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

ITEM No.310
IA/1518(AHM)2025
in
C.P.(IB)/199(AHM)2025

Under Section 60(5) IBC r/w Rule 11 NCLT

IN THE MATTER OF:

Keshav Khaneja RP of Gensol EV Leasa Limited ....**Applicant**
V/s
Passion International Pvt. Ltd ....**Respondent**

Order delivered on: 13/07/2026

C O R A M:

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

O R D E R
(Hybrid Mode)

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

-Sd-

SANJEEV SHARMA
MEMBER (TECHNICAL)

-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

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

IA/1518 (AHM)2025
In
C.P (I.B.) No. 199 of 2025

(An application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016)

In the matter of:
Mr. Keshav Khaneja,
Resolution Professional of:
Gensol EV Lease Limited
Having address at:
824, Sector 14,
Gurgaon, Haryana-122001.

.... Applicant

VERSUS

Passion International Private Limited
Having address at:
H.No.45, 2nd Floor, Block C,
PKT 2, Sec 5, Rohini, North Delhi,
New Delhi, India – 110085.

.... Respondent

Order Pronounced On: 13.07.2026

C O R A M:

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

A P P E A R A N C E S:

For the Applicant : Mr. Rishi Singhal, Advocate
a.w. Mr. Keshav Khaneja, RP in Person

For the Respondent : Mr. Ketan Parikh, Advocate

ORDER
(Per Bench)

1. This Interlocutory Application (IA/1518(AHM)2025) has been filed 17.12.2025 vide inward no. E-3180 by the Applicant/Resolution Professional of M/s. Gensol EV Lease Limited under Section 60(5) of the Insolvency and Bankruptcy Code, 2016. The Applicant has prayed this Tribunal for the following prayers: -

   (i) *To allow the present application;*

   (ii) *To direct the Respondent to forthwith return the 20 EV Vehicles to the Applicant as per list annexed in the application;*

   (iii) *To direct the Respondent to pay the outstanding dues which amounts to a sum of Rs. 70,46,742.52/- along-with all late payment charges, cost etc. to the Applicant as per the master lease agreement dated 21.09.2023;*

   (iv) *Pass such other or further order / order(s) as may be deemed fit and proper in the facts and circumstances of the instant case.*

   The applicant has further prayed for further reliefs as:

   (i) *To issue interim directions for restraining the Respondent, his agents, employees or any third parties, from alienating, encumbering, transferring, creating third-party rights over, or otherwise dealing with the leased vehicles/assets;*

   (ii) *To direct the Respondent to disclose to the Applicant the present location of all the leased vehicles/ assets;*

   (iii) *To direct the Respondent to allow and cooperate* *with the Applicant and/or its authorised representative and/or valuers to forthwith inspect the leased vehicles/ assets and verify their condition;*

(iv) *Ad interim relief in respect of prayers under para (i) to (iii);*

(v) *Pass such further interim order/order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the instant case.*

2. The brief facts as narrated in the instant application are, as under: -

2.1 The Corporate Debtor, **M/s. Gensol EV Lease Limited** (CIN: U77100GJ2023PTC141416), was incorporated on 24.05.2023 under the provisions of the Companies Act, 2013. As per the records maintained by the Ministry of Corporate Affairs, its registered office is situated at Westgate Business Bay, 15th Floor, A Block, Makarba, Jodhpur Char Rasta, Ahmedabad, Gujarat – 380015. The Corporate Debtor is engaged in the specialized business of leasing electric vehicles (EVs) and related infrastructure.

2.2 The Respondent, Passion International Private Limited (CIN No. U50100DL2018PTC334494), is a company incorporated under the Companies Act, 2013, having its registered office at H No. 45, 2nd Floor, Block E, PKT 2, SEC 5, Rohini, North Delhi, New Delhi – 110085.

2.3 It is submitted that the Corporate Debtor entered into a Master Lease Agreement dated 21.09.2023 with the Respondent, whereby the Corporate Debtor acted as Lessor and the Respondent as Lessee. Under the said agreement, the Corporate Debtor remained the legal and absolute owner of the vehicles, while the Respondent had only the right to use them subject to the terms of the agreement. Copy of the Master Lease Agreement dated 21.09.2023 is placed as Annexure-A-2.

