IN THE NATIONAL COMPANY LAW TRIBUNAL

DIVISION BENCH, COURT NO. I

KOLKATA

IA (I.B.C.) No. 223/KB/2026

In

CP (IB) No. 91/KB/2023

An Application under Section 60 (5) of the Insolvency and Bankruptcy Code,

2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016.

In the matter of:

Asset Care & Reconstruction Enterprises Limited

..... Financial Creditor

Versus

Ankit Metal & Power Limited

..... Corporate Debtor

And

I.A. (IB) No. 223/KB/2026

In the matter of:

Shubham Bhagat, a member of suspended Board of Directors of Ankit Metal & Power Limited.

.....Applicant

Versus

Sanjeev Kumar Jalan & Anr.

..... Respondent

IN THE NATIONAL COMPANY LAW TRIBUNAL

DIVISION BENCH, COURT NO. I

KOLKATA

IA (I.B.C.) No. 223/KB/2026

In

CP (IB) No. 91/KB/2023

Date of pronouncement of order: 10/06/2026

CORAM:

SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)

CMDE SIDDHARTH MISHRA, HON'BLE MEMBER (TECHNICAL)

Appearances (via Video Conferencing/Physical):

For Resolution Professional:

Mr. Ritoban Sarkar, Adv.

Mr. Ankur Singhi, Adv.

Ms. Riti Basu, Adv.

Ms. Piyali Pan, Adv.

For Respondent No.10:

Mr. Ratnanko Banerji, Sr. Adv.

Mr. Urmila Chakraborty, Adv.

Mr. Shounak Mitra, Adv.

Mr. Aditya Sarkar, Adv.

Mr. Aman Khemka, Adv.

For the Suspended Board of Directors:

Mrs. Manju Bhuteria, Sr. Adv

Mr. Ishaan Shah, Adv.

Ms. Arundhati Burman Ray, Adv.

Mr. Riyanshu Agarwal, Adv.

For the CoC:

Mr. Soorjya Ganguli, Adv.

Ms. Pooja Chakraborty, Adv.

Ms. Kiran Sharma, Adv.

In IA (I.B.C)/1169(KB)2024:

Mr. Snehashis Sen, Adv.

Ms. Mihika Roy, Adv.

ORDER

Per: Cmde Siddharth Mishra, Member (Technical)

1. The Court convened in hybrid mode.
2. Heard the Ld. Counsels for both the parties.
3. The IA (I.B.C) No. 223/KB/2026 has been preferred by the Applicant who is a member of the Suspended Board of Directors of the Corporate Debtor to seek the following reliefs:

a) *An order be passed rejecting the Resolution Plan as submitted by Respondent No. 10.*
b) *An order be passed dismissing I.A. (IBC) PLAN/3/KB/2026.*
c) *Declaration that the process conducted pursuant to the Form G dated November 16, 2024 is a nullity*
d) *Resolution Professional be directed to issue Fresh Form G.*

e) An order be passed directing the fresh valuation of the Corporate Debtor to be conducted by Independent Valuers appointed by this Hon'ble Tribunal.

f) Stay on hearing of I.A. (IBC) PLAN/3/KB/2026 pending adjudication of the present application.

g) Ad-interim orders in terms of prayers above;

h) Such other and/or further order or orders as this Hon'ble Tribunal may deem fit and proper.

4. Factual Matrix

4.1. This Hon'ble Tribunal by an order dated May 3, 2024, admitted Ankit Metal & Power Limited to Corporate Insolvency Resolution Process.

4.2. Mr. Kshitiz Chhawchharia was appointed as the Interim Resolution Professional ("IRP") of the Corporate Debtor. The Resolution Professional has held thirty six meetings of the CoC till the filing of the petition and the Resolution Professional has admitted total claims of Rs. 2855,79,37,688.30 (Rupees Two Thousand Eight Hundred Fifty Five Crores Seventy Nine Lakhs Thirty Seven Thousand Six Hundred Eighty Eight and Thirty Paisa only).

4.3. The IRP on July 01, 2024, published Form G inviting Expression of Interest. Thereafter, another Form G dated July 20, 2024, was published by the IRP, inter alia, extending the timelines to submit Expression of Interest and Resolution Plans by the Prospective Resolution Applicants, Consequent to the issuance of the Expression of Interest (EOI), 37(thirty-seven) Expression of Interests were received from Prospective Resolution Applicants till July 27, 2024.

4.4. In the Fourth Meeting of the CoC held on August 14, 2024, the CoC inter alia finalized the terms of the Request For Resolution Plan and Evaluation Matrix.

4.5. On August 27, 2024 the fifth meeting of the CoC was held, in the said meeting, Assets Care and Reconstruction Enterprise Limited proposed to replace then IRP with the present Resolution Professional, i.e. the Respondent No.1.

4.6. Later by an order dated September 12, 2024, passed by this Hon'ble Tribunal, Mr. Sanjeev Kumar Jalan was appointed as the Resolution Professional.

4.7. The Sixth Meeting of the CoC was called by the Respondent No.1 on October 03, 2024. In the said meeting the CoC approved the cancellation of the bid process initiated vide Form G dated July 01, 2024 and the Resolution Professional was authorised to publish a new Form G for initiating a new EOI process.

4.8. In the Eight Meeting of the CoC held on November 12, 2024, inter alia, the eligibility criteria for inviting Expression of Interest was finalised. Thereafter, a Form G dated November 16, 2024 was published by the Resolution Professional.

4.9. In the Ninth Meeting of the CoC held on December 09, 2024, it was inter alia, informed by the Resolution Professional that 16 eligible and one ineligible Expression of Interest were received by him. The Resolution Professional also informed that since valuation of the Corporate Debtor was not complete, the Resolution Professional would issue the Information Memorandum without fair value.

4.10. By an order dated December 19, 2024, Sarita Steel & Power Ltd, a group company of the Corporate Debtor, was admitted to CIRP.

4.11. The Eleventh meeting of the CoC was held on January 29, 2025. In said meeting, it was informed by the Resolution Professional that "the had received Resolution Plans from five Resolution Applicants, i.e., RARE Asset reconstruction company in consortium with Jai Shree Steels Private limited, Rashmi Metallurgical Industry Private

Limited, formerly known as Orissa Metallurgical Industry Private Limited (i.e. Respondent No. 10 herein), MS Agarwal Foundries Pvt. Limited, Rungta Sons Pvt. Limited and Amit Metaliks Limited. The Resolution Plans of the said five Resolution Applicants were opened in the said meeting.

4.12. The Twelfth Meeting of the CoC was held on February 10, 2025. In the said meeting the valuation methodology adopted by the Registered Valuers were discussed. In the said meeting, the Resolution Professional also informed that a detailed challenge process document shall be prepared and shared with the members of the CoC for consideration in the next CoC meeting.

4.13. In the Thirteenth Meeting of the Committee of Creditors ("CoC") held on February 14, 2025, the challenge process mechanism document was put to vote and approved by the CoC.

