

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH**

IA(IBC)/379/KOB/2025

IN

CP(IBC)/22/KOB/2024

*(under Section 60 (5) of the Insolvency and
Bankruptcy Code 2016, r/w Rule 11 & 32 of
the NCLT rules 2016)*

Date of Institution: 01.10.2025

Order Delivered on: 25.05.2026

In the matter of:

*M/s. Attukal Devi Institute of Medical Sciences
Limited*

Memo of Parties:

Dr. Ayyappan Nair Raghavan Pillai,

Having Residential Address at: T.C 6/773-1,
Pranavam, Akkulam Road, Medical College P.O
Thiruvananthapuram, Kerala- 695011.

...Applicant

Vs.

**Committee of Creditors of Attukal Devi
Institute of Medical Sciences Limited**

Represented through, Managing Director,
Dhanlaxmi Bank Limited, T.C. 41/2343(4)
Malson Tower, MANACAUD,
Thiruvananthapuram-695009

...Respondent No.1

Rajmohan R.

Resolution Professional and Insolvency
Professional residing at Rajbhavan, HS
514/12/1 and 175A, Krishnapuram, 6th
street, Ollukkara P.O., Krishnapuram Temple,
Thrissur, Kerala - 680 655.

...Respondent No.2

Attukal Devi Institute of Medical Sciences Limited

Represented by its Resolution Professional.
Having its registered office T.C 22/935 (2 to 5),
Attukal Manacaud P.O, Thiruvananthapuram,
Kerala, India, 695009.

...Respondent No.3

Dr. M Ayyappan

TC 9/2089(1), Sreeprasadam,
Thamarakkulam Lane, Sasthamangalam,
Thiruvananthapuram- 695010

...Additional Respondent No.4

Coram:

HON'BLE MEMBER (JUDICIAL) : SHRI. VINAY GOEL

Appearance:

For the Applicant : Mr. Biju P Pulipra, Advocate
For the Respondent No.1 : Mr. Vinod PV, Advocate
For the Respondent Nos. 2 & 3 : Mr. A C Venugopal, Advocate
Mr. Rajmohan R, RP
For the Respondent No.4 : Mr. Mohan Pulickkal, Advocate

ORDER

1. The present Application has been filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, read with Rule 11 of the National Company Law Tribunal Rules, 2016, by the Applicant, seeking the following reliefs:-

- a) *Set aside the approval of the 2nd ranked Resolution Plan submitted by Dr. M. Ayyappan (Plan B), as approved by the 1st Respondent (CoC) in the 16th CoC meeting, being arbitrary, discriminatory, mala fide, and violative of the provisions of the Insolvency and Bankruptcy Code, 2016 and the CIRP Regulations;*

- b) Hold and declare that the evaluation and approval process adopted by the 1st Respondent is vitiated by material irregularities, bias and non-compliance of the statutory provisions, and is therefore null and void;*
- c) Direct the 1st Respondent to consider and approve the Resolution Plan submitted by the Applicant (Plan A), which was ranked 1st under the Evaluation Matrix and is fully compliant with the provisions of the Code, ensures equitable treatment of all stakeholders, and upholds the objective of maximisation of value of assets;*
- d) Pass such other or further orders or directions as this Hon'ble Adjudicating Authority may deem fit, proper and just, in the interest of justice, equity, and fairness.*

2. The Applicant, Dr. Ayyappan Nair Raghavan Pillai, is an admitted Financial Creditor and former director and shareholder of Attukal Devi Institute of Medical Sciences Limited (hereinafter referred to as “the Corporate Debtor”) and had also initiated the Corporate Insolvency Resolution Process against the Corporate Debtor by filing CP(IBC)/22/KOB/2024. During the Corporate Insolvency Resolution Process, the Applicant participated as a Prospective Resolution Applicant and submitted a Resolution Plan. The present Application has been filed against the Committee of Creditors represented through Dhanlaxmi Bank Limited, the Resolution Professional of the Corporate Debtor, the Corporate Debtor represented through its Resolution Professional, and Dr. M. Ayyappan, the Successful Resolution Applicant whose Resolution Plan came to be approved by the Committee of Creditors with 100% voting share.

Brief facts of the case are as follows: -

3. The Corporate Insolvency Resolution Process against the Corporate Debtor was initiated pursuant to the admission of CP(IBC)/22/KOB/2024 by this Adjudicating Authority, and the 2nd Respondent came to be appointed as the Resolution Professional for conducting the Corporate Insolvency Resolution

Process in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, and the CIRP Regulations framed thereunder. Pursuant thereto, Resolution Plans were invited from prospective Resolution Applicants in terms of the Request for Resolution Plan and the Evaluation Matrix approved by the Committee of Creditors.

4. It is submitted that the Applicant, being interested in the revival of the Corporate Debtor and also being an admitted Financial Creditor, submitted a Resolution Plan (“Plan A”) within the timelines prescribed under the process documents. According to the Applicant, the Resolution Plan submitted by him was fully compliant with the provisions of the Insolvency and Bankruptcy Code, 2016, the CIRP Regulations and the Evaluation Matrix circulated by the Committee of Creditors. A total of four Resolution Plans were received by the Resolution Professional from eligible Prospective Resolution Applicants pursuant to the invitation issued under the Request for Resolution Plan.
5. It is stated that upon evaluation of the Resolution Plans in terms of the Evaluation Matrix approved by the Committee of Creditors, the Applicant’s Resolution Plan secured the highest score and was accordingly designated as “Plan A”. The Resolution Plan submitted by Dr. M. Ayyappan was ranked second and designated as “Plan B”. According to the Applicant, the ranking assigned under the Evaluation Matrix clearly reflected that the Applicant’s plan was superior in terms of financial value, feasibility, viability and overall compliance with the objectives of the Insolvency and Bankruptcy Code, 2016.
6. A detailed comparison table submitted by the Applicant showing this sham and inflated showcase of the Resolution Plan is as follows:

IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH

IA(IBC)/379/KOB/2025 IN CP(IBC)/22/KOB/2024
In re Attukal Devi Institute of Medical Sciences Limited

