

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD BENCH, PRAYAGRAJ**

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**IA No.569/2025 & IA No.687/2025 IN CP (IB) NO.25/ALD/2023**

*(Applications filed under Section 60(5) R/w Rule 15 of the NCLT Rules, 2016 of  
the Insolvency and Bankruptcy Code, 2016)*

**IN THE MATTER OF:**

**EDELWEISS ASSET RECONSTRUCTION COMPANY LTD.**

Acting in capacity as a trustee of EARC Trust SC- 23

**Address At:** EDELWEISS House, 1<sup>st</sup> Floor,  
Off CST Road Kalina, Mumbai-400098  
Email ID: [Aditya.Haldipur@edelweissarc.in](mailto:Aditya.Haldipur@edelweissarc.in)

.....Applicant

*Versus*

**CHIRAG RAJENDRAKUMAR SHAH**

Resolution Professional of M/s Usha India Limited

**Address At:** 208, Ratnaraj Spring,  
Opp. HDFC Bank House,  
Beside Navnirman Co-op Bank, Navrangpura,  
Ahemdabad-38000, Gujarat, India  
Email ID: [cirp.ushaindia@gmail.com](mailto:cirp.ushaindia@gmail.com)

.....Respondent

**AND IN THE MATTER OF:**

**EDELWEISS ASSET RECONSTRUCTION COMPANY LTD.**

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Email ID: [cirp.ushaindia@gmail.com](mailto:cirp.ushaindia@gmail.com)

.....Respondent

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**AND IN THE MATTER OF:**

**THE ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE  
UNIT TRUST OF INDIA**

Through Mr. Purushottam M. Bandekar  
UTI Tower, Gn Block, Bandra Kurla Complex,  
Bandra East, Mumbai-400051  
Email: P.Bandekar@uti.co.in

.....Financial Creditor

*Versus*

**M/S USHA INDIA LIMITED**

A Company Incorporated Under The Companies Act, 1956

**Having Its Current Registered Office At:**

Village- Gujartola, Amethi Road, Gauriganj,  
Rai Bareilly, Sultanpur, Uttar Pradesh-228001  
Email:-comp.file@Hotmail.com

.....Corporate Debtor

**Order pronounced on: 09.06.2026**

***Coram:***

Sh. Praveen Gupta : Member (Judicial)  
Sh. Ashish Verma : Member (Technical)

***Appearances:***

Sh. Kaushik Mishra with Sh. : For the Applicant in IA No.569/2025  
Shubham Agarwal, Advs. & IA No.687/2025  
Ms. Pooja Mehra Saigal, Sr. Adv. : For the Res./RP, Mr. Chirag Shah  
assisted by Ms. Gunjan Jadwani with present in person  
Sh. Nivesh Dixit, Advs.

**ORDER**

1. The present common order disposes of IA Nos. 569 of 2025 and 687 of 2025.  
Since both applications have been filed by the same dissenting Financial  
Creditor, namely Edelweiss Asset Reconstruction Company Limited  
("EARC"/"Applicant"), and involve substantially similar questions of fact and

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law, they are being considered and adjudicated together by way of this common order.

2. The aforesaid applications were filed on 18.08.2025 and 25.08.2025 respectively by the Applicant against the Resolution Professional, Mr. Chirag Rajendrakumar Shah (“Respondent”/“RP”), in the Corporate Insolvency Resolution Process ("CIRP") of M/s Usha India Limited ("Corporate Debtor"), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("IBC"/"Code") read with Rule 11 of the National Company Law Tribunal Rules, 2016 ("NCLT Rules"), seeking, inter alia, the following reliefs:

- **IA 569 of 2025**

*“In view of the aforementioned facts and circumstances, this Hon'ble Tribunal may be pleased to:*

*A. Quash and set aside the addendum valuation reports dated 15.05.2025 submitted by R.K. Patel and Co. and by Vandana S. Agrawal so far as the valuation of the Plot No. 94, B-II/94, Mohan Co-operative Industrial Estate, Mathura Road, Badarpur, New Delhi is concerned as NIL; and*

*B. Keep the property in question out of the CIRP as the liquidation value of the property has been shown to be Nil; or*

*C. Pass any such other order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case, in the interest of justice and equity.”*

- **IA 687 of 2025**

*“In view of the aforementioned facts and circumstances, this Hon'ble Tribunal may be pleased to:*

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*A. Dismiss the Application seeking approval of the Resolution Plan filed by the RP i.e. IA (Plan) No. 07/2025;*

*B. Pass any such other order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case, in the interest of justice and equity.”*

3. The grievances raised by the Applicant in both applications primarily relate to (i) the valuation exercise undertaken during the CIRP, particularly in respect of the immovable property i.e., *Plot No. 94, B-II/94, Mohan Co-operative Industrial Estate, Mathura Road, Badarpur, New Delhi* (“subject property”), and (ii) the validity and approval of the Resolution Plan presently pending consideration before this Tribunal. In view of the overlapping issues involved, the submissions of the parties and the material placed on record are being dealt with conjointly herein below:

- a. The Applicant primarily contends to the fact that the subject property, initially valued at approximately Rs. 7.47 crores and Rs. 7.25 crores by the two registered valuers and included in the Information Memorandum, was subsequently revalued at NIL after more than a year and after multiple resolution plans had already been submitted by the same Resolution Applicant.
- b. Relying on Regulations 36 and 36(2)(a) and (h) of the CIRP Regulations read with Section 29 of the Code, the Applicant contends that the RP/Respondent, despite being aware of the pending litigation concerning the property since assuming control of the affairs of the

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Corporate Debtor in October 2023, included the asset in the Information Memorandum without adequate disclosure of its disputed status. It is further alleged that, at the request of the RP/Respondent and based on material relating to the pending litigation, the valuers subsequently revised the property's value to NIL, even though they were already aware of the status of the property and the pending proceedings at the time of the original valuation.

- c. The Applicant also contends that the RP/Respondent and the valuers were not required to analyse pleadings in proceedings pending before the Hon'ble Delhi High Court and arrive at conclusions affecting the valuation of the property.
- d. The Applicant submits that the RP's subsequent communication seeking restoration of the property and asserting that no further dues were payable is inconsistent with the basis on which the property's value was reduced to NIL. It is therefore contended that the revision of the valuation lacks justification, raises concerns regarding the conduct of the CIRP, and may have had the effect of making the Resolution Plan appear more favourable in comparison to the liquidation value.
- e. The Applicant also contends that if the property truly has no value, there would be no justification for including it in the CIRP process or transferring it to the Resolution Applicant. Accordingly, it is submitted

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that the fluctuating treatment of the asset is inconsistent with the RP/Respondent's duties of transparency, neutrality and value maximisation, and raises concerns regarding the fairness and integrity of the CIRP process.

- f. The Applicant contends that the Resolution Plan lacks both commercial and legal viability as the Corporate Debtor has no operational enterprise value, no employees, and no ongoing business operations, while its significant assets were allegedly sold more than a decade ago. It is argued that the Resolution Plan does not contemplate any genuine revival of the Corporate Debtor and, therefore, fails to maximise stakeholder value or achieve the objectives of resolution under the Insolvency and Bankruptcy Code. As per the submissions of the Applicant, the purported revival envisaged under the Resolution Plan exists only on paper, and the only party that stands to benefit from its implementation is the Resolution Applicant.
- g. The Applicant further contends that the Resolution Applicant, being a medical professional engaged in the construction business, does not possess expertise in the business previously carried on by the Corporate Debtor, which operated in the rectifier industry and has remained defunct for over ten years. It is submitted that the Resolution Plan does

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not provide any concrete framework or modality for reviving the Corporate Debtor's erstwhile business operations.

- h.** The Applicant also argues that, as of 08.10.2024, the Corporate Debtor held fixed deposits of approximately Rs. 18.98 crores, released pursuant to an order of the Hon'ble Delhi High Court, which are estimated to have increased to approximately Rs. 21 crores. According to the submissions of the Applicant, the Resolution Applicant is required to contribute only Rs. 22.50 crores under the Resolution Plan while obtaining the benefit of these fixed deposits, along with three immovable properties allegedly valued at over Rs. 23.50 crores. It is further contended that two of these properties are mortgaged to Dissenting Secured Financial Creditors i.e., the Applicant and the Administration Specified Undertaking Unit Trust of India. On this basis, the Applicant alleges that the Resolution Applicant is effectively acquiring substantial cash and valuable assets for a negligible net contribution and without undertaking any meaningful revival of the Corporate Debtor.
- i.** The Applicant therefore contends that the Resolution Plan provides no real value or revival prospects for the Corporate Debtor and confers no corresponding benefit upon creditors, workmen, or other stakeholders. It is argued that the Resolution Plan is merely a mechanism for transferring valuable assets of the Corporate Debtor to the Resolution

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Applicant and fails to fulfil the key objectives of the Code namely maximisation of asset value, balancing the interests of stakeholders, and ensuring that the Corporate Debtor continues as a going concern.

#### **REPLY BY THE RP/RESPONDENT**

4. In response, the RP/Respondent also filed its reply denying all the objections and submitting that with respect to the valuation, the said exercise was compliant with Regulation 35 of the CIRP Regulations and was duly provided to all the Committee of Creditors (“CoC”) members. Further, the revised valuation reports were also discussed at length, including the reasoning, justifications, and legal status in the 26<sup>th</sup> CoC meeting held on 03.06.2025. Further the RP/Respondent relies on the judgment of NCLAT in the matter of *Beacon Trusteeship Limited v. Jayesh Sanghrajka (2024 SCC Online NCLAT 667; Para 17)*, judgment of the Hon'ble NCLAT in *Central Bank of India Vs Bijendra Kumar Jha (Company Appeal (AT) (Insolvency) No. 713 of 2025 dated 18.08.2025; para 22 and 23)*, judgment of Hon'ble Supreme Court in *M.K. Rajagopalan vs. Periasamy Palani Gounder [(2024) 1 SCC 42; Para 134,135,136, 137]*.
5. The RP/Respondent further submits that the request for a third valuer, was supported by the CoC members including EARC (0.17%) and Life Insurance Corporation (“LIC”) (1.34%), garnered only 1.51% of the total CoC voting share, falling significantly short of the mandatory threshold of 33% under

