

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

ITEM No.301  
C.P.(IB)/195(AHM)2025

**Order under Section 7 IBC**

**IN THE MATTER OF:**

Indian Renewable Energy Development Agency Limited  
V/s  
Gensol Engineering Limited

.....Applicant

.....Respondent

**Order delivered on: 13/06/2025**

**Coram:**

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

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

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

-Sd -

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

-Sd -

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

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

**CP (IB) No.195/AHM/2025**

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

**In the Matter of:**

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

**(CIN: L65100DL1987GOI027265)**

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

**...Applicant/Financial Creditor**

**VERSUS**

**Gensol Engineering Limited**

**(CIN: L74210GJ2012PLC129176)**

Registered office at 15th Floor, A Block,  
Westgate Business Bay, S G Road,  
Jivraj Park, Ahmedabad, Gujarat – 380051.

**...Respondent/Corporate Debtor**

**Order Pronounced On: 13.06.2025**

**C O R A M:**

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

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

### **A P P E A R A N C E:**

For the Applicant/F.C. : Mr. Saurabh Soparkar, Sr. Adv  
a.w. Ms. Grishma Ahuja, Adv, &  
Mr. Shalin Jani, Adv.  
I/B Shardul Amarchand Mangaldas

For the Respondent/CD : Mr. Mihir Thakore, Sr. Advocate  
a/w. Mr. Vijay K. Singh, Advocate.

### **O R D E R**

1. The present Petition is filed on 13.05.2025 by the Applicant  
**- Indian Renewable Energy Development Agency Limited (IREDA)** (hereinafter referred to as **“Financial Creditor”**) against the Respondent-**Gensol Engineering Limited** (hereinafter referred to as **“Corporate Debtor”**) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as **“IBC, 2016”**) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as **“IB (AAA) Rules, 2016”**) for initiation of Corporate Insolvency Resolution Process (**CIRP**), to appoint Interim Resolution Professional (hereinafter referred to as **“IRP”**) and declare the moratorium for having defaulted in payment of its outstanding dues of **Rs.510,10,00,000/-**.

2. On perusal of Part-I of the Form-1 revealed that the Financial Creditor is a 'Navratna' Government of India Enterprise under the administrative control of the Ministry of New and Renewable Energy ("MNRE"). IREDA is a Public Limited Government Company established as a Non-Banking Financial Institution (NBFC). IREDA has been notified/incorporated on 11.03.1987 as a Public Financial Institution under section 4 'A' of the Companies Act, 1956, and is registered as NBFC with Reserve Bank of India (RBI) having **CIN: L65100DL1987GOI027265**, Registered office at 1st Floor, East Court Core, India Habitat Centre, 4A, Lodhi Road, New Delhi – 110003. A copy of the Master Data is annexed at **Annexure-1**.

3. The Financial Creditor is engaged in promoting, developing, and extending financial assistance for setting up projects relating to new and renewable sources of energy and energy efficiency/conservation. This Petition is filed through its Addl. General Manager, Mr. Vikram Singh Yadav, who has been authorised by Board Resolution dated 21.05.2004, which is annexed at Annexure-2, with his authority further supported by an office order dated 01.01.2019,

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

4. On perusal of Part-II of the Form-1 revealed that the Corporate Debtor is one Gensol Engineering Limited, having CIN No. L74210GJ2012PLC129176. The Corporate Debtor was incorporated on 25.09.2012 and has a registered office at 15th Floor, A Block, Westgate Business Bay, S G Road, Jivraj Park, Ahmedabad, Gujarat – Pin- 380051. The Corporate Debtor is engaged in engineering and renewable energy projects, including solar power projects and electric vehicle (EV) leasing arrangements, as evidenced by its agreements with the Financial Creditor and other entities. The Corporate Debtor's master data is annexed at **Annexure-3.**

