coming to Issue No.(III) - Whether the RP was justified in treating the Resolution Plan submitted by Claro energy Ltd. as non-compliance and declaring the same as

non-responsive, the said Issue was answered by the Adjudicating Authority against the Claro Energy Ltd. In Paragraph 32.11, the Adjudicating Authority on Issue No.(III) held following:

“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. ”

12. We may also add that 6th CoC Meeting held on 28.10.2025, the CoC resolved to vote on the Resolution Plan. It was noted that Plan of Claro Energy is non-compliant. Reasons were noted by the CoC in its 6th Meeting held on 28.10.2025. the Adjudicating Authority has approved the decision and opinion of the RP/CoC that the Plan of Claro Energy is non-compliant.

13. Now, we come to Issue No.(I), on which Adjudicating Authority has made various concerns regarding overall transparency of the CIRP. The Adjudicating Authority while considering Issue No.(I) itself has noted the fact

that in the 1st CoC Meeting the issue was brought before the CoC that although Title Deeds of Plot No.986/31 continued to remain with the secured creditor (IDBI) in relation to the financial facilities availed by the CD, the physical possession of the said Plot had been handed over to the Aster Motors Pvt. Ltd. after settlement of its dues pursuant to OTS. The aforesaid facts have been noticed by the Adjudicating Authority in Paragraph 30.3, which is as follows:

“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 1st meeting that although the title deeds of Plot No. 986131 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 I 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. 986131, whereas the physical possession of the said plot was with a third-party entity, i.e. Aster Motors. To clarify, the plot No. 986 I 31 belongs to the Corporate Debtor and plot No. 986 I 32 belongs to Aster but the IDBI gave possession of plot no. 986 I 31 to Aster after settlement with them.”

14. The facts brought on the record indicate that the CD had lease hold rights on both the Plots i.e. 986/31 and 986/32. Both the Plots were initially leased out by GIDC in favour of another company, which with permission of GIDC were leased out to the CD. The CD had taken financial facilities from IDBI Bank Ltd. The area of Plot No.986/31 is 3990.40 sq. meters, whereas area of Plot No.986/32 is 3844.80 sq. meters. The CD has lease hold right in both the plots. In the year 2022 the CD has transferred the Plot No.986/32 to the Aster Motors. Aster Motors has also obtained the financial facilities from IDBI Bank with which Aster Motors settled its dues, and it is on the

record that the IDBI handed over the possession of the Plot No.986/31 to the Aster Motors, which Adjudicating Authority has itself noticed in Paragraph 30.3 as noted above. The CD was running a showroom and service station of Hyundai Motors, which dealership came to be terminated in 2020. In the showroom there were plant and machineries and other movable assets of the CD. The IDBI Bank took possession of Plot No.986/32 under the SARFAESI Act, 2002 and the possession of Plot No.986/32 was handed over by the IDBI Bank to the RP, after initiation of CIRP, which fact is noted by the CoC in 3rd CoC Meeting. The statement of the RP as noted in 3rd CoC Meeting held on 06.08.2025 in Item No.C-4 is as follows:

“Chairman informed that during his visit to Vadodara on 11th July 2025, RP took physical possession of sole immovable property, owned by the Corporate Debtor, located at Plot No. 986/32, GIDC Industrial Estate, Village Makarpura, Gujarat (as per assignment deed & conveyance deed plot no. is 986/31) from IDBI Bank Ltd, which was having possession thereof under SECURITISATION ACT.”

15. The facts of the case reveal that it is the IDBI Bank, which is 100% of the CoC, had security interest in both the Plots i.e. Plot No.986/31 and 986/32. Both the plots were initially owned by the CD and Plot No.986/32 was transferred in the year 2022 in favour of Aster Motors. The IDBI has security interest in both the Plots, and it is the IDBI, which has given possession of Plot No.986/31 to the Aster Motors and possession of Plot No.986/32 was with the IDBI Bank, which was handed over to the RP, treating it to be the assets of the CD. The RFRP, which was approved by the CoC contained a Clause in 1.10(e), which provided that transfer of the assets of

the Company shall be “as is where is”, “as is what it is” and “without recourse” basis. In Clause 1.10, sub-clause (e), following was noted:

“(e) The shares of the Company and transfer of Control of the Company and the vesting of any legal or beneficial interest, right or title over any of the assets of the Company shall be issued, vested, transferred pursuant to the Approval of Resolution Plan by Adjudicating Authority, to the Successful Resolution Applicant on "as is where is", "as is what it is" and "without recourse" basis. Though Corporate Debtor has no ongoing operations but there may be some change in current assets, as disclosed in Information Memorandum, due to realization or non availability/ provisioning on some current assets during CIRP period, on NCLT plan approval date. Therefore, all current assets shall be handed over to successful resolution applicant which exist as on the date of approval of resolution plan, on as it is where it is basis, and without recourse basis. Further, only those inventory and debtors shall be handed over to successful resolution applicant which will be legally and beneficially owned by corporate debtor. Unless otherwise negotiated and agreed differently by CoC during negotiation, as a part of resolution plan, Successful Resolution Applicant shall be entitled / responsible for entire profit & loss earned or incurred during CIRP period and accordingly, successful resolution applicant shall be transferred all incremental current assets / incremental current liabilities including contingent liabilities arising during CIRP period (on "as it is where is" "as is what it is what it is "and without recourse" basis), subject to the condition that Resolution Professional shall be entitled to use available cash & bank balance to pay unpaid CIRP cost and cost incurred to maintain going concern status of the corporate debtor. For purpose of this clause, increment current liabilities shall mean all liabilities including contingent liabilities incurred during CIRP period or all liabilities other than written off or taken over by successful resolution applicant, pursuant to the terms of resolution plan as existing on NCLT approval date.

Without prejudice to the above, it is clarified that successful resolution applicant shall be entitled to all non-current and current assets (except cash & bank balance) which exist on CIRP commencement date and CoC shall be entitled to use available cash & bank balance including accrued interest on FDR, if any, available on the said date for the benefit of creditors, as it may deem appropriate, in addition to amount offered for creditors in approved resolution plan.

It is clarified that the Successful Resolution Applicant shall be responsible to follow up all avoidance transaction application (if any) filed by the Resolution Professional during CIRP. After approval of Resolution Plan, unless discussed and agreed differently by CoC during negotiation, as a part of resolution plan, Successful Resolution Applicant will have to share entire net proceeds after netting off Cost incurred in connection therewith, with creditors in proportion of their

unsettled claim amount in accordance with the priority given in Section 53 of the Code.”

16. We also need to notice the Evaluation Matrix as approved by the CoC in its 2nd Meeting, where the details of Plot No.986/31 and 986/32 were mentioned. It is useful to notice that in the 2nd CoC Meeting, which was held on 23.06.2025, the Evaluation Matrix as proposed was noticed as follows:

“Item No.C-2	:	To approve Evaluation Matrix (EM) and Request for Resolution Plan (RFRP)
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The Chairman informed the Committee that as per Regulation 36B (1), Resolution Professional shall, within five days of the date of issue of the final list under sub-regulation (12) of Regulation 36A, issue the Information Memorandum, Evaluation Matrix and a Request for Resolution Plans to every Resolution Applicant in the final list.

Further, as per Regulation 36B (5) of CIRP Regulations, any modification in the request for resolution plan or the evaluation matrix shall be deemed to be a fresh issue. Provided such modifications shall not be made more than once.

As per proposed timelines, Information Memorandum, Evaluation Matrix and RFRP are to be issued within 5 days of issue of final list i.e. latest by 21.08.2025 (Thursday) in the case of Corporate Debtor.

The Chairman informed that the draft Evaluation Matrix and draft Request for Resolution Plan (RFRP) were circulated in advance for CoC members for their review and comments. However, till date, no comment / observation on the same, has been received. A copy of RFRP was also sent with the Notice of the meeting.

Chairman placed a copy of draft Evaluation Matrix and draft Request for Resolution Plan (RFRP), as circulated earlier, on the table of the meeting, for the consideration of committee.

Chairman further informed that in draft RFRP, followings have been proposed:

Earnest Money deposit (EMD) with Resolution Plan	Rs.25,00,000/-
Performance Guarantee Amount (PGA)	10% of the amount proposed for the resolution of the outstanding debt and CIRP costs, subject to a minimum of Rs.1,50,00,000/-
Validity of Performance Guarantee	Six months