Particulars	Dr. Ayyappan Nair (Applicant) (REJECTED BY COC)	Dr. M. Ayyappan (Approved by CoC)	Compliance Notes under Section 30
	PLAN A	PLAN B	
Plan Value	₹ 4.29 Cr (Rank 1; 50/100 score)	₹ 3.86 Cr (Rank 2; 31/100 score) Later shown as ₹ 4.36 Cr with post-bid ₹ 50 L “add-on”	Sec 30(2)(e): Must follow law — post-bid revisions violate Reg 39(1A)
CIRP Costs	₹ 6 L — paid in full upfront	₹ 6 L — paid in full upfront	Sec 30(2)(a): Both plans provides for CIRP costs
Secured FC (Dhanlaxmi Bank)	₹ 5.60 L — full payment	₹ 5.60 L — full payment	Both plans meet Sec 30(2)(b)
Unsecured FC (Applicant himself)	₹ 2.87 Cr — full payment proposed	Nil — treated as no payment	Plan B is Discriminatory and it violates Sec 30(2)(b) & equality principle
Operational Creditor (ABTT)	₹ 9.70 L unconditional & extinguishes litigation	₹ 50 L conditional on 10-year lease renewal, litigation to continue	Plan B is Conditional payment and violates Sec 30(2)(b) & Reg 38 (clean slate)
Other Operational Creditors	On pro-rata basis	Contingent and Discriminatory — ₹ 78.39 L to “current suppliers” (no claims filed), Nil to admitted OC Applicant	Plan B Unequal treatment within class — violates Sec 30(2)(b)
EPFO dues	Nil — rejected claim	₹ 1.36 Cr — shown as provision	Plan B provides for a Contingent liability not crystallised and rejected by the RP; contrary to Sec 30(2)(e)
Working Capital & Infra	₹ 60 L (WC) + ₹ 60 L (equipment/renovat ion) — concrete	₹ 68 L (WC buffer) + ₹ 50 L (facility upgrade) — vague and contingent	Applicant’s is certain and verifiable; CoC ignored this
Lease Issue	Offered relocation to own 73 cents if evicted	No clear relocation plan, only vague negotiations	Applicant ensures continuity (going concern)

Employee Retention	Explicitly protects all employees & consultants	Silent	Meets object of IBC (maximising value as going concern)
Evaluation Matrix	Quant: 22, Qual: 28, Total: 50/100 (Rank 1)	Quant: 3, Qual: 28, Total: 31/100 (Rank 2)	CoC ignored its own matrix — arbitrary

7. The Applicant submitted that the Resolution Plan submitted by him contemplated revival of the Corporate Debtor as a going concern and provided for maximisation of the value of the assets of the Corporate Debtor. It is further contended that the plan ensured equitable treatment to all stakeholders, including Financial Creditors, Operational Creditors, employees and statutory authorities, and was structured in conformity with the provisions of Section 30(2) of the Insolvency and Bankruptcy Code, 2016 and the CIRP Regulations.
8. According to the Applicant, despite the Resolution Plan submitted by him being ranked first under the approved Evaluation Matrix, the Committee of Creditors, in its commercial wisdom, proceeded to consider and approve the Resolution Plan submitted by Dr. M. Ayyappan in the 16th meeting of the Committee of Creditors held on 26.02.2025 with 100% voting share. The Applicant alleged that the approval of the second-ranked Resolution Plan, in disregard of the outcome of the Evaluation Matrix, is arbitrary, discriminatory and contrary to the process documents governing the Corporate Insolvency Resolution Process.
9. It is the specific case of the Applicant that the Evaluation Matrix and the Request for Resolution Plan constituted the foundation of the bidding process and created a legitimate expectation among the Prospective Resolution Applicants that the plan securing the highest score would receive due consideration in accordance with the principles of transparency, fairness

and non-discrimination. The Applicant alleged that the decision of the Committee of Creditors to approve the second-ranked plan, without assigning valid reasons and without adhering to the approved evaluation framework, defeats the sanctity of the Corporate Insolvency Resolution Process.

10. The Applicant further stated that during the consideration of the Resolution Plans by the Committee of Creditors, Dr. M. Ayyappan was allegedly permitted to revise and enhance the value of his Resolution Plan by introducing an additional amount of Rs. 50,00,000/- after submission of the plan, without affording any similar opportunity to the Applicant or other Resolution Applicants. According to the Applicant, except for one amendment permitted after initial submission of the plans, no further amendments were formally carried out by any Resolution Applicant, and the clarifications submitted during the 13th and 15th Committee of Creditors meetings were only in the nature of written notes and presentations. It is alleged that the Committee of Creditors nevertheless treated the clarifications furnished by Dr. M. Ayyappan as constituting a de facto amendment to the Resolution Plan, while denying the Applicant a similar opportunity, thereby rendering the process discriminatory and violative of the principles of fairness and equal treatment. The Applicant further alleged that the approved Resolution Plan also lacked clarity regarding the lease arrangement with the Attukal Bhagavathy Temple Trust, thereby affecting the viability of the plan.

11. Comparative Allocation Table - Applicant vs. Dr. M. Ayyappan (Debt Resolution Only, No WC/Expansion)

IN THE NATIONAL COMPANY LAW TRIBUNAL
KOCHI BENCH

IA(IBC)/379/KOB/2025 IN CP(IBC)/22/KOB/2024
In re Attukal Devi Institute of Medical Sciences Limited

Particulars	Applicant – Dr. Ayyappan Nair’s Plan (₹) REJECTED	Dr. M. Ayyappan’s Plan (₹) APPROVED	Remarks (Sec. 30 Compliance)
CIRP Costs	6,00,000	6,00,000	Certain & immediate
Secured FC (Dhanlaxmi Bank)	5,60,169	5,60,000	Both provide full repayment
Unsecured FC (Applicant himself)	2,87,76,325	Nil	Applicant: full admitted claim; M. Ayyappan: discriminatory denial
Operational Creditor – ABTT	9,70,000 (fixed & unconditional)	Nil (₹50,00,000 only if 10-yr lease signed)	Applicant: clean slate; M. Ayyappan: contingent, uncertain
Other Operational Creditors	On pro-rata basis (admitted claims)	₹78,39,000 (to “suppliers” without filed claims)	Applicant: transparent; M. Ayyappan: unsupported, discriminatory
EPFO Dues	Nil (rejected claim, not crystallised)	Nil (₹1.36 Cr shown but contingent & barred by moratorium)	Applicant: correct treatment; M. Ayyappan: inflated, unenforceable
Total Certain Allocation towards Debt Resolution Only	₹3,09,06,494	₹11,60,000	Applicant complies with Section 30; Plan B fails

12. The Applicant also stated that the Resolution Professional failed to discharge his statutory duties in a fair and impartial manner and failed to ensure strict adherence to the provisions of the Insolvency and Bankruptcy Code, 2016 and the CIRP Regulations during the conduct of the resolution process. According to the Applicant, the Resolution Professional permitted modifications and deviations that materially altered the competitive process and adversely affected the Applicant despite the Applicant having secured the highest ranking under the Evaluation Matrix.

13. The Applicant further submitted the issue raised by Respondent No. 1 regarding the alleged “proven track record” of Dr. M. Ayyappan. According to the Applicant, such reliance is wholly misplaced and unsustainable. It is submitted that Dr. M. Ayyappan, during his tenure as Chairman and

Managing Director of HLL, is presently facing criminal proceedings initiated by the Central Bureau of Investigation, in which charge sheets have already been filed and the matters are presently pending trial. Though interim protection has reportedly been granted by the Hon'ble High Court of Kerala, the proceedings remain sub judice and have not attained finality. The Applicant further stated that various media reports have also highlighted raids conducted by the CBI at the residence of Dr. M. Ayyappan during the course of investigation. In such circumstances, the Applicant submitted that Respondent No. 1 could not have treated Dr. M. Ayyappan as possessing an "impeccable" or "proven" track record while evaluating the Resolution Plans. The Applicant further relies upon the judgment of the Hon'ble Supreme Court in ***ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta Civil Appeal No(s). 9402-9405/2018*** and submitted that mere eligibility under Section 29A of the Insolvency and Bankruptcy Code, 2016, only prescribes the minimum threshold for participation in the Resolution Process and cannot be treated as a positive certification of integrity, capability, or merit so as to accord preferential treatment during evaluation of Resolution Plans.