2.4 It is stated that on failure of the Respondent to pay lease rentals, the Corporate Debtor issued communications, including email/courier dated 28.04.2025, requesting clearance of outstanding dues of Rs. 19,96,129/- for the period February 2025 to April 2025. Copy of the notice is placed as Annexure-A-3.

2.5 As stated, after commencement of CIRP, the Applicant/ Resolution Professional (hereinafter as "RP") observed continued default by the Respondent. Accordingly, a notice dated 23.07.2025 was issued by counsel for the RP, directing the Respondent to return 20 EV motor vehicles leased under the Master Lease Agreement dated 21.09.2023 within seven days of the receipt of notice, and to pay outstanding amounts. The Respondent was informed that the vehicles constituted assets of the Corporate Debtor and were required to be safeguarded under the Code. Placed on record, the notice along with speed post tracking as Annexure-A-4.

2.6 The Master Lease Agreement dated 21.09.2023 was executed between the Corporate Debtor and the Respondent for the purpose of enabling the Respondent to use the leased EV motor vehicles owned by the Corporate Debtor in employee transportation business. The Agreement clearly stipulated the relevant terms with respect to the lease period. Article 2.1 provided that the lease period would cease upon the occurrence of specific events, namely:

- expiry of contracted months;
- occurrence of an event of default under Article 10, not cured within 30 days of notice;
- mutual consent of parties; or
- theft or total loss of the vehicle.

2.7 The Master Lease Agreement stipulated that upon termination, the Lessee was obligated to return the vehicles in good working condition, along with original registration certificates, insurance policies, permits, and keys, free from encumbrances. Clause 2.2 specifically mandated immediate return without delay.

2.8 The Agreement provided that in case of premature termination due to default, the Lessee was liable to reimburse the Lessor as per the following schedule under Article 2.5:

Time Period of Closure / Premature Termination	Default Lease Rental Payable
01–24 months	Lock-in period
25–36 months	4 months of Lease Rental
37–48 months	3 months of Lease Rental

Additionally, the Lessee was liable to pay any other costs, expenses, or damages incurred by the Lessor on account of default.

2.9 It is stated that despite repeated communications and legal notices, the Respondent failed to comply with these obligations. The **Respondent neither returned the EV motor vehicles nor disclosed their location**, custody, or condition, thereby obstructing the Resolution Professional in discharging his statutory duty under the Insolvency and Bankruptcy Code, 2016.

2.10 The outstanding dues for lease rentals payable by the Respondent to the Corporate Debtor have been duly calculated in accordance with the Agreement. The outstanding dues, which were calculated at Rs.55,93,724.52ps. till 30.09.2025, and Rs.7,26,509/- per month for October and November-2025. In addition to that, the Respondent is also liable to pay for penalties, damages, excess kilometer charges, and other costs. A Copy of the ledger maintained by the Applicant is placed at Annexure-A-5.

2.11 It is stated that the EV motor vehicles presently in the custody/ possession of the Respondent constitutes part of the assets of the Corporate Debtor. Under the provisions of the Insolvency and Bankruptcy Code, 2016, the Resolution Professional is required to take control and custody of all assets of the Corporate Debtor, including those which may be in the possession of third parties. In particular, Section 18(f) mandates that the Interim Resolution Professional shall assume custody of any asset over which the Corporate Debtor has ownership rights, whether or not such assets are physically in its possession, and Section 25(2)(a) obligates the Resolution Professional to take immediate custody and control of all such assets. It is further stated that the Respondent continues to retain possession of **20 EV motor vehicles** belonging to the Corporate Debtor.