Release of Performance Guarantee	After handing over management & control and receipt of minimum Rs.5,00,00,000/- towards payment of CIRP cost and resolution debt
Other Major terms of RFRP	Successful resolution applicant will be responsible for entire profit & loss amount incurred / earned during CIRP period unless otherwise agreed / negotiated during negotiation by CoC. All assets shall be handed over to successful resolution applicant (SRA) on as it is where it is basis without recourse. Corporate debtor was owning two adjacent plots of same size i.e. Plot No. 986/ 31 & 32, GIDC, Makarpura, Vadodara, Gujarat, India, 390010. Subsequently, corporate debtor sold one plot i.e. plot no. 32. IDBI bank extended loan on the security of remaining plot no -31 and accordingly charge no 10582569 was created on plot 31, in favour of IDBI bank. Recently, a confusion has arisen about the number of the plot sold by corporate debtor and number of plot retained by it. The above position would be disclosed in Information Memorandum. Further, in RFRP, it would be stated that Immovable assets will be handed over to successful resolution applicant, on as it where it is basis and neither CoC nor RP will be responsible to resolve above issue, if remains pending on approval date.”

On query, chairman explained the committee about the rationale for proposing EMD and performance guarantee amount

After some discussion, Chairman placed the following resolution for the consideration and approval of CoC.

"RESOLVED THAT pursuant to Regulation 36B(1) of IBBI (Resolution Process for Corporate Persons) Regulations, 2016, Evaluation Matrix, a copy of which duly initiated by the Chairman, for the purpose of

identification was placed on the table of the meeting, for evaluation of resolution plan(s) received for Corporate Debtor, be and is hereby approved."

"RESOLVED FURTHER THAT pursuant to Regulation 36B(1) of IBBI (Resolution Process for Corporate Persons) Regulations, 2016, Request for Resolution Plan which interalia includes time lines, Earnest Money Deposit, Performance Security Amount, Evaluation Matrix, as approved herein above, and other terms & conditions for submission of Resolution Plan by prospective resolution applicants, a copy of which duly initialled by the Chairman, was placed on the table of the meeting, be and is hereby approved and Resolution Professional be and is hereby authorised to issue the same to prospective resolution applicants."

Pursuant to Regulation 25(3) of CIRP Regulation, Chairman requested the members of the Committee, present in the meeting to vote for the resolution.

Members of CoC asked the Chairman to put the above resolution to be taken up & decided through e-mail voting"

17. The RP has also appointed Valuers with the approval of the CoC and two Valuers have submitted the Report regarding land & building, plant & machinery and other assets. The Valuers visited the Plot and Valuation Report indicate that the valuation has been made of Plot No.986/32, which was in possession of the CD and on which the Valuers visited and submitted their valuation for land & building, and plant & machinery, fixture & furniture. Their valuation for land & building, plant & machinery and fixture and furniture, are part of the record. Photographs have been annexed in the Valuation Report, which indicate that on Plot No.986/32, which was taken possession by the RP, on the land there was structure standing with plant & machinery and fixture & furniture, which have been valued.

18. The submission of learned Counsel for the Claro Energy is that RP ought to have taken possession of Plot No.986/31, on which CD had ownership rights and the assets of the said Plot, ought to have been given to

the Valuers for valuation of Plot No.986/31, cannot be accepted. The IDBI Bank, which is 100% Member of the CoC, has secured interest in both the Plots and had initiated SARFAESI proceeding and has taken possession of both the Plots from the CD and Aster Motors. It is the IDBI Bank, which has given possession of Plot No.986/31 to the Aster Motors and the possession of Plot No.986/32 to the RP during the CIRP, treating it to be asset of the CD, which Plot was valued. The CD was running a Hyundai car showroom and service station and the valuation contained the valuation, not only of the land, rather the structure, plant & machinery also. Valuation of Plot No.986/32 indicate that it was not just the land, rather it has a structure indicating that showroom was being run. The mismatch of title of possession with regard to Plot No.986/31 and 986/32 was clearly provided in the Information Memorandum, which was issued by the RP under the heading “*Details of Land & Building*”. In Clause 3.3, the ‘details of land & building’ has been mentioned, which is as follows:

“Details of Land & Building

Corporate Debtor owns a leasehold immovable property situated at Plot No. 986/3 1, 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 tile 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."

19. Clause 3.4 provides "*Details of Plan & Machinery & Other fixed Assets*", which is as follows:

"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 986132) GIDC Industrial Estate, Village Makarpura, District Vadodara, Gujaral on 08th September 2020 under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARF AESI) 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 tool 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 I furniture & fixture I 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".