5. On perusal of Part-III of the Form-1 revealed that the Financial Creditor has named **Mr. Pulkit Gupta**, having Registration No. IBBI/IPA-001/IP-P-02364/2021-2022/13697, having his address at EY Restructuring LLP, 3rd Floor, Worldmark 1, IGI Airport Hospitality District, Aerocity, New Delhi – 110037, (**e-mail:** Pulkit.Gupta@in.ey.com) under section 13 (1)(c) of the Code

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

**6.** On perusal of Part-IV of the Form-1 reveals that the total dues as claimed by the Financial Creditor is Rs.510,10,00,000/-, consisting of principal and interest up to 30.04.2025. The default dates are stated to be 31.03.2025, 19.04.2025, and 12.05.2025.

**7.** It is stated that the Financial Creditor sanctioned five financial facilities (hereinafter referred to as "Facilities") sanctioned between 24.03.2022 and 09.05.2024, aggregating Rs. 863.30 crore to the Corporate Debtor for various projects. The facilities are detailed in Annexure-5. These facilities in short are:

- (i). **Facility No.1 (Project 2583):** A term loan of Rs. 267.79 crore disbursed on 24.03.2022 for an EV fleet leasing project in collaboration with Blu-Smart Mobility entities, governed by a Facility Agreement (Annexure-9) and a sanction letter (Annexure-8).

- (ii). **Facility No.2 (Project 2666):** A term loan of Rs. 43.69 crore disbursed on 17.01.2023 for a similar EV fleet leasing project, governed by a Facility Agreement (Annexure-23) and sanction letter (Annexure-26).
- (iii). **Facility No.3 (Project 2740):** A term loan of Rs. 121.00 crore disbursed on 25.09.2023 for a solar power project with Damodar Valley Corporation, governed by a Facility Agreement (Annexure-36) and sanction letter (Annexure-35).
- (iv). **Facility No.4 (Project 2791):** A term loan of Rs. 192.87 crore disbursed on 01.02.2024 for a 62 MW ground-mounted solar project for MAHAGENCO in Maharashtra, governed by a Facility Agreement (Annexure-47) and a sanction letter (Annexure-46).
- (v). **Facility No.5 (Project 2876):** A non-fund-based guarantee assistance of Rs. 250.00 crore, with Rs. 237.95 crore disbursed on 09.05.2024, governed by a Guarantee Facility Agreement (Annexure-56) and sanction letter (Annexure-59).

8. The Facility No.1 was secured by a Deed of Hypothecation creating an exclusive first charge over specified assets (Annexure-10), a Power of Attorney (Annexure-11), Deeds of Guarantee by promoters Mr. Anmol Singh Jaggi and Mr. Puneet Singh Jaggi (Annexure-15 & 16), a Non-Disposal

Agreement (Annexure-13), a Deed of Pledge (Annexure-17), a Tripartite Agreement with Blu-Smart entities (Annexure-20), and a Trust and Retention Account (TRA) Agreement dated 04.05.2022 with Axis Bank (Annexure-21). The Financial Creditor alleges default, contributing to Rs. 270.94 crore outstanding for Facilities 1, 2, and 3 as of 30.04.2025, as per the Notice of Events of Default (Annexure-66).

**9.** The Facility No.2 was secured by a Deed of Hypothecation (Annexure-24), a Power of Attorney (Annexure-25), Deeds of Guarantee (Annexure-26 & 27), a Non-Disposal Agreement (Annexure-29), a Supplemental Pledge Agreement (Annexure-32), a Tripartite Agreement (Annexure-28), and a TRA Agreement dated 17.01.2023 with Axis Bank (Annexure-34). The default is included in the Rs. 270.94 crore outstanding (Annexure-66).

**10.** The Facility No.3 was secured by a Deed of Hypothecation (Annexure-37), Deeds of Guarantee (Annexure-38), a Bank Guarantee by HDFC Bank dated 29.09.2023 (Annexure-39), a Deed of Indemnity (Annexure-40), Undertakings by the Corporate Debtor and its promoters (Annexure-41, 42, 43), a TRA Agreement dated 25.09.2023 with HDFC Bank



(Annexure-44), and a letter from Damodar Valley Corporation dated 29.11.2023 ensuring proceeds deposit (Annexure-45). The default is part of the Rs. 270.94 crore outstanding (Annexure-66).