3. Upon receipt of the notice, the Respondent Company, **M/s. Passion International Private Limited** filed its reply through Mr. Prashant Jain being a director of the Respondent Company, on 10.03.2026 vide inward diary no. D-1936 as under:

3.1 The Respondent has submitted a chain of events tabulated in its reply as under:

Date	Event

28.04.2025	Lease Agreement cancelled by Gensol.
06.06.2025	Passion (Respondent) accepted offer to purchase car from CSB/Gensol as per mail.
12.06.2025	One lakh advance paid to CSB Banker – Bank Advice.
16.06.2025	Four lakh advances paid to CSB – Banker Bank Advice.
04.07.2025	Passion sent mail confirming discussion; CSB refused car ownership transfer and requested cancellation copy of contract.
08.07.2025	Passion sent mail for parking charges + refund of advance.
19.09.2025	Passion sent reminder mail for handover possession and pay parking charges.
20.09.2025	CSB refused to sell car/ take possession.
22.09.2025	Passion sent reminder mail.
25.09.2025	Rs. 5 lakhs refunded by CSB Bank; mail dated 26.09.2025 copy to Gensol by CSB Bank.

3.2 It is stated that the Respondent Company had already paid security amount of Rs.19,21,850/- to Gensol and has been paying parking charges.

3.3 The Respondent Company submits that the above-referred chain of events and facts which occurred between 06.06.2025 and 25.09.2025 with Gensol and the Respondent Company have not been disclosed in the present Interlocutory Application. There is, therefore, suppression of material facts by Gensol before this Hon'ble Adjudicating Authority. These events admittedly took place after the passing of the order of admission of CP(IB) No.199/2025 and commencement of CIRP against the Corporate Debtor. Once the Resolution Professional was appointed by this Hon'ble Adjudicating Authority, the Applicant RP was in charge of the affairs of the Corporate Debtor, having access to full facts, records, documents, and relevant material of the Corporate Debtor. Thus, the Applicant RP is presumed to have knowledge of the above-referred chain of events which occurred during the stated period. Hence, adverse inference ought to be drawn against Gensol as well as against the Applicant RP. On this ground alone, the present Interlocutory Application deserves to be dismissed with costs.

3.4 The Respondent Company submitted that the Corporate Debtor had authorised CSB Bank to sell 15 EV Vehicles to the Respondent Company. Pursuant thereto, CSB Bank sold 15 EV Vehicles to the Respondent Company for a total sale consideration of Rs. 80 lakhs. Consequently, the contract between the Corporate Debtor and the Respondent Company stood cancelled, and therefore no further rent or charges are payable by the Respondent Company to the Corporate Debtor. It is further submitted that the cancellation of the contract was occasioned due to Gensol's default with CSB Bank, and in consequence CSB Bank threatened to take back the cars from the Respondent Company. This resulted in disturbances in the business of the Respondent Company, causing great financial loss which cannot be compensated in terms of money. The Respondent prayed that this aspect be considered by this Bench while hearing the present application.

3.5 The Respondent Company submitted that the Gensol did not issue any invoices, which can be verified from the GST portal. Copy of GSTR-2A showing invoices raised by Gensol is annexed as Annexure-R-2. The last billing was in April-2025, and due to disputes, the Respondent Company did not use the cars thereafter. With Gensol's consent, the Respondent paid Rs. 5 lakhs in advance to CSB Bank towards agreed sale consideration. CSB Bank refunded this amount on 25.09.2025 after more than three months. As stated, since then, the cars have remained with the Respondent Company, which has been paying parking charges. These facts were suppressed by Gensol and the RP in the present I.A., and therefore the I.A. deserves dismissal.

3.6 The Respondent Company submits that Gensol failed to renew the insurance policies and fitness certificates of the leased cars. As a result, the 20 EV Vehicles are not in usable condition for the Respondent Company.

3.7 The Respondent Company submitted that it is ready and willing to return 20 EV Vehicles to the Applicant, subject to resolution of the following issues:

(A) Refund of the security amount of Rs.19,21,850/- deposited by the Respondent Company, which is presently lying with Gensol and now with the RP.

(B) Consideration of the Respondent Company's claim for parking charges paid over the last 10 months.

(C) Losses and disturbances suffered in business due to cancellation of the contract, Gensol's default with CSB, and CSB's threats to repossess the 20 EV Vehicles.

(D) Non-renewal of insurance and fitness certificates of the cars by Gensol, rendering the 20 EV Vehicles unusable.