4.14. Thereafter, the Fourteenth Meeting of the CoC was held on February 25, 2025. It was mentioned by the Resolution Professional that final values from the registered valuers had been received. It was decided in the said meeting to consider the highest NPV as the Base Value for the challenge process mechanism rounded off to the higher crore.

4.15. The Fifteenth Meeting of the Committee of Creditors was held on March 06, 2025, March 07, 2025, March 10, 2025, March 11, 2025, March 12, 2025, March 13, 2025 and March 17, 2025, after the third day of the challenge process, on March 11, 2025, Amit Metaliks Limited had issued an email, inter alia, requesting to postpone the challenge process due to the discrepancy in the land available. Amit Metaliks Limited had pointed out that the plant was on land of around 140 acres whereas, the land details of only 92.29 acres was available. From the said minutes, it also appears that the said issue was brought to the notice of all the Resolution Applicants and

pursuant to confirmation from the Resolution Applicants, the challenge process mechanism continued on March 12, 2025.

4.16. When the challenge process was ongoing, Amit Metaliks Pvt Ltd filed an application being IA. 453 of 2025 on March 17, 2025, inter alia, on the ground that there is discrepancy in the Information Memorandum as when Amit Metaliks Pvt Ltd conducted a physical inspection of the plant area on 3rd March 2025, it discovered that the total land area was approximately 140 acres whereas the Information Memorandum represented the plant site to be spread over only 93 acres.

4.17. By a composite order dated 09.04.2025 passed in I.A. No. 453 of 2025 and I.A. No. 504 of 2025, this Hon'ble Tribunal observed that the Information Memorandum did not project a true and correct picture and directed rectification of the same, conduct of a land survey, and thereafter continuation and conclusion of the bid process within six weeks. The Tribunal also directed replacement of the Resolution Professional.

4.18. The direction relating to replacement of the Resolution Professional was interfered with by the Hon'ble NCLAT by order dated 21.04.2025. Thereafter, by order dated 11.11.2025, this Hon'ble Tribunal permitted the bid process to be resumed from the stage where it had been left.

4.19. In the 31st, 32nd and 33rd CoC Meetings held in December 2025, it was expressly recorded that the revised Resolution Plans submitted by the Resolution Applicants reflected downward revision vis-à-vis their last bids under the Challenge Process.

4.20. The Consortium of RARE ARC revised its offer downward to Rs. 410 Crores from its earlier higher bid, and Respondent No. 10 also revised its bid downward.

4.21. The CoC put the revised Resolution Plans to vote in its 34th Meeting held on 06.01.2026.

4.22. The Applicant had filed I.A. (IB) No. 74/2026 seeking restart of the Swiss Challenge Process in accordance with Regulation 36B of the CIRP Regulations, which was heard and reserved for orders on 19.01.2026.

4.23. The Resolution Professional proceeded to file I.A. (IBC) PLAN/3/KB/2026 seeking approval of the Resolution Plan of Respondent No. 10.

5. <u>Submissions of the Applicant</u>

5.1. In the Thirteenth Meeting of the CoC held on February 14, 2025, the challenge process mechanism document was put to vote and the following resolutions were adopted,

"RESOLVED THAT pursuant to the applicable provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with subsequent amendments thereof and read with rules and regulations made thereunder, the Committee of Creditor ("COC") hereby approves the challenge process mechanism document which enlists the rules and process to conduct the challenge process in between the Resolution applicants who have submitted legally compliant resolution plans.

RESOLVED FURTHER THAT the challenge process mechanism document forms an integral part of the Request for resolution plan dated 17th December 2024."

It was also mentioned in the minutes of the said meeting that the challenge process document formed integral part of the minutes of

the Thirteenth Meeting of the CoC. A copy of the said challenge process document is annexed herewith and marked with the Letter- "I".

5.2. The applicant states that it has been mentioned at clause 2(e) that, “The Participating RAs are not permitted to in any manner reduce/modify their financial proposal on downside from thei8r previous financial proposal. It is further submitted that none of the Eligible PRAs (Participating or non-participating in the Challenge Mechanism) are permitted to in any manner reduce/modify their financial proposal on the downside from their previous financial proposal as per RFRP."

5.3. It is further submitted that The Fifteenth Meeting of the Committee of Creditors was held on March 06, 2025, March 07, 2025, March 10, 2025, March 11, 2025, March 12, 2025, March 13, 2025 and March 17, 2025. In the said meeting, the Resolution Professional informed the members of the CoC that "the challenge process mechanism shall be conducted as per the terms and conditions mentioned in the challenge process document duly approved by the CoC and also unconditionally accepted by the RAs by way of undertaking submitted by them".

5.4. It is further submitted that from the minutes of the Fifteenth Meeting of the Committee of Creditors, that after the third day of the challenge process, on March 11, 2025, Amit Metaliks Limited had issued an email, inter alia, requesting to postpone the challenge process due to the discrepancy in the land available. Amit Metaliks Limited had pointed out that the plant was on land of around 140 acres whereas, the land details of only 92.29 acres was available.

5.5. Further it is also contended that the above-mentioned issue was also brought to the notice of all the Resolution Applicants and pursuant

to confirmation from the Resolution Applicants, the challenge mechanism continued on March 12, 2025. In the said minutes it was also recorded that "The challenge process was run over a period of 7 days and included a total of 62 rounds wherein the bids increased by almost 80% from the Base value of Rs. 282 Crores to Rs. 510.39 Crores and all the Ras are still participating and willing to participate in the process."

5.6. It is further submitted that while the challenge process is ongoing, Amit Metaliks Pvt Ltd filed an application being IA.453 of 2025 on the ground that there is a discrepancy in the Information Memorandum as when Amit Metaliks Pvt Ltd conducted a physical inspection of the plant area on 3rd March 2025, it discovered that the total land area was approximately 140 acres whereas the Information Memorandum represented the plant site to be spread over only 93 acres and also the Land of Sarita Steel & Power Ltd and the Corporate Debtor had not been demarcated properly and direction was sought upon the Resolution Professional to disclose the assets of the Corporate Debtor appropriately in the Information Memorandum before any further progress. While adjudicating upon the matter, this Hon'ble Tribunal directed the following " "Meanwhile, let bid process be not carried on further and completed till the next date".

5.7. The Applicant further submits that pursuant to directions passed in IA. 453 of 2025, an affidavit was filed by the Suspended Board of Directors indicating that the plant of the Corporate Debtor was situated on approximately 141 acres of land.

5.8. In the meantime another application was filed by Jai Shree Steels Pvt Ltd on March 23, 2025 in consortium with RARE Asset Reconstruction Limited being I.A. 504 of 2025 inter alia praying for

stay on CIRP on the ground that description of properties of the Corporate Debtor in the Information Memorandum was incorrect and for consolidation of CIRP for both the Corporate Debtor and Sarita Steel & Power Ltd., another application being IA 524 of 2025 was also filed by Amit Metaliks Pvt Ltd on March 25, 2025, inter alia, praying for terminating the ongoing CIRP due to material representations in the Information Memorandum and immediate cessation/ termination of the Resolution Professional.