**11.** Facility No.4 was secured by a Deed of Hypothecation (Annexure-48), Deeds of Guarantee (Annexure-49), a Bank Guarantee by HDFC Bank dated 05.02.2024 (Annexure-50), a Deed of Indemnity (Annexure-51), a TRA Agreement dated 01.02.2024 with HDFC Bank (Annexure-52), and a letter from MAHAGENCO dated 15.03.2024 (Annexure-54). The Financial Creditor alleges default on 31.03.2025 with overdues of Rs. 78.19 crore, as per Annexure-5 and the Loan Recall Notice (Annexure-65).

**12.** Facility No.5, a non-fund-based guarantee assistance, was secured by a Fourth Supplemental Pledge Agreement (Annexure-57), a Share Pledge Power of Attorney (Annexure-58), Deeds of Guarantee (Annexure-59), Undertakings (Annexure-60, 61, 62), and a NACH Mandate (Annexure-53). The default on 19.04.2025 amounted to Rs. 160.96 crore (Annexure-5; Annexure-65).

- 13.** However, after availing the aforesaid Loan/Credit Facilities, the Corporate Debtor failed to maintain financial discipline as per the terms and conditions of the loan agreement and committed default on 31.03.2025, 19.04.2025, and 12.05.2025 in loan accounts. Consequently, the Financial Creditor issued demand notices on various dates (Annexure-64), a Loan Recall Notice for Facilities 4 and 5 on 04.05.2025 demanding Rs. 239.16 crore (Annexure-65), a Notice of Events of Default for Facilities 1, 2, and 3 on 04.05.2025 demanding Rs. 270.94 crore (Annexure-66), and invoked personal guarantees of Mr. Anmol Singh Jaggi and Mr. Puneet Singh Jaggi on 13.05.2025 (Annexure-67). The Securities and Exchange Board of India (SEBI) issued an interim order on 15.04.2025, restraining the Corporate Debtor's promoters from holding directorial positions due to fund misutilization, as annexed in Annexure-6.
- 14.** That on issuance of the notice in the Petition, the Corporate Debtor appeared and filed its reply on 02.06.2025 denying various averments made in the Petition. The Corporate Debtor inter-alia contended that the present petition is premature, baseless, and lacks substantive evidence. The

Corporate Debtor accuses the Financial Creditor of suppressio veri and suggestio falsi by failing to provide repayment schedules, ledger extracts, or bank statements for alleged defaults on 31.03.2025 (Facility No. 4), 19.04.2025 (Facility No. 5), and 12.05.2025 (Facilities 1, 2, and 3), violating Section 7(3)(a) of the IBC. The Corporate Debtor cites Annexure-5 as insufficient without corroborating financial records, which the Financial Creditor addressed through ledger extracts, TRA statements, and NeSL records submitted on 04.06.2025 (Exhibits 1–9).

15. The Corporate Debtor relies on ***Laxmi Pat Surana v. Union Bank of India (2021) 8 SCC 481*** to argue that Special Mention Account (SMA) classification (Annexure-65, Schedule 1) does not constitute default under Section 3(12) of the IBC, and on ***Milind Kashiram Jadhav v. SBI (2024 SCC OnLine NCLAT 534)*** to assert that cross-default clauses require evidence of actual non-payment. As of default under Section 7 cannot be determined by reference to a recall notice or contractual invocation clause. The default must be evidenced by actual non-payment of a due financial obligation.