3.8 The Respondent Company submitted that, prior to attempting to purchase cars from CSB Bank, it had already offered to return the cars to Gensol. The Respondent reiterates that it is ready and willing to return 20 EV Vehicles to the Applicant. The Respondent further humbly submits that all claims and dues demanded by the Applicant RP of the Corporate Debtor, including any losses arising on account of the sale of cars and the book value of the cars, be waived. The Respondent prays that these submissions be duly considered by this Hon'ble Adjudicating Authority at the time of hearing of the present I.A.

3.9 The Respondent Company placed its para-wise reply. In respect of Para-A, Para-B(1), Para-C(A), and Para-C(B) of the application, the Respondent submitted that these paragraphs contain formal details of the order under Section 7 of the IBC, jurisdiction, particulars of the Corporate Debtor, and particulars of the Respondent Company, and hence no comments are required.

3.10 In reply to Para-C(C), the Respondent submitted that the Master Lease Agreement dated 21.09.2023 governs the relationship between the parties. Clause 13.2 of the Agreement provides for arbitration of disputes and therefore, the present I.A. filed by the Resolution Professional is not maintainable in law, as all disputes, claims, and demands must be referred to arbitration under the Arbitration and Conciliation Act, 1996.

3.11 In reply to Para-C(D), the Respondent submitted that the demand notice dated 28.04.2025 issued by the Corporate Debtor is also governed by clause 13.2 of the Master Lease Agreement. Any demand or claim arising therefrom must be referred to arbitration, and hence the Respondent does not admit the right of the Corporate Debtor to claim the amount except in accordance with the Clause No.13.2 of the agreement.

3.12 In reply to Para-C(E), the Respondent submitted that the notice dated 23.07.2025 issued after commencement of CIRP is likewise governed by clause 13.2 of the Master Lease Agreement. The claim of Rs.34,14,698.18Ps. made therein is disputed and requires adjudication by an arbitrator. The Respondent submits that this Hon'ble Tribunal cannot entertain such claims under IBC, and the I.A. deserves dismissal.

3.13 In reply to Para-C(F), the Respondent submitted that the terms of the lease agreement, obligations of the Lessee, and alleged defaults are all matters arising out of the contract and must be referred to arbitration under clause 13.2. The demand of Rs.55,93,724.52Ps. till 30.09.2025 and further dues for October–November 2025 are disputed. The Respondent reiterates readiness to return the vehicles subject to conditions already stated, but does not admit the claim of Rs.70,46,742.52Ps. with late charges.

3.14 The Respondent submitted that clause 13.2 of the Master Lease Agreement mandates that all disputes, claims, and demands arising under or concerning the agreement must be referred to arbitration under the Arbitration and Conciliation Act, 1996. Therefore, the claims raised by the Resolution Professional in this I.A. cannot be adjudicated summarily by this Hon'ble Tribunal, and the I.A. deserves dismissal.

3.15 The Respondent reserves its right to challenge all actions, claims, demands, and disputes raised by the Resolution Professional, and submits that these must be referred to arbitration under clause 13.2 of the Master Lease Agreement. The Respondent does not waive or abandon its statutory or contractual rights, and no adverse inference should be drawn against it.

3.16 In reply to Para-9 of the I.A., the Respondent submits that it is formal in nature and hence no comments are required.

3.17 In reply to Para-10 (i–iv), the Respondent submits that the present I.A. is not maintainable in law due to the existence of clause 13.2 of the Master Lease Agreement dated 21/09/2023, which governs the relationship between the parties and requires disputes to be referred to arbitration.

3.18 The Respondent reiterated its readiness to return 20 nos. of EV Vehicles to the Applicant, subject to resolution of issues already enumerated, namely: (A) refund of security deposit, (B) consideration of parking charges paid for 10 months, (C) waiver of claims and dues in view of losses suffered due to Gensol's default with CSB, and (D) non-renewal of insurance and fitness certificates rendering the vehicles unusable. The Respondent submits that the Applicant is not entitled to claim Rs. 70,46,742.52ps. with late charges and costs, as such claims require arbitration and are beyond the jurisdiction of this Hon'ble Tribunal under Section 60(5) of the IBC read with Rule 11 of the NCLT Rules, 2016.