5.9. It is submitted that by a composite order dated April 09, 2025 passed in IA. 453 of 2025 and I.A. 504 of 2025, this Hon'ble Tribunal observed that the Information Memorandum, "*does not project the true and correct picture. In fact, a proper disclosure may fetch a higher value"* and this Hon'ble Tribunal also directed for Information Memorandum to be rectified to properly give a full and fair disclosure of the assets of the Corporate Debtor, with appropriate demarcation of leasehold and freehold land of the Corporate Debtor. Tribunal in the same order also directed a land survey to be conducted to ascertain the correct extent of land, factory premises location of the plant and machinery available for the CIR Process with proper demarcation of leasehold and freehold land and that of third parties over which the plant or factory of the corporate debtor is located and the Tribunal also directed replacement of the the Resolution Professional.

5.10. In the appeal filed against the order dated April 09, 2025, the Hon'ble NCLAT by its order dated April 21, 2025, only interfered with Paragraph 44 of the order dated April 09, 2025 whereby the Resolution Professional was directed to be replaced and observed that,

"15. In view of the facts of the case, we are of the view that ends of justice be served by directing the adjudicating authority to consider replacement of the RP in I.A. No. 524/KB/2025 after the land survey is completed. We thus are of the view that direction of the adjudicating authority in paragraph 44 to replace the RP cannot be sustained at this stage as well as the observations made in the impugned order against the RP.

16. We make it clear that challenge process being held up, in view of the aforesaid facts, the said challenge process may be resumed as soon as the survey report comes and decision is taken on I.A. 524/KB/2025. We clarify that we have not expressed any opinion on any of the issue raised in the appeal and it is for the adjudicating authority to take a decision in accordance with law."

5.11. This order dated April 21 was discussed in the 19th CoC meeting where it was observed that:

"Substantial increase in the bid value from Rs. 280 Crs. to Rs. 510 Crs. and is expected to increase further once the bidding resumes post survey work is completed".

5.12. It is further submitted that in the 23rd Meeting of the Committee of Creditors which was held on August 09,2025, it was informed by the Resolution Professional to the members of the CoC that survey report had been received. The relevant extract of the said minutes is as follows:

"The RP also requested the members for their view on the way forward considering the survey report post discussions the COC noted that they have following options before them1. Restarting the process from

where it had stopped after sharing the updated IM and taking a fresh undertaking from the RAs. 2. Issuing updated IM and RFRP to the PRAs and calling for the Resolution Plans from the PRAs all over again. 3. Cancelling the current process and issuing Fresh Form G. After due deliberations and discussions, the COC decided to approve the amendment in the IM and that the IM be shared with the COC and with regards to the process, the process should be restarted from where it stopped, which was mentioned in the April 21, NCLAT Order."

5.13. The Applicant further submits that in the said minutes of the meeting, it was wrongly recorded that by the time the Resolution Professional had taken charge in September, 2024, the Expression of Interest process had started and the PRAs had done their due diligence. The Applicant further contends that the bid process initiated vide Form G dated July 01, 2024 was cancelled upon appointment of the present Resolution Professional and a Fresh Form G was published on November 16, 2024, pursuant to which challenge process was being conducted. In the said meeting, it was inter alia recorded that the members of the Committee of Creditors expected that there would be increase in the bid price when the process resumed.

5.14. By an order dated November 11, 2025, a composite order was passed by this Hon'ble Tribunal in IA 1278 of 2025, I.A. 524 of 2025 and IA 1452 of 2025 and it was inter alia observed as follows: -

"23.3 ... While the Survey Report indicates availability of 142 acres of land (leasehold and freehold), the Information Memorandum issued by RP indicated 93 acres only and did not include land owned by others

23.4 Thus glaring inconsistencies in the Information Memorandum prepared by the RP is clearly evident and palpable.

24. Having thus noted serious deficiencies in the performance of the erstwhile IRP as well as present RP, but at the same time having regard to the fact that a change of RP at this stage may affect the resolution process, we deem it appropriate not to pass any order for the time being instead we leave it to the commercial wisdom of the CoC either to retain the present RP or to change.

25. However, the ground position is now clearly available for the survey report is expected to depict the correct picture with regard to the size of factory, extant of the land housing the plant and factory of the Corporate Debtor, whether acquired by way of lease from its sister concern (Sarita Steel) or by way of verbal arrangements with the local land owners.

26. Further, having noted the tenor of the order passed by the Hon'ble NCLAT, we permit the bid process to be resumed from where it was left, and direct the RP to conduct and conclude the process strictly in terms of the Code"

5.15. This order dated November 11, 2025 passed by the Hon'ble NCLT was discussed in the 26th meeting of the CoC on November , 2025, wherein one of the reasons for not replacing the Resolution Professional was mentioned to be the fact that, *"RP had successfully managed the process leading to substantial increase in the bid amount from base figure leading to an increase of almost 80%".*

5.16. Thereafter, in the 27th Meeting of the CoC held on November 18, 2025, it was informed by the Resolution Professional that, "the highest bid of 62nd round of bidding which was held in March 2025 i.e., 510.39 Crs of Consortium of RARE ARC shall be the base price for this platform based challenge process. The RP further informed the

members that post RS the conclusion of the meeting the RP shall communicate to all the eligible Ras regarding the decision of the CoC w. r. t. conduct of the challenge process on platform, its date and time, terms and conditions of the of challenge process etc."

5.17. The 28th Meeting of the CoC was held on November 20, 2025 and November 28, 2025. It is relevant to mention here that in the said meeting, it was recorded that, "Majority of the CoC members were of the view that as per the order of the Hon'ble NCLT, the process had to be resumed from where it had stopped in March 2025 which was duly started and is now completed on 20th November 2025 without there being any increment in the last Bid value and now the next step as per the Challenge process mechanism document is that the RP to request the RAs to submit the revised financial bid consisting of their last bid in the challenge process by next Friday i.e., 05th December 2025 and if no one submits the revised financial bid consisting their last bid then a CoC may be called again and then next steps be discussed before the CoC."

5.18. The 29th Meeting of the CoC was held on December 09, 2025. The Minutes of the said 29th Meeting of the CoC, inter alia, records as follows:- "*The RP further informed the members that the RP received a plan from Consortium of RARE ARC and Jaishree Steels Pvt Ltd. on 08th December 2025 the password protected plan was opened before the COC and it was noted that the bid value was in line with the bid last submitted by them in the challenge process*

The RP further summarized the status of all the 4 RAs to the members:

Consortium of RARE ARC – Plan received within the due date i.e., on 08th December 2025

Amit Metaliks Limited - Plan not received, extension requested for 4 weeks and IA filed

Rashmi Metallurgical Industries Pvt Ltd. - Plan not received, extension requested for 4 days

Rungta Sons Pvt Ltd. – BG not extended/renewed, and plan not received

5.19. It is submitted that the following resolution was rejected due to lack of majority approval.

"RESOLVED THAT pursuant to the applicable provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with subsequent amendments thereof and read with rules and regulations made thereunder, the Committee of Creditor ("COC") hereby approves the extension of timeline of 4 days for submission of resolution plans containing revised financial bid by the RAS on the request of one of the RAS.