16. The Corporate Debtor argues the Financial Creditor misused the IBC for debt recovery, contrary to its resolution objective, citing ***Invent Asset Securitisation v. Girnar Fibres Ltd. (Civil Appeal No. 3033 of 2022, 25.04.2022).***

The Corporate Debtor submits financial disclosures to the National Stock Exchange dated 11.02.2025 (Annexure R-6), showing revenue increases of Rs. 43.79 crore (quarter ended 31.12.2023), Rs. 176.70 crore (nine months ended 31.12.2023), and Rs. 247.97 crore (year ended 31.03.2024), and profit before tax increases of Rs. 5.89 crore, Rs. 25.34 crore, and Rs. 35.82 crore, respectively. A Term Sheet with Refex Green Mobility Limited, dated 09.01.2025 proposes transferring 2,997 EVs, indicating financial viability. DRT orders dated 22.05.2025 and 28.05.2025 (Annexures R-3, R-4, R-5) suggest alternative remedies, rendering CIRP premature.

17. The Corporate Debtor objects to Mr. Vikram Singh Yadav's authority, citing the Board Resolution dated 21.05.2004 (Annexure-2) authorizing Deputy General Managers, not Additional General Managers, and argues it predates the IBC's enactment in 2016. The Corporate Debtor challenges

the proposed IRP, Mr. Pulkit Gupta, alleging a conflict of interest due to his partnership in EYR, which had a prior engagement with the Corporate Debtor via Ernst & Young LLP (Annexure R-1: Engagement Letter; Annexure R-2: Email dated 08.04.2025). The Corporate Debtor submits an NDA (Annexure R-7), EY website data (Annexure R-8), and LLP Form No. 11 (Annexure R-9) showing shared partners between EYR and Ernst & Young LLP, violating Regulation 3(1) and 3(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, and the Code of Conduct, as per **Anoop Kumar Srivastava v. Neerav Bhatnagar (2025 SCC OnLine NCLAT 92)**.

18. The Financial Creditor filed an Additional Affidavit on 02.06.2025, submitting a Debts Recovery Tribunal (DRT) order dated 28.05.2025 in Original Application (OA) No. 7 of 2025 (Exhibit-1), which grants interim reliefs restraining the Corporate Debtor from alienating secured assets, appointing Mr. Harsh Patidar as Court Receiver for hypothecated EVs, and mandating asset disclosures. The DRT order references SEBI's findings (Annexure-80 in OA) and the Financial Creditor's notices (Annexures A-75, A-76, A-77 in OA). The

Financial Creditor clarifies the late submission due to the order's issuance after the petition's filing on 13.05.2025.

**19.** The Financial Creditor filed another Additional Affidavit filed on 04.06.2025, pursuant to the Tribunal's order dated 03.06.2025, provides ledger extracts for Facilities 1–5 (Exhibits 1, 3, 5, 7, 9), TRA bank statements (Exhibits 2, 4, 6, 8), invoked Letters of Comfort for Facility No. 5 (Exhibit-10), demand notices dated 30.04.2025 (Exhibit-11), the Corporate Debtor's 2023-24 balance sheets (Exhibit-12), Mr. Pulkit Gupta's IRP credentials (Exhibit-13), and an office order dated 01.01.2019 redesignating Deputy General Manager as Additional General Manager (Exhibit-14). These are annexed as Annexures 3–16 to the petition.

**20.** The Financial Creditor's Affidavit-in-Rejoinder dated 07.06.2025 addresses the Corporate Debtor's reply. For Facility No. 4, the Corporate Debtor defaulted on a Rs. 48.22 crore instalment due on 31.03.2025, admitted in the Corporate Debtor's reply (para 73(ii)(a)), with Rs. 29.97 crore overdue after invoking a Rs. 19.28 crore bank guarantee on 17.04.2025 (Annexure 1: Letters dated 26.03.2025 and 08.04.2025; Annexure 2: Demand Notice dated 30.04.2025).