20. Clause 3.5 of the Information Memorandum reads as follows:

“3.5 Details of outstanding charges

Charge ID	Charge Holder Name	Date of Creation/ last modification ate	Amount
10562381	Aditya Birla finance Limited	20/10/2020	5,14,00,000
10582569	IDBI Bank Limited	26/07/2017	24,45,00,000

Source: MCA data

Initially, Corporate debtor was owning two adjacent plots i.e. Plot No. 986/31 & 32, GIDC, Makarpura, Vadodara, Gujarat, India, 390010. Subsequently, corporate debtor sold one plot i.e. plot no. 986/32. IDBI bank extended loan on the security of remaining plot no 986/31 and accordingly charge no 10582569 was created on plot 986/31, in favour of IDBI bank. Recently, directors have informed that there is a confusion about the sequence number of the plot sold by corporate debtor and sequence number of plot retained by it. As per map of GIDC, actual number of plot in possession of corporate debtor is 986/32 and not 986/31, as mentioned in the charge documents.

Source: Suspended Director's mail dated 11th July, 2025.”

21. The Information Memorandum, which has also been noticed in detail by the Adjudicating Authority in Paragraph 30.4, has noted all the details. The Adjudicating Authority in its discussion on Issue No.(I) has made observation that there is possibility of informational asymmetry among bidder, which cannot be completely ruled out. In Paragraph 30.14, following was observed:

“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.”

22. In Paragraph 30.15 again the Adjudicating Authority made following observations:

“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.”

23. The observation of the Adjudicating Authority that there is possibility of informational asymmetry among the bidders, is wholly erroneous and without any foundation. The Information Memorandum captured entire facts and situation of the CD, its assets, title and possession. The access to virtual data room was available to all Resolution Applicants, which was noted by the CoC in its Minutes. When all Resolution Applicants were provided access to virtual data room and Information Memorandum in detail has indicated the Title and possession of the CD with respect to Plots and it is also noted that IDBI has itself has handed over possession of Plot No.986/32 to the RP, after initiation of CIRP and RFRP itself contemplated transfer to SRA of the on ‘as

is where is' basis and the CIRP proceeded treating the Plot No.986/32 as the asset, which was in possession of the RP and which was valued, the submission of the Claro Energy that actual asset, i.e. Plot No.986/31 was not provided to the Valuers is of no consequence, since RP was in possession of Plot No.986/32, which was handed over by the IDBI to the RP, treating it to the assets of the CD. Hence, the said asset was valued along with the plant & machinery and furniture. It is well settled that commercial wisdom of the CoC is not to be likely interfered with, unless the Resolution Plan is non-compliant of Section 30, sub-section (2). The present is a case where there is no material or finding that the Resolution Plan submitted by SRA violates any provision or it is non-compliant of Section 30 sub-section (2). The Adjudicating Authority sought to reject the Resolution Plan of the SRA by observing that the CIRP stands affected by material irregularity, which have a direct bearing on the fairness and integrity of the resolution process. Following conclusions have been recorded by the Adjudicating Authority in Paragraph 33.18, while deciding Issue No.(IV):

“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.”

24. In the present case, the entire CIRP was conducted under the CoC, which was 100% of IDBI Bank, the sole secured Financial Creditor. The RP has conducted the CIRP as per the decision of the CoC. There is no material irregularity to come to the conclusion that RP has not conducted the CIRP as per the decision of the CoC.

25. Learned Counsel for the Appellant in the above reference has relied on the recent judgment of the Hon'ble Supreme Court in ***Torrent Power Ltd. vs. Ashish Arjunkumar Rathi & Ors. – Civil Appeal Nos.11746-11747 of 2024*** decided on 27.02.2026. The Hon'ble Supreme Court under the heading "*Commercial Wisdom of the CoC Paramount*" in Paragraphs 12, 12.1, 12.2, 12.3, 12.4 and 12.5 laid down following:

"Commercial Wisdom of the CoC Paramount:

12. Having concluded that neither of the issues raised by the appellants establishes any modification of the Resolution Plan or any material irregularity in the conduct of the RP, the challenge stands stripped of its factual foundation. What remains is, in substance, a challenge to the commercial decision taken by the CoC. The IBC leaves no scope for judicial intervention even here.