RESOLVED FURTHER THAT the Resolution Professional of Ankit Metal and Power Limited be and is hereby authorised to take such steps as may be necessary in relation to the above, if required and to settle all matters arising out of and incidental thereto and sign and execute all documents and writings that may be required and generally to do all acts, deeds, make payments and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

5.20. It is also submitted that it was recorded that *"CoC members after due deliberation and discussion, decided that the decision of the forfeiture*

of BGs be taken in the next CoC which may be called tomorrow after having a discussion with both the RP and CoC legal counsel".

5.21. In the 30th CoC meeting was held on December 10, 2025, it was informed by the Resolution Professional that Respondent No. 10 had submitted a revised Resolution Plan with revised financial bid. However, contrary to the decision taken in the 29th Meeting of the CoC, in the 30th CoC meeting the CoC decided to condone the delay by Respondent No. 10 in submitting a Resolution Plan.

Surprisingly, in the minutes of the said 30th CoC meeting, it was recorded

"Further, w. r. t. the restarting of the challenge process, the CoC has complied with the orders of the Hon'ble NCLT and NCLT which specifically directed that the challenge process shall be resumed from where it had last stopped in March 2025."

5.22. It is further submitted that on the 31st Meeting of the CoC, the Resolution Plans submitted by Consortium of RARE ARC and Jaishree Steels Pvt Ltd and Rashmi Metallurgical Industries Pvt Limited were discussed in the said meeting. With respect to the Resolution Plan submitted by Rashmi Metallurgical Industries Pvt Limited, it was specifically noted that the,

"Resolution plan is not as per the challenge process mechanism document, which mentioned that the Revised financial bid shall include the last bid as per the challenge process mechanism document. The bid submitted is however, downward revalued.
The RP informed the members that the Bid is of a lower value than their last bid in the challenge process mechanism which has been already highlighted to the RAs"

5.23. It is further submitted that the CoC view was recorded as follows with respect to the downward valuation of the bid submitted by *Respondent No. 10,*

"The CoC informed that they are not happy with the bid submitted and are far less than the other bids received and requested if they can consider revising the amount as per their last bid".

5.24. It is further contended that the minutes of the meeting records the fact that the Resolution Plan submitted by the Respondent No. 10 has been changed *"downward vis-à- vis the last bid". The Respondent No. 10 had submitted that they would reconsider coming back with a revised bid in the Resolution Plan. In the said minutes of the meeting, there is no recording of the fact that there was a downward revision of the resolution plan submitted by consortium consisting of RARE.*

The RP apprised in the meeting that,

"The Resolution Plan, having undergone a downward revision in value compared to the offer made under the Challenge Process, is not in line with the Challenge Mechanism Document approved earlier."

In fact, in the said minutes it has been recorded that both the Resolution Plans submitted by Respondent No. 10 and as submitted by RARE in consortium, reflects a *"downward revision vis-à-vis to the previously approved Challenge Mechanism Document".*

In the said minutes, it was also recorded that *"The Chairman again apprised the members that the plans submitted are not in accordance with the challenge process documents earlier approved by COC and are with downward revision of the bid values. The COC noted the same and were ok to go ahead with the resolution plans."*

In the said meeting, it was noted that the NPV to Secured FCs offered by RARE (in consortium) was Rs. 376.89 crore while Respondent No. 10 was offering a sum of Rs. 347.34 crores.

5.25. The 34th Meeting of the CoC was held on January 06, 2026. In the said meeting, the Resolution Plans of both RARE (in consortium with Fortune Global Solution Pte Ltd) and Respondent No. 10 were put to vote. In the revised Resolution Plans submitted, RARE (in consortium with Fortune Global Solution Pte Ltd) was offering NPV to Secured Financial Creditors for a sum of Rs. 382.09 crore while a sum of Rs. 385 crore was being offered by Respondent No. 10. It has been recorded in the minutes of the said meeting as follows,

"The Chairman informed that, the values offered under both Resolution Plans have been revised downward from the last Bid amount as per the challenge process and the same shall be put to vote if the CoC have no objection. In response no member of the CoC raised any objection and the same shall be put to vote."

In the said meeting, Respondent No. 7, i.e. RARE, observed that, "the upward revision in the NPV of Rashmi's Resolution Plan appears to be close to the figures of their Resolution Plan and suggested that this seems suspicious".

5.26. The applicant further submits that in the 34th Meeting of Committee of Creditor, there was no recording of the fact that the Resolution plans were found feasible and viable. As per Section 30(4) of IBC, CoC can approve a resolution plan only after considering its feasibility and viability. From the minutes of the 34th Meeting of CoC, it would be evident that there is no recording of the fact that both the Resolution Plans were found feasible and viable. The voting

window for the Resolution Plans was initially decided to be between January 07, 2026 to January 14, 2026 and was later extended to January 19, 2026.

5.27. The Applicants further submit that it would be evident from the aforesaid facts that the Respondents did not resume the Challenge mechanism and acted in violation of the order dated April 21, 2025 passed by the Hon'ble NCLAT and order dated November 11, 2025 passed by the Hon'ble NCLT.

5.28. It is further contended that the Resolution Plans which were submitted with downward revision was considered and put to vote by the RP and CoC in violation of the order dated April 21, 2025 passed by the Hon'ble NCLAT and order dated November 11, 2025 passed by the Hon'ble NCLT and in violation of the challenge process document which forms an integral part of Request for Resolution Plan. The challenge process was supposed to be resumed from where it was left in terms of the orders passed by Hon'ble NCLAT and Honble NCLT. In permitting downward revision, the swiss challenge process has been effectively rendered infructuous by the Committee of Creditors and the Resolution Professional.

5.29. The Applicant submits that in terms of the order dated April 21, 2025, and November 11, 2025, the challenge mechanism was to be resumed as such, the bid could go higher only and there was no question of downward revision, more so, when RARE (in consortium) was the H1 bidder and Respondent No. 10, i.e. Rashmi, was the H2 bidder. It is absurd that despite the land parcel of the Corporate Debtor increasing from 93 acres to 142 acres, the value of the resolution plans submitted have undergone a downward revision. The applicant contends that the downward revision in the resolution

plan values despite increase in the land parcels is in violation of the objective of value maximization as prescribed by the Code.

5.30. The Applicant further contends that it is surprising that the Committee of Creditors and the Resolution Professional have not questioned the downward revision and have in fact, accepted it. It is evident that the Committee of Creditors and the Resolution Professional are acting in collusion with the Resolution Applicants and against the object of the Code. The decision of the CoC does not in any manner, qualifies exercise of commercial wisdom by Committee of Creditors. In the name of commercial wisdom, the Committee of Creditors cannot act in violation of the orders passed by the Hon'ble Tribunal and contrary to challenge process document which forms an integral part of Request for Resolution Plan and in violation of the IBC.