14. The Applicant further submitted that the alleged "strong financial backing" claimed on behalf of Dr. M. Ayyappan was never specifically disclosed in the Resolution Plan, and that the identity of such purported investors or co-investors remains uncertain and dehors the Resolution Plan, rendering such reliance arbitrary and legally untenable.
15. It is further submitted that the approval of the Resolution Plan submitted by Dr. M. Ayyappan is contrary to the objectives of the Insolvency and Bankruptcy Code, 2016, particularly the principles of value maximisation, transparency and equitable treatment of stakeholders. The Applicant alleged that the approved plan is inferior to the Applicant's Resolution Plan and that

the decision of the Committee of Creditors has resulted in prejudice not only to the Applicant but also to the stakeholders of the Corporate Debtor.

16. The Applicant therefore submitted that the approval process undertaken by the Committee of Creditors is vitiated by material irregularities, procedural impropriety, arbitrariness and non-compliance with the statutory provisions governing the Corporate Insolvency Resolution Process. It is contended that the impugned decision is liable to be interfered with by this Adjudicating Authority in exercise of its jurisdiction under Section 60(5) of the Insolvency and Bankruptcy Code, 2016.
17. In the above circumstances, the Applicant has approached this Adjudicating Authority seeking, inter alia, setting aside of the approval granted to the Resolution Plan submitted by Dr. M. Ayyappan, declaration that the evaluation and approval process adopted by the Committee of Creditors is illegal and void, and consequential directions to consider and approve the Resolution Plan submitted by the Applicant, being the highest ranked and allegedly compliant Resolution Plan.
18. In response to the allegations raised in the Application, the 1st Respondent/Committee of Creditors filed a detailed reply contending, at the outset, that the present Application is wholly misconceived and not maintainable either in law or on facts. It is submitted that the Applicant, being an unsuccessful Resolution Applicant, is in substance seeking to challenge the commercial wisdom exercised by the Committee of Creditors in approving the Resolution Plan submitted by Dr. M. Ayyappan with 100% voting share. According to the Respondent, the relief sought by the Applicant, namely rejection of the approved Resolution Plan and direction to approve the Applicant's own plan, is impermissible under the scheme of the Insolvency and Bankruptcy Code, 2016.

19. The Respondent No.1 further raised a preliminary objection regarding the maintainability of the Application on the ground that the Applicant had voluntarily withdrawn from the resolution process by seeking refund of the Earnest Money Deposit on 23.09.2025, pursuant to which the Resolution Professional refunded the said amount. According to the Respondent, upon such withdrawal, the Applicant ceased to have any subsisting locus standi to challenge the resolution process or the approval of the successful Resolution Plan, and therefore the Application had become infructuous and liable to be dismissed in limine.
20. It is further stated that the Application suffers from non-joinder of a necessary party inasmuch as Dr. M. Ayyappan, whose Resolution Plan was approved by the Committee of Creditors, had not been impleaded as a party to the proceedings. The Respondent No.1 submitted that no adverse relief can be granted against a successful Resolution Applicant in his absence and that the deliberate omission to implead him renders the Application defective and liable to be rejected.
21. The Respondent No.1 further submitted that the Applicant is effectively seeking judicial interference with the commercial wisdom of the Committee of Creditors, which is impermissible under the Insolvency and Bankruptcy Code, 2016. Reliance was placed on the settled legal position laid down by the Hon'ble Supreme Court, including in ***ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta***, to contend that a Resolution Applicant has no vested right to insist that his Resolution Plan must be approved merely because it secured a higher score in the Evaluation Matrix. It is submitted that the role of the Committee of Creditors is to assess the feasibility, viability, sustainability and overall revival prospects of the Corporate Debtor, and such commercial decisions cannot be interfered with by the Adjudicating

Authority except in cases involving material irregularity or violation of the provisions of the Code.

22. The Respondent No.1 further submitted that the powers of the Adjudicating Authority under Section 31 of the Insolvency and Bankruptcy Code, 2016 are confined to examining whether the approved Resolution Plan satisfies the requirements under Section 30(2) of the Code and do not extend to reassessing the commercial merits of competing Resolution Plans. According to the Respondent No.1, the Evaluation Matrix is only a guiding tool intended to assist the Committee of Creditors during deliberations and cannot by itself mandate approval of the highest-scoring Resolution Plan.
23. According to the Respondent No.1, the marks assigned in the Evaluation Matrix were based upon technical and predefined parameters and did not constitute the sole criterion for selection of a Resolution Plan. It is submitted that while evaluating the plans, the Committee of Creditors considered several broader commercial factors including the cause of default of the Corporate Debtor, the capability of the Resolution Applicant to revive a distressed healthcare institution, long-term sustainability, continuity of operations, settlement of major stakeholders and overall public interest. The Respondent No.1 stated that after considering all such aspects, the Committee of Creditors unanimously approved the Resolution Plan submitted by Dr. M. Ayyappan as being more suitable for revival of the Corporate Debtor.
24. The Respondent No.1 further submitted that during the 16th Committee of Creditors meeting, the Applicant himself had sought clarification regarding the reasons for approval of Dr. M. Ayyappan's Resolution Plan, pursuant to which the Resolution Professional recorded the justification provided by Dhanlaxmi Bank Limited, the sole voting Financial Creditor. The reasons

recorded included the alleged proven track record of Dr. M. Ayyappan, availability of strong financial backing, support from the suspended directors, proposals for resolving the dispute with the Attukal Bhagavathy Temple Trust regarding the lease arrangement, and the perceived long-term sustainability and growth prospects under his management.

25. The Respondent No.1 also referred to the subsequent written objection submitted by the Applicant on 17.09.2025 and the clarification issued by the Committee of Creditors on 18.09.2025. According to the Respondent No.1, the Committee of Creditors specifically clarified that while the Applicant's Resolution Plan proposed repayment of his own admitted unsecured financial debt of Rs.2,87,76,325/-, no weightage was assigned to such payment as the Applicant himself had initiated the CIRP proceedings and was effectively proposing settlement of his own dues through the resolution mechanism. It was further clarified that the Applicant's proposed infusion of Rs.1.20 crore towards revival was contingent upon future internal accruals of the Corporate Debtor and therefore did not constitute a concrete upfront infusion ensuring revival of the Corporate Debtor.
26. The Respondent No.1 further submitted that the Committee of Creditors had acted fairly, transparently and without bias throughout the process and had granted equal opportunity to all Prospective Resolution Applicants for revision and clarification of their respective plans. It is submitted that both Resolution Applicants were permitted to submit clarifications and revised proposals during the course of the process and that no special or exclusive treatment had been shown to Dr. M. Ayyappan.
27. With respect to the allegation regarding post-submission enhancement of the Resolution Plan submitted by Dr. M. Ayyappan, the Respondent No.1 submitted that although an additional amount of Rs.50 lakhs towards

settlement of dues payable to the Attukal Bhagavathy Temple Trust was discussed during the 15th Committee of Creditors meeting, the same was treated only as a clarification and not incorporated into the Evaluation Matrix as an amended Resolution Plan. According to the Respondent No.1, the revised Evaluation Matrix considered only the original committed Resolution Plan value of Rs.3.86 crores and excluded the conditional additional Rs.50 lakhs offered towards lease renewal.