12.1 It has been the consistent view of this Court that the commercial wisdom of the CoC cannot be interfered with by the NCLT, the NCLAT or this Court as was held in *K. Sashidhar vs. Indian Overseas Bank*, (2019) 12 SCC 150 as under:

"55. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan "as approved" by the requisite percent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides : (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the

corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.

xxx

58. Indubitably, the inquiry in such an appeal would be limited to the power exercisable by the resolution professional under Section 30(2) of the I&B Code or, at best, by the adjudicating authority (NCLT) under Section 31(2) read with Section 31(1) of the I&B Code. No other inquiry would be permissible. Further, the jurisdiction bestowed upon the appellate authority (NCLAT) is also expressly circumscribed. It can examine the challenge only in relation to the grounds specified in Section 61(3) of the I&B Code, which is limited to matters “other than” enquiry into the autonomy or commercial wisdom of the dissenting financial creditors. Thus, the prescribed authorities (NCLT/NCLAT) have been endowed with limited jurisdiction as specified in the I&B Code and not to act as a court of equity or exercise plenary powers.”

(Underlining by us)

12.2 Similarly, in **Kalyani Transco**, decided on 26.09.2025, a three-Judge Bench of this Court held as follows:

“179. It can thus be seen that this Court has held that the legislature purposefully did not include a means to challenge the commercial wisdom exercised by the CoC. This makes a challenge to the same non – justiciable. It has been further held that a challenge cannot be raised against the decision making of the CoC unless and until the grounds for challenge as given in the Code are satisfied. Any interference in the paramount objective of the CoC of exercising its commercial wisdom would

amount to the Court rewriting the law and going against the very objectives of the IBC.

180. We are therefore of the opinion that in the present matter as well, the CoC exercised its commercial wisdom while approving the Resolution Plan whereby the Appellant – Jaldhi was classified as a contingent creditor and such a decision is deemed to be non – justiciable by this Court in view of K. Sashidhar (supra) which has been subsequently followed in a catena of judgments. The NCLT, and the NCLAT have also approved the Resolution Plan, and in light of the settled principle of law, we find no question of law being raised by the Appellant – Jaldhi and therefore, the appeal filed by it is liable to be dismissed.”

(underlining by us)

12.3 We note the observations in ***Essar Steel India Limited***, clarifying that once the NCLT is satisfied that the CoC has applied its mind to the statutory requirements spelt out in sub-section (2) of Section 30 it must necessarily pass the resolution plan, as under:

“73. ...Thus, while the Adjudicating Authority cannot interfere on merits with the commercial decision taken by the Committee of Creditors, the limited judicial review available is to see that the Committee of Creditors has taken into account the fact that the corporate debtor needs to keep going as a going concern during the insolvency resolution process; that it needs to maximise the value of its assets; and that the interests of all stakeholders including operational creditors has been taken care of. If the Adjudicating Authority finds, on a given set of facts, that the aforesaid parameters have not been kept in view, it may send a resolution plan back to the Committee of Creditors to re-submit such plan after satisfying the aforesaid parameters. The reasons given by the Committee of Creditors while approving a resolution plan may thus be looked at by the Adjudicating Authority only from this point of view, and once it is satisfied that the Committee of Creditors has paid attention to these key features, it must then pass the resolution plan, other things being equal.”

(Underlining by us)

12.4 We also note the observations in ***Pratap Technocrats Private Ltd. vs. Monitoring Committee of Reliance Infratel Limited, (2021) 10 SCC 623*** wherein this Court categorically held as follows:

“29. The jurisdiction which has been conferred upon the adjudicating authority in regard to the approval of a resolution plan is statutorily structured by sub-section (1) of Section 31. The jurisdiction is limited to determining whether the requirements which are specified in subsection (2) of Section 30 have been fulfilled. This is a jurisdiction which is statutorily-defined, recognised and conferred, and hence cannot be equated with a jurisdiction in equity, that operates independently of the

provisions of the statute. The adjudicating authority as a body owing its existence to the statute, must abide by the nature and extent of its jurisdiction as defined in the statute itself.

44. ...the jurisdiction of the adjudicating authority and the appellate authority cannot extend into entering upon merits of a business decision made by a requisite majority of the CoC in its commercial wisdom. Nor is there a residual equity based jurisdiction in the adjudicating authority or the appellate authority to interfere in this decision, so long as it is otherwise in conformity with the provisions of IBC and the Regulations under the enactment.”

(Underlining by us)

12.5 The issue is no longer *res integra*, the law having been settled that the commercial wisdom of the CoC enjoys primacy and cannot be supplanted by judicial review. Neither the NCLT, nor the NCLAT nor even this Court is empowered to substitute its assessment in place of the commercial decision arrived at by a requisite majority of the CoC.”