5.31. It is further contended that in such circumstances, the Applicant was constrained to file I.A. (IB) No. 74/2026 on January 13, 2026, before this Hon'ble Tribunal, inter alia, praying for "RP and COC to restart the Swiss challenge process by reissuing the Request for Resolution Plan in terms of Regulation 36B of the CIRP Regulations".

5.32. The applicant further submits that the members of Committee of Creditors have acted with vested interest and have acted contrary to the object of the Code and against the interest of the Corporate Debtor in taking into consideration the Plans submitted with downward revision in the Plan value. Despite it being constantly brought to the notice of the Committee of Creditors that the Resolution Plans submitted which have been voted upon are not in accordance with the challenge process documents earlier approved by Committee of Creditors and are with downward revision of the bid values, the members of the Committee of Creditors did not pay heed

to the same and continued to proceed in violation of the orders dated April 21, 2025 Kand November 11, 2025. This is because RARE (who is a member of the Coc was itself submitting a Resolution Plan in consortium with Fortune NOTAR Glob Global Solution Pte Ltd. Further, there have been allegations by RARE that the revised NPV offered to Secured FCs by Respondent No. 10 was similar to the NPV being offered by RARE which was suspicious. Respondent No. 10 could not have known the NPV value of RARE without the support of a member of the Committee of Creditors.

5.33. The Applicant further submits that after the filing of I.A. (IB) No. 74/2026, the Applicant came to know from the business circle that the ultimate beneficiary of ACRE 45 Trust and ACRE 46 Trust is Rashmi group company, namely Compact Advertising & Credit Pvt Ltd. ACRE 45 Trust and ACRE 46 Trust controls more than 66% of the votes in the CoC. The RASHMI group is promoted by Mr. Sajjan Kumar Patwari and his three sons - Mr. Sunil Kumar Patwari, Mr. Sanjib Kumar Patwari and Mr. Sanjay Kumar Patwari. Mrs. Bhagwati Devi Patwari is the wife of Mr. Sajjan Kumar Patwari and mother of Mr. Sunil Kumar Patwari, Mr. Sanjib Kumar Patwari and Mr. Sanjay Kumar Patwari. It is mentioned in the Resolution Plan of Respondent No. 10 that the RASHMI group has three flagship companies and Rashmi Metaliks Ltd is one of the flagship companies of RASHMI Group. It would be apparent from the balance sheet of Compact Advertising & Credit Pvt Ltd for FY 2023-2024 that Mrs. Bhagwati Devi Patwari is the Key Managerial Personnel/ Director of Compact Advertising & Credit Pvt Ltd and Rashmi Metaliks Ltd has been shown as the related entity of Compact Advertising & Credit Pvt Ltd.

5.34. The Applicant contends that the Committee of Creditors and the Resolution Professional have acted in collusion and have permitted the downward revision of bid in violation of the order dated April 21, 2025 passed by the Hon'ble NCLAT and order dated November 11, 2025 passed by the Hon'ble NCLT and in violation of the challenge process document which forms an integral part of Request for Resolution Plan.

5.35. The COC were not objecting to the downward revision of the plan value despite increase in land parcels because of their own vested interest. The Committee of Creditors could have taken a decision either to consolidate the CIRP of the Corporate Debtor with Sarita Steel & Power Ltd or issue Form G so that other prospective bidders could participate. However, instead they permitted Resolution Applicants to lower their bids when land parcels had increased.

5.36. The said application being I.A. (IB) No. 74/2026 was heard by this Hon'ble Tribunal at length on January 19, 2026 and was reserved for orders. A copy of the said order dated January 19, 2026 is annexed hereto and marked with the Letter-"R". On the said date, both the counsels on behalf of the Committee of Creditors and Resolution Professional had submitted that there had been a downward revision of the bids in the Challenge Process. As per the submission of the counsel on behalf of the Committee of Creditors during the course of the hearing on January 19, 2026, in the Swiss Challenge mechanism which took place prior to order dated March 17, 2025, the H1 Bidder was RARE (in consortium with Jai Shree Steels Pvt Ltd) with the bid of Rs. 510.39 crore, H2 Bidder was Rashmi Metallurgical Industry Pvt Ltd with the bid of Rs. 510.26 crore and H3 & H4 Bidders were Amit Metaliks Pvt Ltd and Rungta Sons Pvt Ltd, respectively, with the bid of Rs. 508.25 crore.

5.37. When the said application appeared on February 06, 2026, an incorrect statement was made on behalf of the counsel on behalf of the Resolution Professional that the value of the Resolution Plan submitted by Respondent No. 10 was Rs. 690 crore. It would be evident from Annexure-"U", the value of the Resolution Plan as submitted by Respondent No. 10 is only Rs. 390.10 crore. The total payout to the creditors in terms of the Resolution Plan as submitted by Respondent No. 10 is only Rs. 390.10 crore, with the secured financial creditors being offered a sum of Rs. 385 crores. The infusion of CAPEX and Working Capital has been mentioned to be Rs. 300 crores. As has been mentioned in the Resolution Plan, the said Capex and Working Capital would be infused by the Resolution Applicant "for ramping up the Scale of Operations". The proposed infusion of Capex and Working Capital cannot be considered to be within the ambit of the Resolution Plan value.

6. Submissions of the Respondent

6.1. The applicant submits that the allegation regarding the downward revision of bids was impermissible is wholly untenable as Clause 4 of the process document gives full authority to CoC to conduct the bidding in a particular manner including cancellation or annulment of the entire process.

6.2. The respondents contend that the applicant has tried to make out a case that downward revision cannot be brought in within the puview of Clause 4 of the document. The fact of the matter is downward or upward revision of bid value, especially in the unique facts of this case, is a matter of commercial wisdom and not subject to judicial review at the stage of plan approval.

6.3. The respondents submits that the CoC had questioned the Resolution Applicants on the reasons behind the downward revision of the last bid under the challenge process mechanism. It was clarified by the RAs that:

a. Deterioration in asset condition;

b. Title disputes and uncertainty;

c. High legal and commercial risk associated with third-party lands;

d. Risk-adjusted valuation considerations.

The respondent submits that the revised bid was commensurate with the risks involved.

6.4. It is further submitted that there was no increase in land owned by the Corporate Debtor, A substantial portion of land was third-party owned with certain crucial Plan and Machinery lying on these land parcels, furthermore the Title risks and ownerships disputes materially affected valuation perception.

6.5. It is further submitted that the PRA itself justified the downward revision was thus a commercial assessment by the PRA based on risk exposure and asset position, and not due to any irregularity in the process.

6.6. It is further submitted that the CoC is vested with the prerogative, authority, and discretion to take all such steps, measures, and decisions as maybe deemed necessary and appropriate in furtherance of the statutory objective of maximising the value of the assets of the Corporate Debtor.

6.7. It is further submitted that such authority of the CoC is not merely procedural in nature, but it is rooted in the substantive intent and purpose of the IBC, which places the commercial wisdom of the CoC

at the forefront of the Resolution Process. In exercise of such authority, the CoC is empowered and duty-bound to adopt all reasonable and lawful measures to protect the Corporate Debtor as a going concern and to prevent it from being driven into liquidation.