28. The Respondent No.1 also disputed the comparison and allocation tables relied upon by the Applicant and submitted that the actual allocation proposed under the competing Resolution Plans clearly demonstrated that Dr. M. Ayyappan's Resolution Plan offered substantially higher settlement amounts to operational creditors, including the Attukal Bhagavathy Temple Trust and the Employees Provident Fund Organisation, whereas the Applicant's plan substantially benefited only the Applicant himself by providing repayment of his own unsecured financial debt. According to the Respondent No.1, the Committee of Creditors therefore rightly concluded that the Resolution Plan submitted by Dr. M. Ayyappan was commercially more beneficial and conducive to the revival of the Corporate Debtor.
29. It is further submitted that the Applicant was himself a suspended director, promoter and related party of the Corporate Debtor holding approximately 9.02% shareholding and had initiated the Corporate Insolvency Resolution Process primarily for recovery of his own financial dues. According to the Respondent No.1, the Applicant's attempt to regain control of the Corporate Debtor through the resolution mechanism was contrary to the spirit and objectives of the Insolvency and Bankruptcy Code, 2016, which does not permit the insolvency process to be used merely as a recovery mechanism.

30. The Respondent No.1 also highlighted the background of the Corporate Debtor and submitted that the hospital had suffered prolonged financial distress during the tenure of the earlier management under which the Applicant had served as a key managerial person. It is submitted that substantial rent arrears amounting to Rs.7,95,79,475/- had accrued in favour of the Attukal Bhagavathy Temple Trust, leading to eviction proceedings before the Rent Control Court. According to the Respondent No.1, the Committee of Creditors considered that Dr. M. Ayyappan, being unrelated to the earlier management and possessing significant administrative and managerial experience in the healthcare sector, was better suited to ensure continuity, stability and long-term revival of the Corporate Debtor.
31. The Respondent No.1 denied all allegations of arbitrariness, bias, discrimination, procedural impropriety or material irregularity raised by the Applicant and submitted that the entire resolution process had been conducted strictly in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the CIRP Regulations. It is submitted that no violation or objection had ever been raised by the Applicant during the conduct of the Corporate Insolvency Resolution Process until the Resolution Plan submitted by him was not approved by the Committee of Creditors.
32. In the above circumstances, the Respondent No.1 prayed for dismissal of the Application contending that the Resolution Plan submitted by Dr. M. Ayyappan had been validly approved by the Committee of Creditors with 100% voting share in exercise of its commercial wisdom, that the approved Resolution Plan does not suffer from any material irregularity or illegality, and that the Applicant is not entitled to any of the reliefs sought in the present Application.

33. The 2nd Respondent/Resolution Professional submitted that the entire Corporate Insolvency Resolution Process was conducted strictly in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, and the CIRP Regulations framed thereunder. It is submitted that the Resolution Plan submitted by Dr. M. Ayyappan was approved by the sole Financial Creditor, Dhanlaxmi Bank Limited, holding 100% voting share in the Committee of Creditors, in exercise of its commercial wisdom during the 16th Committee of Creditors meeting held on 15.09.2025. Pursuant thereto, the Committee of Creditors authorised the Resolution Professional to file an application under Section 30(6) of the Insolvency and Bankruptcy Code, 2016, seeking approval of the successful Resolution Plan, and accordingly, IA(IBC)(PLAN)/6/KOB/2025 came to be filed before this Adjudicating Authority.
34. It is submitted that the Respondent No.2 was initially appointed as Interim Resolution Professional by this Adjudicating Authority vide order dated 27.09.2024 in CP(IBC)/22/KOB/2024 and was thereafter confirmed as Resolution Professional by the Committee of Creditors and this Adjudicating Authority. The Resolution Professional detailed the various stages of the Corporate Insolvency Resolution Process, including issuance of Form G, invitation of Expressions of Interest, receipt of Resolution Plans and extensions granted by this Adjudicating Authority from time to time for completion of the Corporate Insolvency Resolution Process.
35. It is submitted that attachment proceedings initiated against the bank accounts of the Corporate Debtor resulted in freezing of accounts during the moratorium period, thereby adversely affecting the functioning of the Corporate Debtor, which was operating as a running hospital. According to the Resolution Professional, proceedings were initiated before the Hon'ble

High Court of Kerala to challenge the attachment orders, and interim relief was obtained to ensure the continuation of the Corporate Debtor's operations as a going concern.

36. It is submitted that pursuant to the second Form G issued on 06.03.2025, eight Expressions of Interest were received from prospective Resolution Applicants. After scrutiny of eligibility under Section 29A of the Insolvency and Bankruptcy Code, 2016, four eligible Resolution Plans were received from prospective Resolution Applicants, including the Applicant herein and Dr. M. Ayyappan. The Resolution Professional stated that all Resolution Plans were placed before the Committee of Creditors together with the Evaluation Matrix and relevant evaluation notes.
37. According to the Resolution Professional, in the 11th Committee of Creditors meeting, a one-time opportunity for revision of Resolution Plans was granted uniformly to all Prospective Resolution Applicants in accordance with the CIRP Regulations. The Resolution Applicants, including the Applicant and Dr. M. Ayyappan thereafter submitted revised plans and addenda. It is submitted that the revised Resolution Plan submitted by the Applicant enhanced the plan value by proposing additional payments and future infusion of funds, whereas Dr. M. Ayyappan proposed infusion of additional amounts towards infrastructure development and operational support.
38. The Resolution Professional further submitted that during the 13th Committee of Creditors meeting held on 23.08.2025, the Applicant clarified that the amounts payable towards his own unsecured financial debt and operational debt would be settled by infusion of funds and not merely through internal adjustment. Pursuant to such clarification, and upon instructions of Dhanlaxmi Bank Limited, the Evaluation Matrix was revised to take into account the said clarification. According to the Resolution

Professional, the Committee of Creditors treated the same only as a clarification and not as an amendment to the Resolution Plan.

39. It is further submitted that during subsequent Committee of Creditors meetings, all Prospective Resolution Applicants were permitted to make presentations and furnish clarifications regarding feasibility, viability, funding arrangements and implementation strategy of their respective Resolution Plans. The Resolution Professional specifically denied the allegation that any exclusive or preferential opportunity had been granted to Dr. M. Ayyappan and stated that equal opportunity was extended to all Resolution Applicants throughout the process.
40. With regard to the allegation concerning the additional amount proposed by Dr. M. Ayyappan towards settlement of dues payable to the Attukal Bhagavathy Temple Trust, the Resolution Professional submitted that although further enhancement was discussed during the 15th Committee of Creditors meeting, the same was treated only as a clarification regarding feasibility and implementation and was not incorporated as a revised Resolution Plan or considered for scoring under the Evaluation Matrix. It is further submitted that similar clarifications had earlier been permitted in favour of the Applicant regarding infusion of funds towards settlement of his own claims.
41. The Resolution Professional further stated that during the 16th Committee of Creditors meeting held on 15.09.2025, Dhanlaxmi Bank Limited, being the sole Financial Creditor with 100% voting rights, furnished the duly signed voting sheet approving the Resolution Plan submitted by Dr. M. Ayyappan and rejecting all other Resolution Plans. According to the Resolution Professional, objections were thereafter raised by the authorised representative of the Applicant alleging lack of transparency, arbitrariness

and failure to maximise value. The Resolution Professional stated that upon request made by the Applicant, the reasons furnished by Dhanlaxmi Bank Limited for approval of Dr. M. Ayyappan's plan were recorded in the minutes of the meeting.