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Regulation 18(3). Hence, the proposal could not be placed for voting. The RP/Respondent also clarifies that the communication chain with the Delhi Development Authority (“DDA”) was attempted by the RP/Respondent, informing the protection of the property of the Corporate Debtor as per the statutory protection given under section 14 of Code and attempting to restore the status of the property in the records of the DDA due to non-receipt of any written communication from DDA during the CIRP Period.

6. The RP/Respondent submits that the contention of the plan having no revival is untenable as the Successful Resolution Applicant Consortium (“SRA Consortium”), Mr. Mukesh Kumar Agarwal and Mr Divyansh Aggarwal, has a demonstrated track record of successfully implementing stressed asset resolutions and operating ongoing commercial establishments. The SRA Consortium has proposed infusion of funds to recapitalise the balance sheet, meet working capital requirements, and ensure the Corporate Debtor continues as a going concern, as specifically provided in the resolution Plan. In support of his contentions, he relies on the judgments of the Hon'ble Supreme Court in *K. Sashidhar v. Indian Overseas Bank & Ors.*, (2019) 12 SCC 150, and *Essar Steel India Ltd. v. Satish Kumar Gupta*, (2020) 8 SCC 531.
7. The RP/Respondent further avers that the Code does not restrict a resolution applicant’s eligibility by professional background. What is material is financial capability and implementation experience, both of which are amply

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demonstrated in the present case. The RP/Respondent also states that the resolution plan does not contemplate any unjust enrichment or siphoning, and all inflows and outflows are monitored under Section 31 of the Code.

8. The RP/Respondent contends that the Applicant, despite being the exclusive charge holder of the property, failed to disclose the crucial fact of lease cancellation at the time of claim submission under Form C, thereby suppressing material information. The RP/Respondent cannot be faulted for non-disclosure of facts which were within the exclusive knowledge of Applicant. Consequently, the revision of the valuation was not arbitrary but based on fresh documentary evidence, including DDA's cancellation records and lease covenants.
9. The RP/Respondent submits that the approved resolution plan has been scrutinised and approved by the CoC and meets the requirements of Section 30(2)(b) and Regulation 38. The funds brought in by the Successful Resolution Applicant are directed toward the settlement of creditors and the revival of the Corporate Debtor. Thus, the CoC, representing 95.01% voting share, found the plan compliant, equitable, and viable. Relying on the judgment passed by the Honb'le Supreme Court in the matter of *Ebix Singapore Pvt. Ltd. v. Committee of Creditors of Educomp Solutions Ltd.*, [AIRONLINE (2021) SC 713], wherein the sanctity of an approved resolution plan must be preserved unless it violates express statutory provisions, which is not the case here.

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10. We have gone through documents on record filed by both parties and heard the arguments advanced by Ld. counsels of the Applicant as well as the Respondent.
11. As observed, the principal issues arising for consideration in the present applications are: (i) whether the approved Resolution Plan lacks a genuine revival framework for the Corporate Debtor, thereby defeating the underlying objectives and spirit of the Code; and (ii) whether the valuation process undertaken in respect of a significant asset of the Corporate Debtor, namely the subject property situated in Delhi, was conducted in accordance with law, particularly when its valuation was subsequently revised to Nil after more than a year and after multiple resolution plans had already been submitted by the same Resolution Applicant.
12. The aforesaid issues are not res integra and have already been examined in considerable detail by this Tribunal while adjudicating I.A. (Plan) No. 7 of 2025, whereby the Resolution Plan dated 06.06.2025, along with the Addendum dated 11.06.2025, approved by the CoC, in its 27th CoC meeting, was rejected under Section 31 of the Code. The said application has been adjudicated by this Tribunal vide a separate order dated 09.06.2026.
13. Thus, in view of the foregoing facts and circumstances and in the order passed in I.A. (Plan) No. 7 of 2025 thereby rejecting the resolution plan, the I.A. No. 687 of 2025 stands disposed of as no further orders are required to be passed in

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it. Consequently, I.A. No. 569 of 2025 is disposed of as having become infructuous, since the Resolution Plan has been rejected and liquidation of the Corporate Debtor has been ordered. In view of the commencement of the liquidation process, the Applicant shall be at liberty to avail such remedies and take such steps in relation to its valuation-related grievances as may be available to it in accordance with the provisions of the Code and the Liquidation Process Regulations framed thereunder.

14. I.A. No. 687 of 2025 and I.A. No. 569 of 2025 stands disposed of.

15. Ordered Accordingly.

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**(Ashish Verma)**  
**Member (Technical)**

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**(Praveen Gupta)**  
**Member (Judicial)**

**Date: 09.06.2026**