6.8. Owing to non-participation in the resumed Challenge Process mechanism pursuant to directions passed by this Hon'ble Tribunal and Hon'ble Appellate Tribunal, the CoC in its commercial wisdom allowed the remaining participating RAs to submit the revised resolution plans (also allowed as per CIRP Regulations) and in the eventuality, such prayer was not allowed, the Corporate Debtor would have been pushed into liquidation. It is also relevant to point out that owing to the passage of time in resolution, the other two participating RAs had already withdrawn their bids and the CoC in its commercial assessment, allowed the remaining RAs to submit their revised plans so that the ailing Corporate Debtor could be revived.

6.9. It is further submitted that the allegation of collusion is entirely unsupported by any evidence whatsoever, it is further contended that in neither the proceedings before this Hon’ble Tribunal nor the proceedings before the Hon’ble NCLAT resulted in any finding of fraud, collusion, mala fides, or misconduct against the CoC, the Resolution Professional, or any Resolution Applicant.

6.10. IT is further submitted that Amit Metaliks Limited (who had earlier disrupted the sale process and asked for a survey report), one of the PRAs, had withdrawn from the process. Amit Metaliks neither furnished the renewed/extended Bank Guarantee nor responded to the communications issued by the RP, which was subsequently submitted. Thereafter, citing frivolous reasons, Amit Metaliks filed an application seeking return of bank guarantee before this Hon'ble

Tribunal on December 9, 2025. It is germane to state that it was at the instance of Amit Metaliks, that the challenge process in March 2025 was stalled and remained in abeyance till the survey report was received.

6.11. It is further submitted that several Resolution Applicants voluntarily withdrew from the process due to concerns relating to title disputes, land ownership issues, and prolonged litigation. In case of Rare Consortium, one of the consortium members i.e., Jaishree Steel had also withdrawn from the process and the bid was finally submitted by Rare ARC with a new consortium member Fortune Global Solutions Pte Ltd. The resultant reduction in competition and revision of financial bids was therefore a natural commercial consequence of the changed circumstances and ACRE along with other members of the CoC made best efforts to ensure maximum participation to ensure value maximization. The minutes of the CoC meeting clearly shows that rigorous negotiations were held with all the resolution applicants. Thus, bald allegations of collusion without particulars or supporting evidence are liable to be rejected outright.

6.12. The Respondents further submits that the Appelant has failed to produce any credible r tangible evidence to substantiate its baseless allegation that ACRE and Rashmi Metallurgical Industry Private Limited, were acting in collusion. The only reliance placed by the Applicant is an alleged commonality of holding of security receipts, which is neithger indicative of concerted action nor sufficient to infer wrongful intent.

6.13. Even otherwise, assuming, whilst denying, all allegations of commonality of shareholding and interest made by the Applicant, it is submitted that there is no prohibition, either under IBC or any other applicable law, on entities belonging to the Rashmi Group

investing in the Trust, or subsequently for related entities belonging to the Rashmi Group from participating in the bidding process for the Corporate Debtor. It is categorically stated that the only test of Section 29A of the IBC is applicable here and as such, the Applicant has failed to adduce any evidence in support of its contention as far as Section 29A of the IBC is concerned. It is noteworthy that Rare ARC, being both a financial creditor and a security receipt holder, has submitted a Resolution Plan and the same has never been objected to by the Applicant.

6.14. It is submitted that the Applicant's contention that the land parcel of the Corporate Debtor had expanded to 141 or 142 acres, the Resolution Professional clarifies that there has been no increase in the land legally owned by the Corporate Debtor. Pursuant to the explicit directions of this Tribunal, a physical land survey was conducted by "Global Surveyors," which confirmed that only 82.55 acres belong to the Corporate Debtor, while 10.47 acres belong to Sarita Steel & Power Limited, and 53.406 acres belong to third-party individual landholders. Because the title records vest only 82.55 acres in the Corporate Debtor, the independent valuation was lawfully restricted to this acreage.

6.15. It is submitted that under Section 30(4) of the Code, the evaluation of feasibility and viability falls squarely within the domain of the commercial wisdom of the CoC. The fact that the financial creditors, after exhaustive deliberations, approved the plan with an 89.79% majority vote serves as definitive proof that they were satisfied with its viability and feasibility.

6.16. Finally, the Resolution Professional denies the allegation that Respondent No. 10 failed to submit its beneficial ownership details, stating that the Statement of Beneficial Ownership was duly

submitted in absolute compliance with Regulation 38(3A) (a) of the CIRP Regulations.

Analysis and Findings: -

7. We have heard the Counsels of both the Parties and perused the materials available on record. We have given our thoughtful consideration to the pleadings and submissions.

8. To decide the issue at hand it is desirable to look the Objectives of Insolvency and Bankruptcy Code, 2016.

> *"An Act to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto."*

9. From a bare reading of the Objective it can be clearly inferred that one of the fundamental objectives which the Code envisions to achieve is to maximise the value of assets of the "Corporate Debtor", and it is not just maximisation for a specific person or stakeholder, the code envisions to Balance the Interests of all the stakeholders. This view of the Tribunal is also corresponded by the view of the Hon'ble NCLAT in the case of **Binani Industries Ltd. v. Bank of Baroda & Anr**., (2018) ibclaw.in 06 NCLAT where it was observed that :

> **"17**. To decide the issue, it will be desirable to notice the object of the 'I&B Code', object of 'Resolution' and what is expected from the 'Committee of Creditors', as summarized below: –

1. The objective of the 'I&B Code'

As evident from the long title of the 'I&B Code', it is for reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons to promote entrepreneurship, availability of credit, and balance the interests of all stakeholders. The recent Ordinance explicitly aims to promote resolution over liquidation.

2. The objective of the 'I&B Code' is **Resolution.**

The Purpose of Resolution is for **maximisation of value of assets of the 'Corporate Debtor'** and thereby for all creditors. It is not maximisation of value for a 'stakeholder' or 'a set of stakeholders' such as Creditors and **to promote entrepreneurship, availability of credit and balance the interests**. The first order objective is "resolution". The second order objective is "maximisation of value of assets of the 'Corporate Debtor" and the third order objective is "promoting entrepreneurship, availability of credit and balancing the interests". This order of objective is sacrosanct."

10. In the Current case one of the Crucial Problems to Solve is the legality of the Downward Revision of the last bid from 551.75 Crores to 390.10 Crores.
11. The Applicants contend that the Resolution Plans which were submitted with downward revision was considered and put to vote by

the RP and CoC in violation of the Order dated April 21, 2025, passed by the Hon'ble NCLAT and order violation of the Challenge Process Document which forms an integral part of request for Resolution Plan. The Applicant further contends that the challenge process was supposed to be resumed from where it was left in terms of the Orders passed by Hon'ble NCLAT and Hon'ble NCLT, and in p0ermitting downward revision, the Swiss challenge process has been effectively rendered infructuous by the Committee of Creditors and the Resolution Professional.