42. The reasons recorded by Dhanlaxmi Bank Limited for approving the Resolution Plan submitted by Dr. M. Ayyappan included his alleged proven managerial track record, strong financial backing, support from suspended directors, proposed resolution of the dispute with the Attukal Bhagavathy Temple Trust, and the perceived long-term sustainability and growth prospects of the Corporate Debtor under his management. According to the Resolution Professional, these factors formed part of the commercial assessment undertaken by the Committee of Creditors while exercising its commercial wisdom.
43. The Resolution Professional further submitted that written objections subsequently submitted by the Applicant were forwarded to Dhanlaxmi Bank Limited for clarification and that the clarifications received were duly communicated. It is further submitted that the Resolution Professional sought additional clarification from Dr. M. Ayyappan regarding the unconditional nature of the proposed payment to the Attukal Bhagavathy Temple Trust in order to ensure feasibility and legal compliance of the approved Resolution Plan.
44. It is further submitted that the Committee of Creditors thereafter approved the constitution of a Monitoring Committee for the supervision of the implementation of the approved Resolution Plan. According to the Resolution Professional, the approved Resolution Plan fully complies with the provisions of the Insolvency and Bankruptcy Code, 2016 and the CIRP

Regulations and has already been placed before this Adjudicating Authority for approval under Section 30(6) of the Code.

45. The Resolution Professional denied all allegations of arbitrariness, unfairness, bias or procedural irregularity and contended that he had discharged his duties strictly in accordance with law and under the supervision and directions of the Committee of Creditors. It is submitted that the present Application has been filed only after rejection of the Applicant's Resolution Plan and is devoid of merit, liable to be dismissed in limine.
46. During the pendency of this Application, the Applicant filed IA(IBC)/06/KOB/2026 in IA(IBC)/379/KOB/2025 in CP(IBC)/22/KOB/2024 seeking impleadment of Dr. M. Ayyappan, being the Successful Resolution Applicant whose Resolution Plan had been approved by the Committee of Creditors, as Additional Respondent No.4 in the present proceedings, and this Adjudicating Authority, considering that the reliefs sought in the Application directly affected his rights and interests, allowed the said application vide order 27.02.2026 and impleaded him as Additional Respondent No.4.
47. The Additional Respondent No.4 filed a detailed reply denying the allegations raised in the Application and submitted that the present challenge mounted by the Applicant, being an unsuccessful Resolution Applicant, is an impermissible attempt to re-evaluate the commercial wisdom of the Committee of Creditors. It is submitted that the Resolution Plan submitted by the Respondent No.4 was approved by the Committee of Creditors after due consideration of all relevant commercial and financial parameters, including feasibility, viability, funding capability, implementation prospects, operational continuity and long-term sustainability. It is further contended that the Evaluation Matrix and resultant ranking were only indicative tools

intended to assist deliberations of the Committee of Creditors and did not confer any vested or enforceable right upon the Applicant to insist upon approval of its Resolution Plan. The Respondent No.4 further submitted that all Prospective Resolution Applicants were afforded equal opportunity throughout the Corporate Insolvency Resolution Process, and the allegation of arbitrariness, discrimination or procedural irregularity is wholly unfounded.

48. The Respondent No.4 further stated that the Committee of Creditors had considered all concerns relating to lease disputes, pending litigations, operational risks, funding structure, implementation mechanism and treatment of claims while evaluating the Resolution Plans and that proposals involving negotiation, settlement or alternative arrangements formed part of legitimate commercial risk-mitigation strategies within the framework of the Resolution Plan. The Respondent No.4 submitted that the Committee of Creditors found the approach adopted under the approved Resolution Plan to be practical, workable and capable of ensuring continuity of operations of the Corporate Debtor. It is further submitted that issues relating to disputed claims, contingent liabilities, treatment of Operational Creditors, EPFO dues, allocation structures and settlement mechanisms form part of the commercial structuring of a Resolution Plan and were duly considered by the Committee of Creditors while approving the plan. The Resolution Professional had also recorded that the approved Resolution Plan satisfied the requirements under Section 30(2) of the Insolvency and Bankruptcy Code, 2016 and was compliant with the applicable provisions of law.

49. The Respondent No.4 further denied the allegations relating to impermissible modification of the Resolution Plan, non-consideration of the Applicant's objections, manipulation of the CIRP process and alleged

violation of the CIRP Regulations. It is submitted that the Applicant's objections were duly forwarded by the Resolution Professional to the sole Financial Creditor, namely Dhanlaxmi Bank Limited and clarifications were obtained and placed on record before the Committee of Creditors. It is further contended that the Committee of Creditors was entitled to take a holistic commercial view based on several factors, including track record, financial backing, feasibility, certainty of implementation and managerial capability while approving the successful Resolution Plan, and such commercial assessment cannot be substituted by judicial review. The Respondent No.4 further submitted that the sole Financial Creditor, holding 100% voting share in the Committee of Creditors, was fully competent under the Insolvency and Bankruptcy Code, 2016, to exercise its voting rights and approve the Resolution Plan and that such exercise of commercial wisdom cannot be termed arbitrary merely because the Committee of Creditors consisted of a single Financial Creditor.

50. The Respondent No.4 also denied the allegations relating to his eligibility, past proceedings and alleged misconduct and submitted that such averments were wholly irrelevant, extraneous and made only with mala fide intent to prejudice the proceedings. It is submitted that the Respondent No.4 had been found eligible under Section 29A of the Insolvency and Bankruptcy Code, 2016 and that no statutory disqualification existed against him. The Respondent No.4 further stated that the allegations made by the Applicant were dishonest, uncharitable and motivated by frustration arising out of non-approval of its own Resolution Plan.
51. The Applicant further submitted that the approval of the Resolution Plan submitted by the Successful Resolution Applicant was arbitrary, discriminatory and contrary to the principles governing the Corporate

Insolvency Resolution Process. The Applicant stated that the reasons assigned by the Committee of Creditors for approving the Resolution Plan of the Successful Resolution Applicant were self-contradictory and inconsistent, particularly when the Committee of Creditors simultaneously attributed the failure of the Corporate Debtor to the erstwhile management while also treating the support of the suspended directors as a positive factor in favour of the Successful Resolution Applicant. The Applicant further alleged that the approved Resolution Plan was highly conditional, speculative and contingent in nature, especially in relation to the proposed settlement with the landlord/Temple Trust, and that the Committee of Creditors had wrongly relied upon subsequent clarifications and additional financial commitments allegedly made after approval of the Resolution Plan in the 16th Committee of Creditors Meeting. According to the Applicant, such post facto modifications and off-record assurances were impermissible under the Insolvency and Bankruptcy Code, 2016 and vitiated the fairness, transparency and integrity of the resolution process.

