Case Citation: (2026) ibclaw.in 5537 HC

IN THE HIGH COURT OF MADHYA PRADESH AT JABALPUR

BEFORE

HON'BLE SHRI JUSTICE SANJEEV S KALGAONKAR

ON THE 15th OF SEPTEMBER, 2026

WRIT PETITION No. 4668 of 2011

KESHAV PRASAD JAYASWAL

Versus

THE STATE OF MADHYA PRADESH AND OTHERS

Appearance:

Shri Mahesh Prasad Shukla - Advocate for the petitioner.

Shri Ritwik Parashar - G.A. along with Shri Manoj Jha - P.L. for the respondents/State.

Shri Sanjay K Agrawal, Senior Advocate with Shri Sahil Sonkusale - Advocate for the respondent no.5.

ORDER

The present petition under article 226 of the Constitution of India is filed by the petitioner feeling aggrieved by the order dated 29.10.2010 (Annexure-P/11) passed in Case No.44/A-74/2010-11 by the Collector, Singrouli whereby, the representation of the petitioner for grant of benefits in furtherance of the Rehabilitation Policy of the Government of Madhya Pradesh titled as *'Madhya Pradesh Ki Adarsh Punarvas Niti, 2002'* and agreement dated 05.9.2007 and 18.10.2008 was rejected.

(2) The petitioner has asked for the following reliefs :-

> *"i) To quash the order impugned Annexure P/11 passed by the respondent no.1.*
> *ii) To issue direction to the respondents to grant the benefit of displaced persons to the petitioner individually subject to grant of residential plot measuring 60 x 90 = 5400 sqfts. and other benefits in lieu of the lands of the petitioner acquired by the respondents.*

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iii) To issue direction to the respondents to grant the service of the petitioner or one family member of each and every petitioner as per rehabilitation policy.

iv) To issue direction to the respondents to declare petitioner as displaced person and issue certificate regarding the same and providing compensation according to rehabilitation policy.

v) To grant any other relief which may deem fit and proper in the facts and circumstances of the case."

(3) The exposition of facts giving rise to the present petition are as under :-

(A) The petitioner is a resident of Village Khairahi in Tahsil and District Singrouli. His land and house were acquired for respondent no.2 -Essar Power M.P. Limited. There was an agreement between respondents no.1 and 2 regarding acquisition of land at Village Bandoura on 05.9.2007. Later, the respondent no.2 made an agreement with the resident of Village Karsualal, Khairahi, Nagma and Bandhoura on 03.4.2008 and finally, the respondent no.2 executed final agreement with respondent no.1 regarding acquisition of agricultural land as well as residential land falling in Village Karsualal, Khairahi, Nagma and Bandhoura on 18.08.2008 (Annexures- P/6, P/7 and P/8). The respondents have acquired agricultural land and residential house of the petitioner. Thus, the petitioner is entitled for benefits as displaced person.

(B) The Government of Madhya Pradesh Rehabilitation Department published a policy titled as *'Madhya Pradesh Ki Adarsh Punarvas Niti, 2002'* (for brevity, hereinafter referred to as 'Policy'). As per para- 8.1 of the Policy, every displaced person shall be entitled to get 5,400 sq. ft. of land for residential purpose. The petitioner had applied for grant of benefits as per the said Policy but no decision was taken by the respondents no.1 and 2, therefore, the petitioner approached this Court by filing a writ petition. The Coordinate Bench of this Court disposed of the said writ petition with a direction to the respondent no.1 to decide the representation of the petitioner according to the Rehabilitation Policy *vide* order dated 23.6.2010 passed in Writ Petition No.7584/2010. Accordingly, the petitioner submitted the representation to the respondent no.1 but the Collector, Singrouli, *vide* impugned order dated 29.10.10, dismissed the representation of the petitioner holding that the petitioner is not a resident of the place acquired by the notification issued under Section 4 of the Land Acquisition

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Act (for brevity, 'the Act'). The petitioner has constructed the house within the acquired area after issuance of notification under Section 4 of the Act, therefore the petitioner is not entitled for the benefit.