12. The Respondents refute these contentions by stating that the allegation that the downward revision of bids was impermissible is wholly untenable, as the Clause 4 of the Process Documents gives full authority to the CoC to conduct bidding in a particular manner including cancellation or annulment of the entire Process.

13. At this Juncture it is important to look at Clause 4 of the Challenge Process Mechanism:

The relevant points of Clause 4 of the Challenge Mechanism extracted reads as:

"4. ***DECLARATION OF HIGHEST NPV AND SUBMISSION OF ALL RESOLUTION PLANS TO THE RP***

- CoC reserves the <u>unconditional right to cancel/ modify/ withdraw/abandon/amend the process of the challenge process at any stage (including when the challenge process is underway and/or in progress), and/or in that event at its absolute discretion and to follow any other method as it may deem fit subject to applicable law</u>. Upon such action, CoC's decision in this regard shall be final and binding on all parties without any recourse whatsoever.

- In case of any dispute/ difference arising out of and/or in relation to the conduct of the Challenge Mechanism, CoC's decision shall be final

For Convenience a scanned copy of the said extract is placed below:

4. DECLARATION OF HIGHEST NPV AND SUBMISSION OF ALL RESOLUTION PLANS TO THE RP

- Each Participating RA understands that only financial proposal can undergo changes during the Challenge Mechanism.

- Each Participating RA shall incorporate its final improved financial proposal as per the Challenge Mechanism (**Final Financial Proposal**) in the duly executed signed and stamped resolution plan in compliance with applicable laws, to the Resolution Professional within 3 days of the completion of the Challenge Mechanism or any further date as decided by the CoC. Subject to submitting the necessary documents as per RFRP, each resolution plan along with Final Financial Proposal

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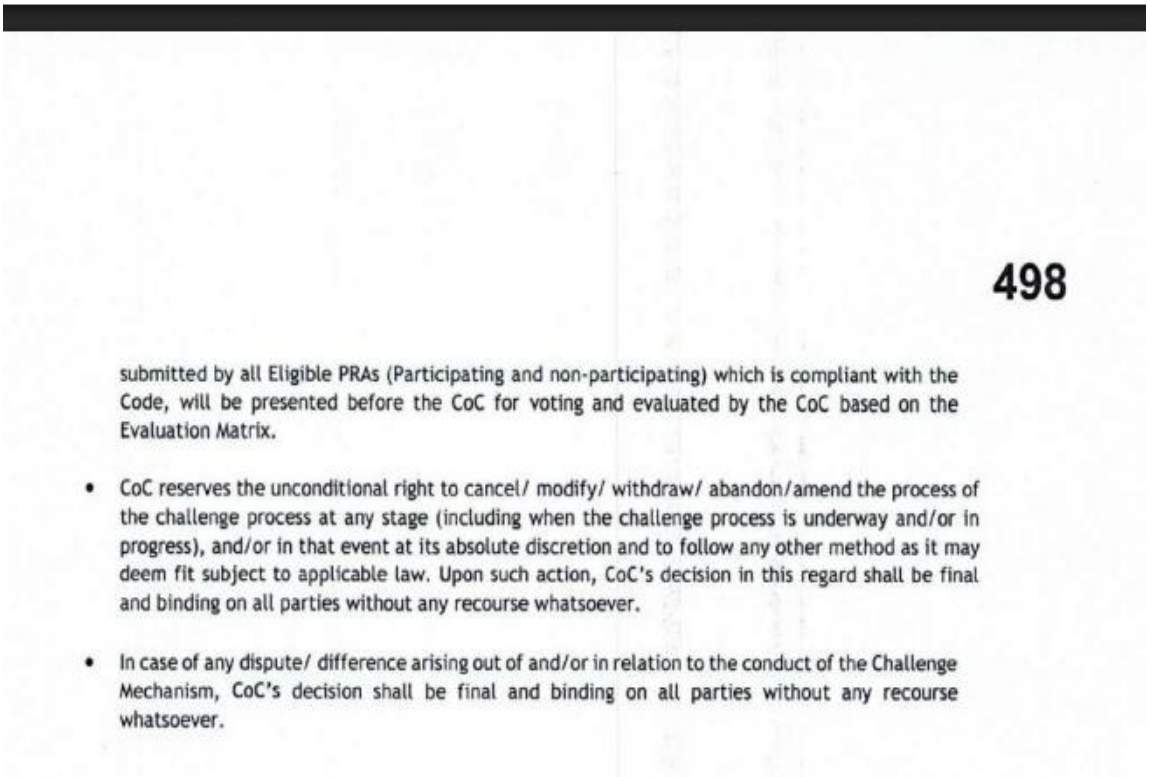

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submitted by all Eligible PRAs (Participating and non-participating) which is compliant with the Code, will be presented before the CoC for voting and evaluated by the CoC based on the Evaluation Matrix.

- CoC reserves the unconditional right to cancel/ modify/ withdraw/ abandon/amend the process of the challenge process at any stage (including when the challenge process is underway and/or in progress), and/or in that event at its absolute discretion and to follow any other method as it may deem fit subject to applicable law. Upon such action, CoC's decision in this regard shall be final and binding on all parties without any recourse whatsoever.

- In case of any dispute/ difference arising out of and/or in relation to the conduct of the Challenge Mechanism, CoC's decision shall be final and binding on all parties without any recourse whatsoever.

14. Upon Reading the Clause 4 of the Challenge Mechanism Document it becomes very clear that the CoC holds the final and authorative call that the right to cancel/ modify/ withdraw/abandon/amend the process of the challenge process at any stage (including when the challenge process is underway and/or in progress), and/or in that event at its absolute discretion and to follow any other method as it may deem fit subject to applicable law.

15. The Respondents also contend that the Decision to allow a downward revision of the Approved Plan is within the ambit of Commercial Wisdom of the CoC and it cannot be challenged before this Tribunal.

16. At this Juncture it would be necessary to understand the tenor of the Honble Supreme Court and the Honble NCLAT decisions as discussed herein below:

1) In ***K. Sashidhar v. Indian Overseas Bank & Ors.,*** ***(2019) ibclaw.in 08 SC*** , the Hon'ble Supreme Court was of the view that :

"***33***. *As aforesaid, upon receipt of a "rejected" resolution plan the adjudicating authority (NCLT) is not expected to do anything more; but is obligated to initiate liquidation process under Section 33(1) of the I&B Code. The legislature has not endowed the adjudicating authority (NCLT) with the jurisdiction or authority to analyse or evaluate the commercial decision of the CoC muchless to enquire into the justness of the rejection of the resolution plan by the dissenting financial creditors."*

"35. 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 percent 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."