52. The Applicant further stated that several allocations reflected in the approved Resolution Plan, including amounts proposed towards EPFO dues, alleged CIRP period supplier payments and contingent landlord settlements, were artificially incorporated only to inflate the apparent value of the Successful Resolution Applicant's proposal without conferring any genuine benefit upon the Corporate Debtor or its stakeholders. It was also alleged that equal opportunity was not afforded to the Applicant to revise or enhance its own Resolution Plan despite similar modifications allegedly being permitted in favour of the Successful Resolution Applicant. The Applicant further questioned the conduct of the Resolution Professional and the Committee of Creditors in entertaining subsequent clarifications from the

Successful Resolution Applicant after approval of the Resolution Plan and alleged procedural irregularities, lack of transparency and preferential treatment throughout the process.

53. The Applicant also submitted that the refund of the Earnest Money Deposit did not extinguish its right as an unsuccessful Resolution Applicant to challenge procedural irregularities, mala fide conduct and arbitrary exercise of commercial wisdom by the Committee of Creditors. The Applicant also questioned the conduct of the Committee of Creditors in allegedly deviating from the Evaluation Matrix and introducing conditions in the Request for Resolution Plan Process in a manner prejudicial to the Applicant while facilitating approval of the lower-ranked Resolution Plan submitted by the Successful Resolution Applicant. On the above grounds, the Applicant reiterated its prayer to set aside the approval granted to the Resolution Plan of the Successful Resolution Applicant as being arbitrary, discriminatory and contrary to the provisions of the Insolvency and Bankruptcy Code, 2016 and the CIRP Regulations.

Written submissions

54. The Applicant submitted that the challenge in the present proceedings is directed not against the commercial wisdom of the Committee of Creditors per se, but against the legality, fairness and transparency of the process culminating in approval of the Resolution Plan submitted by the Successful Resolution Applicant. According to the Applicant, the approval process was vitiated by procedural irregularities, selective application of evaluation criteria, reliance upon post facto clarifications and impermissible modifications introduced after submission and approval of the Resolution Plan. The Applicant further contended that the approved Resolution Plan was speculative and incapable of implementation as it was substantially

dependent upon uncertain future arrangements with Attukal Bhagavathy Temple Trust concerning continuation of leasehold rights.

55. In support of the above submission, the Applicant relied upon the judgment of the Hon'ble NCLAT in ***Binani Industries Limited v. Bank of Baroda, Company Appeal (AT) (Insolvency) No. 82 of 2018*** to contend that Resolution Plans must be evaluated in a fair, transparent and non-discriminatory manner and that commercial wisdom cannot protect arbitrary conduct. Reliance was also placed on the Judgments of Hon'ble Supreme Court of India in ***Independent Sugar Corporation Ltd. v. Girish Sriram Juneja & Ors., Civil Appeal No. 6071 of 2023***, to contend that an unsuccessful Resolution Applicant has the locus to challenge procedurally defective actions of the Committee of Creditors, and ***Hari Babu Thota case Civil Appeal No.4422/2023 (2023 INSC 1056)*** to contend that promoter eligibility must be tested strictly under Section 29A of the Insolvency and Bankruptcy Code, 2016. The Applicant further relied upon ***Industrial Services v. Burn Standard Company Limited, Company Appeal (AT) (Insolvency) No. 141 of 2018***, to contend that the Adjudicating Authority is duty-bound to examine whether an approved Resolution Plan is credible and implementable, and also relied upon the order passed by NCLT Bengaluru Bench in ***Balady Shekar Shetty Resolution Professional for Ayyas Infotech Private Limited, I.A. No. 42 of 2022 in CP (IB) No. 168/BB/2020*** to submit that Resolution Plans dependent upon uncertain future events are liable to be rejected.

56. Whereas, the Respondent No.1/Committee of Creditors, Respondent No.2/Resolution Professional and Respondent No.4/Successful Resolution Applicant relied upon the judgment of the Hon'ble Supreme Court in ***Torrent Power Ltd. v. Ashish Arjunker Rathi & Ors. 2026 Livelaw (SC) 207***

wherein it was observed that “unsuccessful bidders will always try to spin commercial decisions of the CoC as procedurally faulty in order to secure a second shot through litigation” and that Courts must remain vigilant not to expand the scope of judicial review beyond the narrow boundaries prescribed under the Insolvency and Bankruptcy Code, 2016. Respondent No.1 further placed reliance on the judgment of the Hon’ble NCLAT in ***Kanoria Energy & Infrastructure Ltd. v. Avishek Gupta & Ors. (2024) ibclaw.in 116 NCLAT*** and submitted that judicial interference with an approved Resolution Plan is permissible only on limited grounds of non-compliance with Section 30(2) of the Code, and that no Resolution Applicant can claim a vested right to have its own Resolution Plan approved merely because it secured a higher score under the Evaluation Matrix.

Findings:

57. This Adjudicating Authority has heard the learned counsels appearing for the parties and perused the documents on record, including the written submissions placed on record.
58. It is pertinent to note that the Successful Resolution Applicant was not initially impleaded as a party respondent in the present Application and came to be arrayed as an additional respondent only subsequent to objections being raised regarding non-joinder of a necessary party, despite the reliefs sought in the Application directly assailing the approval of the Resolution Plan submitted by the said Successful Resolution Applicant.
59. The principal issue that arises for consideration in the present Application is whether the approval of the Resolution Plan submitted by the Successful Resolution Applicant by the Committee of Creditors with 100% voting share suffers from any material irregularity, illegality, arbitrariness or violation of the provisions of the Insolvency and Bankruptcy Code, 2016 and the CIRP

Regulations warranting interference by this Adjudicating Authority in exercise of jurisdiction under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, particularly when the Applicant, being an unsuccessful Resolution Applicant, challenges the decision of the Committee of Creditors on the ground that his Resolution Plan had secured a higher score under the Evaluation Matrix.

60. The same question was answered by the Hon'ble NCLAT in the latest judgment in ***Vedanta Ltd. v. Bhuvan Madan RP of Jaiprakash Associates Ltd. and Ors***, [\(2026\) ibclaw.in 604 NCLAT](#) wherein the Hon'ble Appellate Tribunal observed as follows:

13. While considering IA No.01 of 2026, the NCLT has framed four issues for consideration, which are to the following effect:

“(i) Whether the Applicant who is Unsuccessful Resolution Applicant has a locus to maintain the present application?”

(ii) Whether the rejection by the CoC of the addendum filed by the Applicant to be part of its final signed Resolution Plan dated 14.10.2026, is legal/valid and tenable in law?

(iii) Whether the evaluation of plans based on Evaluation Matrix is within the legal framework of the Code and meets the requirements of its core objectives

(iv) Whether the commercial wisdom exercised by the CoC meets the objectives of the Code by adhering to a process in an equitable and judicious manner giving fair opportunity to all Resolution Applicants as per the Rules and Regulations made there under.”