3.19 The Respondent Company submitted that the present Interlocutory Application is not legally maintainable. The Master Lease Agreement dated

21/09/2023, executed between the Corporate Debtor and the Respondent, expressly contains clause **13.2 which provides for resolution of all disputes, claims, and demands through arbitration in accordance with the Arbitration and Conciliation Act, 1996**. The Resolution Professional, by filing the present I.A. under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016, has attempted to bypass the binding arbitration clause. It is a settled principle of law that once parties have agreed to arbitration, jurisdiction of other fora is excluded except where statutory provisions expressly override. In the present case, no such overriding provision exists. The Respondent further submits that the claims raised in the I.A. are disputed, involve contractual interpretation, and require detailed evidence, which cannot be adjudicated summarily in insolvency proceedings. Therefore, the present I.A. is barred by law, contrary to the contractual arrangement, and deserves dismissal with exemplary costs.

3.20 In reply Para-26, the Respondent reiterated its readiness/willingness to return 20 EV Vehicles to the Applicant, subject to resolution of issues already enumerated, namely refund of security deposit, consideration of parking charges, waiver of claims and dues in view of losses suffered, and non-renewal of insurance and fitness certificates. The Respondent submitted that the claims raised by the Resolution Professional are disputed, require arbitration, and cannot be adjudicated in this I.A. The Respondent accordingly prays that the present I.A. be dismissed with costs.

4. In response of the Reply of the Respondent, the Applicant /Resolution Professional has filed its Rejoinder-Reply on 16.03.2026 vide inward diary no. D-2329 briefly narrated by stating as under:

4.1 It is stated that the contents of Paragraph-1 of the Reply are a matter of record and hence require no rejoinder.

4.2 The contents of Paragraph-2 are stated to be false, baseless, and devoid of merit. They are denied in toto as the assertions made by the Respondent have no factual or legal foundation.

4.3 The contents of Paragraph-3 are denied by the petitioner for want of knowledge since they pertain to dealings between the Respondent and CSB Bank, a third party. The Applicant submits that CIRP was initiated on 13.06.2025 and a legal notice of termination was duly served on the Respondent, who had full knowledge but failed to reply or contact the Applicant.

4.4 As stated, the contents of Paragraph-4 are admitted only to the extent that the Respondent deposited a security amount with the Corporate Debtor. The Applicant submits that the said deposit will be adjusted against the final outstanding dues, late payment charges, and costs incurred.

4.5 It is stated that the contents of Paragraphs-5 and 6 are denied as false and frivolous. The Respondent has not produced any material or evidence to substantiate its claims, which appear to be afterthoughts introduced to mislead the Tribunal and evade liability.

4.6 The contents of Paragraph-7 are stated to be wholly false and misleading. The Corporate Debtor duly raised invoices till July-2025 under the Master Lease Agreement. Thereafter, invoices were not raised due to GST liability, as the Respondent defaulted on lease rentals since February 2025. The Respondent unlawfully retained and used the vehicles without payment, causing financial prejudice. The alleged advance payment to CSB Bank is categorically denied as baseless and unsupported by any documentary evidence.

4.7 The contents of Paragraph-8 are denied by the Petitioner. No documentary evidence has been produced to support the Respondent's claim regarding insurance or fitness certificates.

4.8 As submitted, the contents of Paragraph-9 are denied. The conditions imposed by the Respondent for returning the vehicles are arbitrary, unlawful, and contrary to the terms of the agreement. No supporting documents or contractual basis have been produced.

4.9 The contents of Paragraph-10 are denied as no evidence or correspondence has been produced to show that the Respondent offered to return the vehicles. The allegation is an afterthought and is rejected outright.

4.10 The contents of Paragraphs-11 and 12 are denied to the extent inconsistent with the Applicant's submissions. They are either matters of record or reiterations of earlier assertions.

4.11 It is stated that the contents of Paragraphs-13, 14, and 15 are similarly denied to the extent inconsistent with the Applicant's submissions. They are either matters of record or repetitions of earlier claims.