The TRA statement (Exhibit-8) confirms non-payment. For Facility No. 5, the Financial Creditor paid Rs. 71.34 crore under invoked guarantees, including Rs. 10 crore to NTPC on 19.04.2025 (Annexure 3: Notice dated 16.04.2025; Annexure 4: Demand Calculation dated 23.04.2025) and Rs. 70.12 crore to MAHAGENCO (Annexures 5, 6: Letters of Comfort dated 21.06.2024 and 09.07.2024; Annexure 7: Demand Notice dated 01.05.2025). Clause 2.6 of the Facility Agreement (Annexure-56) deems such payments as loans repayable on demand

- 21.** For Facilities 1, 2, and 3, defaults occurred on 12.05.2025 due to cross-default clauses in their agreements (Annexure-9; Annexure-23; Annexure-36), triggered by Facilities 4 and 5 defaults and not cured after the Notice of Events of Default dated 04.05.2025 (Annexure-66). The Financial Creditor submitted default records to the National E-Governance Services Limited (NeSL) on 11.05.2025, with Forms C dated 29.05.2025 (Annexure 10) and an email dated 29.05.2025 confirming ongoing authentication (Annexure 11).

**22.** The Financial Creditor refutes the Corporate Debtor's authorization objection, confirming Mr. Vikram Singh Yadav's authority via the Board Resolution dated 21.05.2004 (Annexure-2) and redesignation order dated 01.01.2019 (Exhibit-14). The Financial Creditor denies IRP conflict, stating no finalized engagement with Ernst & Young Restructuring LLP (EYR) exists (Annexure 8: IRP Letter). The Financial Creditor submitted default records to NeSL on 11.05.2025, with Forms C dated 29.05.2025 (Annexure 10) and an email dated 29.05.2025 (Annexure 11). The Financial Creditor argues the petition satisfies Section 7's debt and default criteria, and parallel DRT proceedings do not bar CIRP.

**23.** The Corporate Debtor also filed Additional Affidavit dated 10.06.2025 in reply to the Additional Affidavit dated 04.06.2025, arguing that the Financial Creditor included unauthorized documents (Exhibits 10–14) beyond the Tribunal's permission dated 03.06.2025, failing to cure petition defects. The Corporate Debtor reiterates Mr. Gupta's conflict, supported by the NDA (Annexure R-7), EY website data (Annexure R-8), and LLP Form No. 11



(Annexure R-9), and challenges Mr. Yadav's authority, citing insufficient evidence (Exhibit-14).

- 24.** The Tribunal heard both parties on 11.06.2025. Ld. Sr. Counsel for the Financial Creditor objected to the Corporate Debtor's signatory, Mr. Kshitij Singh Maurya, citing a lack of board quorum under Section 174 of the Companies Act, 2013, per the authorization letter dated 30.05.2025 (pp. 174-177). The Financial Creditor established the existence of debt and default, supported by ledger extracts, TRA statements, demand notices, and NeSL records.
- 25.** Ld. Sr. Counsel for the Corporate Debtor countered that Mr. Maurya's authority complies with Order 29, Rule 1 of the Code of Civil Procedure, 1908, and challenged Mr. Yadav's and Mr. Gupta's eligibility. However, the Corporate Debtor's counsel did not dispute the existence of the debt or its default during the hearing, focusing solely on procedural objections as recorded in the order dated 11.06.2025.
- 26.** The existence of debt is undisputed, as admitted by the Corporate Debtor in its reply (02.06.2025, para 2). The Financial Creditor's ledger extracts (Exhibits 1, 3, 5, 7, 9),

TRA statements (Exhibits 2, 4, 6, 8), and balance sheets (Exhibit-12) confirm disbursements and repayment liabilities. The Corporate Debtor's claim of financial viability (Annexure R-6) is noted, but significant liabilities and governance issues, per the SEBI order (Annexure-6) and DRT order (Exhibit-1), outweigh this.

**27.** For Facility No. 4, the Financial Creditor proves default on a Rs. 48.22 crore instalment due on 31.03.2025, admitted by the Corporate Debtor (Reply, para 73(ii)(a)). The TRA statement (Exhibit-8) shows non-payment, and a Rs. 19.28 crore bank guarantee was invoked, leaving Rs. 29.97 crore overdue (Annexure 2). The Corporate Debtor's claim of payment on 12.05.2025 lacks evidence, as the TRA statement shows no credit.