(4) Learned counsel for the petitioner, in addition to the facts and grounds mentioned in the writ petition, submits that the petitioner is a resident of Village Khairahi. His land and house fall within the area acquired in furtherance of the notification issued under Section 4 of the Act. The Collector, Singrouli committed an error in rejecting the representation of the petitioner for grant of benefit of *'Madhya Pradesh Ki Adarsh Punarvas Niti, 2002'.*

(5) *Per contra,* learned counsel appearing for the respondent/State contends that the Collector, Singrouli, on the basis of fact finding inquiry and inspection report and after according an opportunity of hearing concluded that there was no residential house in the name of the petitioner at Village Bandhoura. The petitioner's name was not reflected in the voter list of the Village Bandhoura at the relevant time. Rather, the petitioner was residing in a house at Village Khairahi along with his family. The petitioner has constructed a tin shade after issuance of notification under Section 4 of the Act therefore, the petitioner does not fall within the definition of 'Displaced Person' under clause 2.1(a) of the policy. Thus, the impugned order does not suffer from any illegality.

(6) Learned counsel appearing for the respondent no.4 contends that the present writ petition was instituted against the respondent no.2 - The Chief Executive Officer, Essar Power M.P. Ltd. claiming reliefs in furtherance of the Rehabilitation Policy. During the pendency of the writ petition, M/s Essar Power M.P. Ltd. underwent Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (for brevity, 'IBC'). The resolution plan submitted by M/s Adani Power Limited was approved by the National Company

Law Tribunal *vide* order dated 01.11.2021. After approval of the resolution plan the corporate debtor M/s Essar Power M.P. Ltd. is converted to M/s Mahan Energen Ltd. (respondent no. 4). Learned counsel referring to Section 31.1 of the IBC submits that the approved resolution plan is binding on the corporate debtors, creditors, government authorities and all stakeholders therefore, all non-plan liabilities stands extinguished by operation of law. Learned counsel also refers to the judgment in the cases of ***Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta*** (2020) 8 SCC 531; ***Ghanashyam Mishra and Sons Pvt. Ltd. v. Edelweiss ARC,*** (2021) 9 SCC 657; ***Ajay Kumar Radheshyam Goenka v. Tourism Finance Corporation of India Ltd.*** (2023) 10 SCC 545; ***Electosteel Steel Ltd. v. Ispat Carrier (P) Ltd.*** (2025) SCC OnLine SC 829, ***JSW Steel Limited v. Pratishtha Thakur Haritwal,*** 2025 SCC OnLine SC 672, to contend that *'clean-slate doctrine'* under section 31(1) of IBC is mandatory. The non-plan liabilities cannot be enforced against new corporate debtors post resolution. Therefore, the writ petition cannot be prosecuted for any relief against respondent no.2 and respondent no. 4.

(7) Section 31(1) of IBC provides as under :-

> **"31(1)** Approved Resolution Plan is binding on corporate debtor, creditors, government authorities, and all stakeholders.
> All non-plan claims/liabilities stand extinguished by operation of law."

Section 238 of IBC provides as under :-

> **"238.** Code overrides any State enactment, policy, executive instruction, or prior administrative/judicial order."

(8) The Co-ordinate Bench of this Court, considering the scope of Sections 3(6), 31 and 238 of IBC as also Article 300(A) of the Constitution of India in the matter of ***Mahan Energen Limited vs. State of M.P.*** *vide* order dated 27.04.2026 passed in Writ Petition No.4131/2012 has observed as under :-

> "**23.** So the scheme of the IBC, as exposed by the Judgment of the

> Hon'ble Apex Court is that whatever claim decided, undecided should be putforth before the Committee after due publication under Section 15 of the proposed resolution plan. As in the present case in hand, it seems that neither the erstwhile corporate debtor has placed undecided claim, which is pending in the writ petition before the Committee nor the respondents have placed the said claim before the Committee, therefore, there was no occasion for the resolution applicant to know such a liability. Therefore, in the considered opinion of this Court, the pending liability under adjudication cannot be fastened on a resolution applicant without it being placed before the adjudicating authority after due invitation of claims against the proposed action under Section 15 thereafter when the application is approved under Section 31."