4.12 The contents of Paragraphs-16 and 17 are stated to be false and baseless. The applicant relied on the decision of the Hon'ble Supreme Court in the matter of ***Alchemist Asset Reconstruction Co. Ltd. v. Hotel Gaudavan Pvt. Ltd. (Civil Appeal No. 16929 of 2017)***, that arbitration proceedings after imposition of moratorium under Section 14(1)(a) of the IBC are non est. Section 238 of the Code provides overriding effect over other laws. Hence, reliance on arbitration clause is untenable.

4.13 The contents of Paragraph-18 are denied as stated to be misleading. They have already been addressed in

Para 16 above.

4.14 The contents of Paragraphs-19 and 20 are denied by the Petitioner as the IB Code, 2016 overrides the Arbitration Act under Section 238. It is stated that the Applicant is entitled to pursue relief under Section 60(5) of the Code instead of arbitration.

4.15 The contents of Paragraph-21 are denied. It is submitted that the Respondent is attempting to evade liability by relying on the arbitration clause, which does not override statutory provisions of the Code.

4.16 The contents of Paragraph-22 require no reply on merits.

4.17 The contents of Paragraph-23 are denied as the issue of arbitration has already been dealt with in preceding paragraphs.

4.18 The contents of Paragraph-24 are denied. As stated, the Respondent has never shown bona fide intent to return the vehicles despite repeated notices. The conditions proposed are stated to be fraudulent and unsupported by any proof.

4.19 The contents of Paragraph-25 are denied. It is reiterated that the provisions of the IBC override the Arbitration Act. The Applicant is entitled to pursue this application under Section 60(5) of the Code instead of arbitration.

4.20 The contents of Paragraph-26 are denied by the petitioner. It is stated that the Respondent has not demonstrated genuine willingness to return the vehicles and continues to impose arbitrary conditions without proof.

5. On 19.12.2025, IA No. 1518 of 2025 was first taken up along with connected applications. The Tribunal issued notice to the Respondent, directing filing of reply within seven days and rejoinder thereafter. Proof of service was to be filed by affidavit. The matter was re-listed for 07.01.2026.

6. On 30.03.2026, despite extended opportunities and imposition of costs of Rs. 50,000/-, the Respondent failed to file reply. On that date, the Respondent, through counsel, stated that an offer had been made to the Applicant/RP to buy back all 20 nos. of vehicles in its possession. The Applicant confirmed receipt of the email and undertook to place the offer before the CoC for consideration. The Tribunal adjourned the matter for arguments.

7. On 15.05.2026, the Applicant submitted that a valuation report of the vehicles had been received and the matter was pending before the CoC for decision regarding purchase of vehicles by the Respondent. The Tribunal directed the CoC to take a decision within 15 days and re-listed the matter for 12.06.2026.

8. On 12.06.2026, the Applicant apprised that the Respondent's representative sought 3–4 days' time to explore an amicable settlement. The Tribunal adjourned the matter and re-listed it for 07.07.2026.

9. On 07.07.2026, the Tribunal recorded that no settlement had been arrived at despite opportunities. The Respondent's counsel stated that his client had agreed to hand over all 20 vehicles lying in Delhi/NCR. The RP undertook to collect possession within seven days with assistance from the Respondent. The matter was heard, and the order was reserved.

10. We have heard the Learned Counsel appearing for the parties at considerable length. We have also carefully perused the pleadings, reply affidavits, rejoinders, supplementary affidavits, written submissions, documents annexed thereto and the material available on record.

11. Upon consideration of the pleadings, affidavits, rejoinders, additional affidavits and documents placed on record, the following issues arise for determination: -

(i) Whether the Resolution Professional is entitled to seek directions for return and delivery of the **20 leased EV vehicles** constituting assets of the Corporate Debtor;

(ii) Whether the Respondent can be directed to pay the outstanding amount of **Rs.70,46,742.52** together with late payment charges and other contractual dues in the present proceedings;

(iii) Whether the disputes raised by the Respondent regarding refund of security deposit, parking charges, losses allegedly suffered, validity of the arbitration clause and other reciprocal contractual claims can be adjudicated in the present proceedings under Section 60(5) of the Insolvency and Bankruptcy Code, 2016.