**28.** For Facility No. 5, the Financial Creditor paid Rs. 71.34 crore under invoked guarantees (Annexures 3-7), with defaults from 19.04.2025. Clause 2.6 of the Facility Agreement (Annexure-56) deems such payments as loans repayable on demand. Demand notices (Annexures 4, 7) and ledger extract (Exhibit-9) confirm non-payment. The

Corporate Debtor's claim that the default is contingent is invalid, as payments under guarantees constitute loans.

- 29.** For Facilities 1, 2, and 3, defaults on 12.05.2025 arise from cross-default clauses (Annexure-9; Annexure-23; Annexure-36) triggered by Facilities 4 and 5 defaults, uncured after the Notice of Events of Default (Annexure-66). The Corporate Debtor's reliance on ***Milind Kashiram Jadhav v. SBI (2024 SCC OnLine NCLAT 534)*** is misplaced, as cross-default clauses are enforceable under contract law. Actual non-payment is evidenced by ledger extracts (Exhibits 1, 3, 5), TRA statements (Exhibits 2, 4, 6), and NeSL records (Annexure 10).
- 30.** The Corporate Debtor's SMA classification argument (Annexure-65, Schedule 1) is valid, as SMA is an RBI surveillance tool, not a default under Section 3(12) of the IBC. However, the Financial Creditor's evidence—ledger extracts, TRA statements, demand notices, and NeSL records—satisfies Section 7(3)(a). The total default of Rs. 510.10 crore exceeds the IBC threshold of Rs. 1.00 crore.

31. The Corporate Debtor's contention that the IBC is misused for debt recovery, citing ***Invent Asset Securitisation (Civil Appeal No. 3033 of 2022, 25.04.2022)***, is considered. ***Vidarbha Industries Power Ltd. v. Axis Bank Ltd. (2022 SCC OnLine SC 841)*** allows rejection of a petition if the debtor is viable. The Corporate Debtor's financial disclosures (Annexure R-6) show revenue growth of Rs. 247.97 crore for the year ended 31.03.2024, but its balance sheets (Exhibit-12) confirm significant liabilities exceeding Rs. 600 crore, including Rs. 510.10 crore owed to the Financial Creditor. Coupled with governance issues per the SEBI order (Annexure-6) and DRT order (Exhibit-1), this undermines the Corporate Debtor's financial viability, justifying CIRP under ***Vidarbha Industries Power Ltd. v. Axis Bank Ltd. (2022 SCC OnLine SC 841)***. Further, since the existence of a financial debt and default, as established above, takes precedence under Section 7, as clarified in ***E.S. Krishnamurthy v. Bharath Hi-Tecch Builders Pvt. Ltd., (2022) 3 SCC 161***. Hence, the petition aligns with IBC's resolution objective.

- 32.** The Financial Creditor's authorization is examined. The Board Resolution dated 21.05.2004 (Annexure-2) authorizes Deputy General Managers, and the office order dated 01.01.2019 (Exhibit-14, pp. 180-182) redesignates this as Additional General Manager. Mr. Yadav's promotion effective 01.07.2024 confirms his authority. The Supreme Court in ***Rajendra Narottamdas Sheth v. Chandra Prakash Jain*** upholds pre-IBC resolutions, validating the petition's filing.
- 33.** The Corporate Debtor's signatory, Mr. Kshitij Singh Maurya, is authorized by Ms. Vibhuti Patel's letter dated 30.05.2025 (pp. 174-177). The Financial Creditor's objection under Section 174 of the Companies Act, 2013, regarding quorum is noted. However, Order 29, Rule 1 of the Code of Civil Procedure, 1908, permits a company officer to represent the company, and the vakalatnama (pp. 174-176) supports Mr. Maurya's authority. The Corporate Debtor's reply is validly filed.
- 34.** The Corporate Debtor's objection to Mr. Gupta's eligibility as IRP is critical. Regulation 3(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, requires IRP to be independent of the Corporate