14. Issue No.(i) has been answered in favour of the Appellant that Appellant has locus to maintain the present application. We do not find any infirmity in the said decision of the Adjudicating Authority holding that Application has locus to file the application.

XXXX

From the submissions of learned Counsel for the parties and materials on record, following are the questions, which arise for consideration in the present Appeal:

(I) Whether the email dated 08.11.2025 sent by the Appellant forwarding the Addendum was clarificatory to the Resolution Plan dated 14.10.2025 already submitted by the Appellant or it had effect of modification of the Resolution Plan dated 14.10.2025?

(II) Whether the decision of the CoC in its 24th CoC Meeting held on 14.11.2025, not to take Addendum into consideration is invalid/ untenable decision?

(III) Whether the decision of the CoC not approving the Resolution Plan of the Appellant which gave higher Plan value of Rs.3400 crores and higher NPV value of Rs.500 crores as compared to Resolution Plan of Respondent No.3, deserved to be set aside, being arbitrary, perverse, keeping the object of value maximisation of the assets of the CD?

(IV) Whether there was no consideration of the Plan of the Appellant (dehors the Addendum) in 23rd CoC Meeting held on 07.11.2025 and the CoC abdicated its jurisdiction in favour of BDO LLP relying only on marks computed on respective Plans by BDO LLP?

(V) Whether there has been any material irregularity committed by the RP in conducting the Resolution Process?

(VI) Whether Adjudicating Authority committed error in rejecting IA No.01 of 2026 filed by the Appellant praying for setting aside the decision of the CoC taken in 23rd CoC Meeting approving the Resolution Plan of Respondent No.3.?

(VII) Whether sufficient ground has been made out by the Appellant to interfere with the decision of the Adjudicating Authority dated 17.03.2026 allowing IA (Plan) No.11 of 2025?

xxxx

88. *In view of our foregoing discussions, we answer Question Nos.(III), (IV) and (V) in following manner:*

Answer to Question No.(III) – The decision of the CoC not approving the Resolution Plan of the Appellant with highest Plan value of Rs.3400 crores and NPV of Rs.500 crores as compared to Plan of Respondent No.3, cannot be said to be arbitrary and perverse.

Answer to Question No.(IV) – There was consideration of the Plan of the Appellant (dehors the Addendum in 23rd CoC Meeting held on 07.11.2025) and the CoC abdicated its jurisdiction in favour of BDO, is not correct. The Report submitted by the BDO was dealt with, considered and deliberated by the CoC. The decision of the CoC based on overall consideration of the respective Resolution Plans and was taken in its commercial wisdom.

Answer to Question No.(V) – There has been no material irregularity committed by the RP in conducting the Resolution Process.

61. The ratio laid down by the Hon'ble NCLAT in the aforesaid judgment squarely applies to the facts of the present case. It is now well settled that the Evaluation Matrix is only a guiding tool intended to facilitate comparative assessment of Resolution Plans and does not confer any vested or enforceable right upon the highest-scoring Resolution Applicant to demand approval of its Resolution Plan. The Committee of Creditors is entitled to take into consideration several commercial factors, including feasibility, viability,

implementation capability, financial strength, long-term sustainability, operational continuity and the overall objective of effective resolution of the Corporate Debtor while exercising its commercial wisdom.

62. In the present case, the materials placed on record disclose that the Committee of Creditors, after detailed deliberations, consciously approved the Resolution Plan submitted by the Successful Resolution Applicant with 100% voting share, taking into account broader commercial considerations including the feasibility and implementability of the plan, the proposed resolution of disputes concerning Attukal Bhagavathy Temple Trust, financial capability and long-term sustainability of the Corporate Debtor. The pleadings and records further indicate that concerns were expressed by the Committee of Creditors and the Resolution Professional that substantial portions of the Applicant's proposed financial outlay were directed towards settlement of liabilities which would ultimately benefit the Applicant himself, thereby raising issues regarding the overall commercial efficacy and revival potential of the Resolution Plan. Merely because the Applicant's Resolution Plan may have secured a comparatively higher score under the Evaluation Matrix, the same by itself cannot be a ground to compel the Committee of Creditors to approve such plan in preference to another plan which, in its commercial wisdom, was found to be more feasible, viable and conducive to the revival of the Corporate Debtor.
63. In the light of the aforesaid legal position and the materials placed on record, this Adjudicating Authority is unable to accept the allegation of the Applicant that the decision of the Committee of Creditors approving the Resolution Plan submitted by the Successful Resolution Applicant suffers from arbitrariness, illegality or material irregularity warranting interference under Section 60(5) of the Insolvency and Bankruptcy Code, 2016. The

records reveal that multiple Resolution Plans were considered by the Committee of Creditors, and deliberations were conducted over several meetings before the final commercial decision was taken. The Committee of Creditors, exercising its commercial wisdom, ultimately resolved with 100% voting share to approve the Resolution Plan submitted by the Successful Resolution Applicant after taking into consideration various commercial and practical aspects relating to implementation, sustainability, operational continuity and overall revival prospects of the Corporate Debtor.

64. However, this Adjudicating Authority finds that the principles laid down in *Binani Industries Limited v. Bank of Baroda (supra)* do not advance the case of the Applicant in the facts of the present matter. The Applicant has failed to establish any material irregularity, arbitrariness or discriminatory treatment in the conduct of the CIRP or in the evaluation process adopted by the Committee of Creditors. The records disclose that opportunities for furnishing clarifications and explanations were extended, including to the Applicant. Therefore, merely because the Resolution Plan submitted by the Applicant was not approved by the Committee of Creditors, the same cannot by itself be construed as an arbitrary or unfair exercise of commercial wisdom.
65. The Respondents relied upon *Kanoria Energy & Infrastructure Ltd. v. Avishek Gupta & Ors. (supra)* and submitted that the scope of interference by the Adjudicating Authority with the commercial wisdom exercised by the Committee of Creditors is extremely limited and permissible only on the grounds specifically contemplated under the Insolvency and Bankruptcy Code, 2016. The same principle has also been reiterated in several other judgments, including *K. Sashidhar v. Indian Overseas Bank & Ors.*, [\(2019\)](#)

[ibclaw.in 08 SC¹](#) and *Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors.*, [\(2019\) ibclaw.in 07 SC²](#).

¹ 19.....In the present case, however, our focus must be on the dispensation governing the process of approval or rejection of resolution plan by the CoC. The CoC is called upon to consider the resolution plan under Section 30(4) of the I&B Code after it is verified and vetted by the resolution professional as being compliant with all the statutory requirements specified in Section 30(2).