12. Findings on Issue No. (i): Whether the Resolution Professional is entitled to seek return of the leased vehicles;

12.1 The record reflects that the Corporate Debtor entered into the Master Lease Agreement dated 21.09.2023 with the Respondent for leasing **20 EV vehicles** while retaining ownership thereof.

12.2 The Applicant has relied upon Articles 2.1, 2.2 and 2.5 of the Master Lease Agreement, which provide that upon occurrence of an event of default or termination of the lease, the Respondent is obligated to immediately return the leased vehicles together with the original registration certificates, insurance documents, permits, keys and other accessories.

12.3 It is not in dispute that the Respondent committed defaults in payment of lease rentals and that notices dated 28.04.2025 and 23.07.2025 were issued calling upon the Respondent to clear the outstanding dues and return possession of the leased vehicles.

12.4 The Respondent has not disputed that the vehicles belong to the Corporate Debtor. Rather, throughout the reply the Respondent has repeatedly expressed willingness to return the 20 vehicles, albeit subject to conditions relating to refund of security deposit, reimbursement of parking charges, alleged business losses and waiver of Applicant's claims.

12.5 During the course of hearing also, as recorded in the proceedings dated 07.07.2026, the Respondent agreed to hand over all the 20 vehicles lying in Delhi/NCR and the Resolution Professional undertook to collect possession within seven days.

12.6 Sections 18(1)(f), 20(1) and 25(2)(a) of the Insolvency and Bankruptcy Code, 2016 cast statutory duties upon the Interim Resolution Professional/Resolution Professional to preserve, protect and take control and custody of all assets over which the Corporate Debtor has ownership rights, including assets lying in possession of third parties.

12.7 The leased EV vehicles admittedly constitute assets of the Corporate Debtor and form part of the insolvency estate. Their preservation and recovery are essential for maximizing the value of the assets during the Corporate Insolvency Resolution Process.

12.8 The Respondent cannot retain assets belonging to the Corporate Debtor as security or leverage for adjudication of its contractual claims relating to refund of security deposit, parking charges or damages. Such disputes, if any, cannot defeat the statutory obligation of the Resolution Professional to take custody of the assets of the Corporate Debtor.

12.9 Accordingly, the Resolution Professional is entitled to seek directions for immediate delivery of possession of the leased vehicles together with all related documents, keys and accessories.

13. **Findings on Issue No. (ii):** Whether the outstanding amount of Rs.70,46,742.52 can be adjudicated in the present proceedings;

13.1 The Applicant has prayed for recovery of outstanding lease rentals amounting to Rs.70,46,742.52 together with late payment charges, damages and other contractual dues.

13.2 The Respondent has seriously disputed the said claim and has raised several defences including adjustment of security deposit, reimbursement of parking charges, damages allegedly suffered due to cancellation of the proposed sale transaction with CSB Bank, non-renewal of insurance and fitness certificates, waiver of contractual dues and other reciprocal claims.

13.3 Determination of the rival monetary claims would require reconciliation of accounts, appreciation of documentary evidence and adjudication of disputed contractual obligations.

13.4 Although this Adjudicating Authority possesses wide jurisdiction under Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016, to entertain or dispose of any question of law or facts arising out of or in relation to the insolvency resolution process. However, the said jurisdiction is not intended to convert insolvency proceedings into a forum for adjudication of complex contractual disputes requiring detailed oral and documentary evidence.

13.5 Accordingly, this Adjudicating Authority is not inclined to adjudicate the rival monetary claims in the present proceedings.

13.6 The rights and contentions of both parties in respect of outstanding dues, refund or adjustment of security deposit, damages, parking charges, reciprocal claims and all other monetary claims are kept open to be pursued in accordance with law, subject to the provisions of the Insolvency and Bankruptcy Code, 2016.