26. With regard to unsuccessful Resolution Applicant, the Hon’ble Supreme Court has also made observation in Paragraph 13, 13.1, 13.2. Further, in Paragraphs 14.1, 14.2 and 14.3, the Hon’ble Supreme Court laid down following:

“14. Before parting, we wish to add a few words of caution. The IBC represents a conscious legislative choice to privilege speed, certainty, and creditor-driven decision-making over exhaustive judicial scrutiny. Experience shows that unsuccessful bidders will always try to spin commercial decisions of the CoC as procedurally faulty in order to secure a second shot through litigation by filing applications or making representations. However, courts need to remain vigilant against any temptation to expand the scope of review beyond the narrow boundaries prescribed by the IBC.

14.1 From an *ex post perspective*, excessive judicial review in the CIRP carries significant economic costs that run counter to the objects of IBC. The IBC is premised on the recognition that delay and uncertainty are value-destructive in distressed situations. When commercial decisions taken by the CoC are subjected to expansive judicial scrutiny, resolution timelines lengthen, transaction costs rise, and the going-

concern value of the Corporate Debtor erodes. The consequence therefore is not merely delay, but a tangible loss of economic value for all stakeholders.

14.2 From an *ex ante* perspective also, the expectation of expansive judicial review distorts incentives for future bidders. Future resolution applicants may price legal uncertainty into their bids, either by discounting their offers or by refraining from participation in the CIRP altogether. This will weaken competition in the resolution process and reduce recoveries for creditors.

14.3 Excessive review also encourages strategic litigation. Stakeholders with little to no economic interest in the Corporate Debtor may resort to litigation as a bargaining tool to delay implementation of the Resolution Plan or extract concessions, thereby converting the insolvency process into an adversarial contest. Such conduct takes the process away from its objective of value maximisation.”

27. Ultimately, in finding at Paragraph 14.7, the Hon’ble Supreme Court laid down following:

“14.7 Predictability and finality are thus essential to maintaining a robust insolvency regime. Judicial intervention beyond the narrow statutory confines undermines both predictability and finality. Recognising this, the IBC deliberately confines judicial review to strict statutory compliance under Sections 30(2) and 61(3). Respecting these limits will preserve the economic sense of the IBC and ensure that insolvency remains a predictable, time-bound, and market-driven process.”

28. In the facts of the present case, we are satisfied that all necessary information were contained in the Information Memorandum and the entire CIRP was conducted under the RFRP, which invited Resolution Applicants to submit their Plan on the basis of terms and conditions of the RFRP. There

were four compliant Resolution Plans, which were up for consideration. The Plan of Claro Energy was non-compliant and was not put for voting. No other Resolution Applicant has raised any grievance, except Claro Energy, whose Plan was non-responsive. We are of the view that observations and grounds on the basis of which Adjudicating Authority has rejected the application for Plan approval, are not covered within the limited jurisdictional review, which is conferred to the Adjudicating Authority to interfere with the commercial wisdom of the CoC. The fact that IDBI Bank has 100% vote share in the CoC and it has security interest in both the Plots of the CD, which were in possession of Aster Motors and the possession of the Plot was given by IDBI Bank itself to the RP treating it to be the asset of the CD. The object and purpose of the IBC is insolvency resolution of the corporate person in a time bound manner for maximization of value of assets of such persons. When the CIRP is conducted under the directions of the 100% CoC, it cannot be said that RP has committed material irregularity in respect of the process. No stakeholder of the CD has raised any objection with regard to conduct of the CIRP or the approval of Resolution Plan by the CoC, except Claro Energy, a unsuccessful Resolution Applicant. We in the facts of the present case are satisfied that order of the Adjudicating Authority rejecting the Plan approval application, cannot be sustained.

29. In result, both the Appeal(s) are allowed. Plan approval application filed by the RP being IA(Plan)19(AHM) 2025 is revived before the Adjudicating Authority for fresh consideration and passing of appropriate order. The

Adjudicating Authority shall proceed to pass an order with regard to approval of Resolution Plan keeping in view the observations made by this Tribunal in this order.

30. In view of foregoing discussions, both the applications filed by Claro Energy, shall stand closed, which are not revived for any consideration. The Adjudicating Authority shall endeavour to pass an order on the Plan approval application at an early date, preferably within three months from the date of receipt of copy of this order. Both the Appeal(s) are allowed accordingly. No order as to costs.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

New Delhi

27th May, 2026

Ashwani