Debtor and related parties. The Corporate Debtor submits an engagement letter (Annexure R-1, p. 34), email (Annexure R-2, p. 35), NDA (Annexure R-7), EY website data (Annexure R-8), and LLP Form No. 11 (Annexure R-9) showing EYR's and Ernst & Young LLP's shared partners. The Financial Creditor's claim of no finalized engagement (Annexure 8) is countered by the NDA, indicating a confidential relationship. The NCLAT in **Anoop Kumar Srivastava v. Neerav Bhatnagar (2025 SCC OnLine NCLAT 92)** mandates disclosure of such relationships. The Tribunal finds that the undisclosed relationship raised concerns about Mr. Gupta's eligibility, necessitating the appointment of an alternative IRP.

- 35.** Section 7(5)(a) of the IBC allows admission of a petition if debt and default are established, and procedural requirements are met. The Financial Creditor satisfies these with a debt of Rs. 510.10 crore, defaults are proven through ledger extracts, TRA statements, demand notices, and NeSL records. The Financial Creditor complies with Section 7(3), providing Form 1 (Annexure-3, pp. 11-53) and default evidence. However, the proposed IRP's ineligibility is a

procedural defect under Section 7(3)(b). To avoid conflict of interest, the IRP shall be appointed from the IBBI Panel List available for the period 01.01.2025 to 30.06.2025 for the Ahmedabad Bench.

- 36.** The petition satisfies Section 7's substantive requirements, and the Corporate Debtor's defences on default evidence, IBC misuse, and authorization are unsustainable. Further, the DRT order dated 28.05.2025 (Exhibit-1) and SEBI order dated 15.04.2025 (Annexure-6, p. 63) reinforce the need for CIRP to protect creditors and address governance issues. The Corporate Debtor's parallel DRT proceedings (Annexures R-3, R-4, R-5) do not bar CIRP, as no moratorium exists pre-admission. Upon admission, the moratorium under Section 14(1) of the IBC will override such proceedings, as clarified in ***PR Commissioner of Income Tax v. Monnet Ispat and Energy Ltd. (2018) 18 SCC 786***. However, the conflict of interest concerning Mr. Pulkit Gupta necessitates the appointment of an alternative IRP.

- 37.** The present Petition is complete in terms of Section 7 (5) of the Code. The Tribunal finds that the Financial Creditor has discharged its burden of proof under Section 7 of the Code by demonstrating the existence of a financial debt and default in payment of the financial debt by the Corporate Debtor. The outstanding financial debt is of more than rupees one crore, which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present Petition, which is supported by comprehensive documentation.
- 38.** In light of the above findings, this Tribunal is satisfied that the Financial Creditor is entitled to the relief as sought. The Corporate Debtor's default justifies the admission of the petition and the initiation of CIRP under the Code. Hence, the Application filed under section 7(2) of the Insolvency and Bankruptcy Code for initiation of the corporate insolvency resolution process against the Corporate Debtor deserves to be admitted.
- 39.** Accordingly, in light of the above facts and circumstances, it is **hereby ordered** as under: -



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

*sector regulator and to a surety in a contract of guarantee to a Corporate Debtor.*

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

Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.

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

- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'corporate debtor company' and manage the operations of the corporate debtor company as a going concern as a part of obligation imposed by section 20 of the Code.
- (x) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (xi) Considering the size of the of the business of the Corporate debtor and complexities of the issues involved, we direct the financial creditor to pay IRP a sum of Rs.20,00,000/- (Rupees Twenty Lakh Only) in advance within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- (xii) The Registry is directed to communicate this order to the financial creditor, corporate debtor, and to the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal

specific mention regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

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

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

**40.** Accordingly, this Application **CP(IB)/195/AHM/2025** is hereby admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

-Sd-

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

-Sd-

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