14. Findings on Issue No. (iii): Whether the disputes raised by the Respondent regarding security deposit, parking charges, reciprocal claims and arbitration clause can be adjudicated in the present proceedings;

14.1 The Respondent has contended that the disputes arise out of the Master Lease Agreement containing Clause 13.2 providing for arbitration and therefore the present application is not maintainable.

14.2 We are unable to accept the said contention insofar as recovery of possession of assets belonging to the Corporate Debtor is concerned.

14.3 The Resolution Professional is under a statutory obligation under Sections 18 and 25 of the Insolvency and Bankruptcy Code, 2016 to take custody and control of the assets of the Corporate Debtor.

14.4 The Hon'ble Supreme Court in ***Alchemist Asset Reconstruction Company Ltd. v. Hotel Gaudavan Pvt. Ltd.*** has held that proceedings inconsistent with the provisions of the Code cannot continue after commencement of CIRP. Further, Section 238 of the Insolvency and Bankruptcy Code gives overriding effect to the provisions of the Code over any inconsistent law. Therefore, the arbitration clause cannot curtail the jurisdiction of this Adjudicating Authority in matters concerning preservation, protection and recovery of assets of the Corporate Debtor.

14.5 The Respondent has repeatedly expressed willingness to return the vehicles, including during the hearing on 07.07.2026, thereby leaving no dispute regarding the ownership of the leased vehicles or the Respondent's obligation to restore possession thereof. This distinguishes the recovery of the assets from the disputed monetary claims and strengthens the legal basis for partly allowing the application.

14.6 The claims relating to parking charges, refund of security deposit, damages allegedly suffered due to dealings with CSB Bank and other reciprocal contractual claims are independent monetary disputes. Such claims cannot legally justify continued retention of assets admittedly belonging to the Corporate Debtor.

14.7 The alleged proposal for sale of certain vehicles through CSB Bank and the disputes arising therefrom constitute independent contractual disputes between the concerned parties and do not affect the ownership rights of the Corporate Debtor over the leased vehicles or the statutory obligations of the Resolution Professional under the Insolvency and Bankruptcy Code, 2016.

14.8 Therefore, the existence of an arbitration clause cannot prevent this Adjudicating Authority from exercising jurisdiction for preservation, protection and recovery of assets belonging to the Corporate Debtor.

14.9 However, the disputed contractual monetary claims and reciprocal liabilities between the parties are not being adjudicated in these proceedings.

15. In view of the foregoing discussion, the present Interlocutory Application is **partly allowed** in the following terms: -

(i) The Respondent shall forthwith and in any event within a period of **seven (7) days** from the date of this Order hand overhand over all **20 leased EV vehicles** together with original registration certificates, insurance documents, permits, keys, chargers and all related accessories to the Resolution Professional.

(ii) The Respondent shall extend full cooperation to the Resolution Professional for inspection, identification, peaceful physical delivery and completion of all formalities relating to the handover of the leased vehicles.

(iii) The Respondent, its directors, officers, employees, agents or any person claiming through it are restrained from alienating, transferring, creating third-party rights, encumbering or creating any lien, parting with possession, encumbering or otherwise dealing with the said vehicles in any manner.

(iv) The Resolution Professional shall be at liberty to take all consequential steps including seeking assistance from the jurisdictional **police authorities** and **other competent authorities**., if required, for taking custody and control of the vehicles in accordance with Sections 18 and 25 of the Insolvency and Bankruptcy Code, 2016.

(v) The prayer seeking recovery of **Rs.70,46,742.52**

together with late payment charges, damages and other contractual dues is left open and is **not adjudicated** in the present proceedings.

(vi) All rights and contentions of the parties regarding security deposit, parking charges, damages, losses, adjustment of accounts, reciprocal claims and all monetary claims are kept open to be pursued in accordance with law, subject to the provisions of the Insolvency and Bankruptcy Code, 2016.

16. Accordingly, **IA/1518(AHM)2025** stands **partly allowed** and **disposed of.**

17. A certified copy of this Order be issued, if applied for, upon compliance with all requisite formalities.

-Sd-

SANJEEV SHARMA
MEMBER (TECHNICAL)

-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

Alpesh/PS