55. Whereas, the discretion of the adjudicating authority (NCLT) is circumscribed by Section 31 limited to scrutiny of the resolution plan, as approved' by the requisite per cent of voting share of financial creditors. Even in that enquiry, the grounds on which the adjudicating authority can reject the resolution plan is in reference to matters specified in Section 30(2), when the resolution plan does not conform to the stated requirements. Reverting to Section 30(2), the enquiry to be done is in respect of whether the resolution plan provides: (i) the payment of insolvency resolution process costs in a specified manner in priority to the repayment of other debts of the corporate debtor, (ii) the repayment of the debts of operational creditors in prescribed manner, (iii) the management of the affairs of the corporate debtor, (iv) the implementation and supervision of the resolution plan, (v) does not contravene any of the provisions of the law for the time being in force, (vi) conforms to such other requirements as may be specified by the Board. The Board referred to is established under Section 188 of the I&B Code. The powers and functions of the Board have been delineated in Section 196 of the I&B Code. None of the specified functions of the Board, directly or indirectly, pertain to regulating the manner in which the financial creditors ought to or ought not to exercise their commercial wisdom during the voting on the resolution plan under Section 30(4) of the I&B Code. The subjective satisfaction of the financial creditors at the time of voting is bound to be a mixed baggage of variety of factors. To wit, the feasibility and viability of the proposed resolution plan and including their perceptions about the general capability of the resolution applicant to translate the projected plan into a reality. The resolution applicant may have given projections backed by normative data but still in the opinion of the dissenting financial creditors, it would not be free from being speculative. These aspects are completely within the domain of the financial creditors who are called upon to vote on the resolution plan under Section 30(4) of the I&B Code.

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

² 42. Thus, it is clear that the limited judicial review available, which can in no circumstance trespass upon a business decision of the majority of the Committee of Creditors, has to be within the four corners of section 30(2) of the Code, insofar as the Adjudicating Authority is concerned, and section 32 read with section 61(3) of the Code, insofar as the Appellate Tribunal is concerned, the parameters of such review having been clearly laid down in K. Sashidhar (supra).

73. There is no doubt whatsoever that the ultimate discretion of what to pay and how much to pay each class or sub-class of creditors is with the Committee of Creditors, but, the decision of such Committee must reflect the fact that it has taken into account maximizing the value of the assets of the corporate debtor and the fact that it has adequately balanced the interests of all stakeholders including operational creditors. This being the case, judicial review of the Adjudicating Authority that the resolution plan as approved by the Committee of Creditors has met the requirements referred to in Section 30(2) would include judicial review that is mentioned in Section 30(2)(e), as the provisions of the Code are also provisions of law for the time being in force. Thus, while the Adjudicating Authority cannot interfere on merits with the commercial decision taken by the Committee of Creditors, the limited judicial review available is to see that the Committee of Creditors has taken into account the fact that the corporate debtor needs to keep going as a going concern during the insolvency resolution process; that it needs to maximise the value of its assets; and that the interests of all stakeholders including operational creditors has been taken care of. If the

66. This Adjudicating Authority is fully conscious of the limited scope of judicial review available in matters involving the commercial wisdom of the Committee of Creditors. It is also pertinent to note that the Hon'ble Supreme Court, while recognising the primacy of the commercial wisdom of the Committee of Creditors, has clarified in ***Lamba Exports Pvt. Ltd. v. Dhir Global Industries Pvt. Ltd. and Ors., (2026) ibclaw.in 129 SC***, that the same is not beyond judicial scrutiny in cases involving statutory non-compliance or legal infirmity. The relevant portion is extracted hereunder:-

12. At the same time, it is necessary to state that primacy of commercial wisdom does not mean that every action taken in the insolvency process is altogether immune from scrutiny in every situation. Where a challenge is laid in an appropriate proceeding on a legally sustainable foundation, such as statutory illegality or a jurisdictional infirmity, the matter would naturally be considered in accordance with law....

67. In general, the approval of the Resolution Plan by the Committee of Creditors is a commercial decision taken after evaluating various factors, including feasibility, viability, implementation capability and long-term sustainability of the Corporate Debtor.

68. The Insolvency and Bankruptcy Code, 2016, marks a conscious shift from a court-centric insolvency regime to a creditor-driven process where the commercial wisdom of the Committee of Creditors has been given paramount importance. The role of the Adjudicating Authority is therefore confined to examining statutory compliance and procedural fairness and not to substitute its own view for the commercial decision taken by the

(continuation....) Adjudicating Authority finds, on a given set of facts, that the aforesaid parameters have not been kept in view, it may send a resolution plan back to the Committee of Creditors to re-submit such plan after satisfying the aforesaid parameters. The reasons given by the Committee of Creditors while approving a resolution plan may thus be looked at by the Adjudicating Authority only from this point of view, and once it is satisfied that the Committee of Creditors has paid attention to these key features, it must then pass the resolution plan, other things being equal.

Committee of Creditors. Prima facie, this Adjudicating Authority does not find any material irregularity, arbitrariness or statutory violation in the conduct of the CIRP or in the decision of the Committee of Creditors approving the Resolution Plan submitted by the Successful Resolution Applicant and rejecting the Resolution Plan submitted by the Applicant. Accordingly, no interference is warranted with the commercial wisdom exercised by the Committee of Creditors.

69. This Adjudicating Authority also takes note of the observations made in *Torrent Power Ltd. v. Ashish Arjunker Rathi & Ors. (supra)* that unsuccessful bidders would often attempt to portray commercial decisions of the Committee of Creditors as procedurally faulty in order to secure a second opportunity through litigation. Applications of the present nature, in the absence of any established material irregularity or statutory violation, cannot be entertained as the same would defeat the true spirit and objective of the Insolvency and Bankruptcy Code, 2016, which envisages a time-bound insolvency resolution process, and would amount to an abuse of the process of law.
70. The Applicant further relied upon *Industrial Services v. Burn Standard Company Limited (supra)* and the order passed by *Balady Shekar Shetty Resolution Professional for Ayyas Infotech Private Limited (supra)* to submit that the Adjudicating Authority is duty-bound to examine whether an approved Resolution Plan is credible, feasible and implementable and that Resolution Plans dependent upon uncertain future events are liable to be rejected. However, this Adjudicating Authority is of the view that such aspects relating to the merits, viability, feasibility, implementability and legal compliance of the approved Resolution Plan would arise for consideration at the stage of adjudication of the Resolution Plan approval application under

Section 31 of the Insolvency and Bankruptcy Code, 2016. In the present proceedings, this Adjudicating Authority is only concerned with the limited issue as to whether the decision-making process of the Committee of Creditors suffers from any material irregularity, illegality or arbitrariness warranting interference under Section 60(5) of the Insolvency and Bankruptcy Code, 2016. Accordingly, no observation made in the present order shall be construed as an expression on the merits, feasibility, viability or legal compliance of the approved Resolution Plan.

71. It is further clarified that the observations made in the present Application are confined solely to the adjudication of the reliefs sought herein. The findings and observations contained in this order shall not prejudice or have any bearing upon the consideration and adjudication of any other pending applications, including the application filed for approval of the Resolution Plan, which shall be decided independently on their own merits and in accordance with law.
72. In view of the above, **IA(IBC)/379/KOB/2025 IN CP(IBC)/22/KOB/2024** stands **dismissed**.
73. The Registry is directed to send e-mail copies of this order to the parties and their learned counsels for information and to take necessary steps.
74. Further, a certified copy of this order may be issued, if applied, upon compliance with the requisite formalities.
75. File be consigned to records.

Sd/-

VINAY GOEL
(MEMBER JUDICIAL)

Signed on this the 25th day of May, 2026.

A*