Thus, after approval of resolution plan by National Company Law Tribunal, the plan is binding on the corporate debtors as well as on the State government or local authorities under any law enforced including statutory dues. The approval of resolution plan, submitted by M/s Adani Power for respondent Essar Power M.P. Ltd, on 1.11.2021 by the National Company Law Tribunal triggers statutory 'Clean Slate Doctrine'. It is trite law that 'Clean Slate' in furtherance of the resolution plan is not a mere formality but a statutory contingency. In ***Committee of Creditors of Essar Steel Ltd. (supra)***, the Supreme Court held that a successful resolution plan cannot be confronted with undecided or 'hydra-head' claims of pre-resolution stage, after the plan is accepted.

(9) In ***Ghanashyam Mishra (supra)***, the Supreme Court held that the claims provided in the approved resolution plan stand frozen and bind everyone including State government and local authorities. The claims which are not a part of the resolution plan stand extinguished on the date of approval of resolution plan by the National Company Law Tribunal, hence, no person may initiate or continue proceedings in respect of a claim that is not a part of the resolution plan. Thus, Rehabilitation policy or any agreement with project affected (displaced) person cannot facilitate claim as an exception for the reason that it is welfare oriented. Section 238 of IBC gives Insolvency and Bankrupcy Code overriding

effect over all inconsistent laws and policies. The agreements dated 05.09.2007 (Annexure-P/6) and dated 18.10.2008 (Annexure-P/8) were executed between the Collector & District Rehabilitation Officer, Singrouli and Chief Executive Officer of Essar Power M.P. Ltd. prior to approval of resolution plan by NCLT.

(10) In view of the above discussion, this Court is of the considered opinion that the relief as claimed is not executable against respondent no.2 - Essar Power M.P. Ltd. and respondent no.4 - Mahan Energen Ltd.

(1 1) Now, the execution of relief against respondents no.1 and 3/State is considered. The Collector, Singrouli, in furtherance of the order dated 27.04.2026 passed in W.P. No.4131/2012 by the Co-ordinate Bench of this Court extended opportunity of filing representation and hearing to the petitioner and call for the status report from the Sub-Divisional Officer/Land Acquisition Officer, Singrouli. The Sub-Divisional Officer conducted spot inspection recorded the statement of the witnesses and submitted the report. The petitioner was accorded opportunity of hearing. Thereafter, the Collector, on consideration of definition of 'displaced person' under clause-2.1(a) of the Model Rehabilitation Policy, 2002 and the report of Sub-Divisional Officer, concluded that the petitioner does not fall within category of 'displaced person' for the reason that he is not residing for one year before 09.6.2007 within the area under acquisition. The conclusion of Collector, Singrouli is based on the material on record. There is no apparent error in the proceedings of the Collector, Singrouli. Hence, no jurisdictional error is made out for invocation of supervisory writ jurisdiction under Article 226 of the Constitution of India. It is trite law that this Court while exercising extra-ordinary writ jurisdiction under Article 226/227 of the Constitution of India does not exercise the appellate jurisdiction to re-appreciate the merits of material in view of

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law laid down by the Apex Court in the cases ***Shalini Shyam Shetty and Another v. Rajendra Shankar Patil*** (2010) 8 SCC 329***; Sohanlal vs. Union of India,*** AIR 1957 SC 529, ***State of Rajasthan vs. Bhawani Singh*** AIR 1992 SC 1018.

(12) Consequently, no case is made out to interfere in the impugned order of the Collector, Singrouli dated 29.10.2010 (Annexure-P/11) passed in 44/A-74/2010-11.

(13) The writ petition is accordingly **dismissed**.

(SANJEEV S KALGAONKAR)
JUDGE

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