*"**39**. In our view, neither the adjudicating authority (NCLT) nor the appellate authority (NCLAT) has been endowed with the jurisdiction to reverse the commercial wisdom of the dissenting financial creditors and that too on the specious ground that it is only an opinion of the minority financial creditors. The fact that substantial or majority percent of financial creditors have accorded approval to the resolution plan would be of no avail, unless the approval is by a vote of not less than 75% (after amendment of 2018 w.e.f. 06.06.2018, 66%) of voting share of the financial*

creditors. To put it differently, the action of liquidation process postulated in Chapter III of the I&B Code, is avoidable, only if approval of the resolution plan is by a vote of not less than 75% (as in October, 2017) of voting share of the financial creditors. Conversely, the legislative intent is to uphold the opinion or hypothesis of the minority dissenting financial creditors. That must prevail, if it is not less than the specified percent (25% in October, 2017; and now after the amendment w.e.f. 06.06.2018, 44%). The inevitable outcome of voting by not less than requisite percent of voting share of financial creditors to disapprove the proposed resolution plan, de jure, entails in its deemed rejection.

42. *The argument, though attractive at the first blush, but if accepted, would require us to rewrite the provisions of the I&B Code. It would also result in doing violence to the legislative intent of having consciously not stipulated that as a ground to challenge the commercial wisdom of the minority (dissenting) financial creditors. Concededly, the process of resolution plan is necessitated in respect of corporate debtors in whom their financial creditors have lost hope of recovery and who have turned into non performer or a chronic defaulter. The fact that the concerned corporate debtor was still able to carry on its business activities does not obligate the financial creditors to postpone the recovery of the debt due or to prolong their losses indefinitely. Be that as it may, the scope of enquiry and the grounds on which the decision of "approval" of the resolution plan by the CoC can be interfered with by the adjudicating authority (NCLT), has been set out in Section 31(1) read with Section 30(2) and by the appellate tribunal (NCLAT) under Section 32 read with Section 61(3) of the I&B Code. No corresponding provision has been envisaged by the legislature*

to empower the resolution professional, the adjudicating authority (NCLT) or for that matter the appellate authority (NCLAT), to reverse the "commercial decision" of the CoC muchless of the dissenting financial creditors for not supporting the proposed resolution plan. Whereas, from the legislative history there is contra indication that the commercial or business decisions of the financial creditors are not open to any judicial review by the adjudicating authority or the appellate authority."

(Emphasis Added)

Thus, the Commercial Wisdom of the CoC has always been given supremacy in the higher fora and the only outcome of the failed resolution plan would be sending the Corporate Debtpr into liquidation which way again be a long drawn process and may not fetch the same value as that of the plan, given the fact that the plan value is still higher than the liquidation value.

2) ***Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors.,*** ***(2019) ibclaw.in 07 SC*** hold similar view reproduced as follows:

"36. Xxxxxx since corporate resolution is ultimately in the hands of the majority vote of the Committee of Creditors, nothing can be done qua the management of the corporate debtor by the resolution professional which impacts major decisions to be made in the interregnum between the taking over of management of the corporate debtor and corporate resolution by the acceptance of a resolution plan by the requisite majority of the Committee of Creditors. Most importantly, under Section 30(4), the Committee of Creditors may approve a resolution plan by a vote of not less than 66% of the voting share of the financial creditors, after considering its feasibility and viability, and various other requirements as may be prescribed by the Regulations."

"40. Xxxxxx what is left to the majority decision of the Committee of Creditors is the "feasibility and viability" of a resolution plan, which obviously takes into account all aspects of the plan, including the manner of distribution of funds among the various classes of creditors. As an example, take the case of a resolution plan which does not provide for payment of electricity dues. It is certainly open to the Committee of Creditors to suggest a modification to the prospective resolution applicant to the effect that such dues ought to be paid in full, so that the carrying on of the business of the corporate debtor does not become impossible for want of a most basic and essential element for the carrying on of such business, namely, electricity. This may, in turn, be accepted by the resolution applicant with a consequent modification as to distribution of funds, payment being provided to a certain type of operational creditor, namely, the electricity distribution company, out of upfront payment offered by the proposed resolution applicant which may also result in a consequent reduction of amounts payable to other financial and operational creditors. What is important is that it is the commercial wisdom of this majority of creditors which is to determine, through negotiation with the prospective resolution applicant, as to how and in what manner the corporate resolution process is to take place."

3) In ***Vedanta Ltd. v. Bhuvan Madan RP of Jaiprakash Associates Ltd. and Ors, (2026) ibclaw.in 604 NCLAT*** the Hon'ble NCLAT has even declared that CoC is not bound to accept the plan with the highest NPV, para 72 thereof reads as follows:

"72.The Appellant's case as noted above is that the Appellant having been declared as having highest NPV in Challenge Process, which NVP is more than Rs.500 crores as compared to the Resolution Plan of Respondent No.3, the Appellant's Plan value is

more than Rs.3400 crores as compared to Respondent No.3's Plan. Hence, the Appellant's Plan was required to be approved in view of the objective of the IBC, i.e. value maximization. The decision of the CoC not approving the Plan of the Appellant is arbitrary and perverse. We have already noticed Clause 13.7 of the Process Note, which clearly provides that CoC is under no obligation to approve Resolution Plan having highest NPV. Thus, the Appellant's case that Plan deserved to be approved, since it has the highest NPV, cannot be accepted. Resolution Plan value, which according to the Appellant is Rs.3400 crores higher than the Plan value of Respondent No.3 is also a factum, which we have already taken note and reflected in the Evaluation Matrix. The decision of the CoC taken in the 23rd CoC Meeting to approve the Resolution Plan of Respondent No.3 is a decision of the CoC taken in its commercial wisdom."

73. *Submissions have been made by learned Counsel for both the parties on limited extent of judicial review on a decision of the CoC taken in commercial wisdom while approving the Resolution Plan. Large number of cases have been cited by both the parties. For the purpose of the present case, it is sufficient to notice latest judgment of the Hon'ble Supreme Court decided on 27.02.2026, where earlier judgments of the Hon'ble Supreme Court dealing with extent and limit of judicial review has been examined and answered. We may refer to the judgment of the Hon'ble Supreme Court in* ***Torrent Power Ltd. vs. Ashish Arjunkumar Rathi and Ors. – [(2026) ibclaw.in 109 SC] : (2026) SCC OnLine SC 325****. The preface of the judgment throws considerable light on the Insolvency and Bankruptcy Code, 2016. The Hon'ble Supreme Court in its preface noticed as follows:*

*"**Preface:***

The Insolvency and Bankruptcy Code, 2016 (for short, "IBC") marks a fundamental shift in India's insolvency regime: from a court-centric model to a creditor-driven process. ***At its core lies the doctrine of commercial wisdom: a conscious legislative choice to vest decisive authority in the Committee of Creditors (for short, "CoC"), comprising financial creditors who bear the economic consequences of failure.***

1.1. The IBC recognises that decisions on viability, valuation, and acceptable ***haircuts are inherently commercial, not judicial. Courts, therefore, do not substitute their assessment for that of the CoC.*** *The adjudicating authority performs a supervisory role, ensuring statutory compliance and procedural fairness but refrains from second-guessing economic bodies, in this case, the CoC.*

1.2. The doctrine of commercial wisdom thus embodies both institutional discipline and legislative intent: insolvency resolution must be efficient, market-responsive and guided by those best placed to evaluate commercial risk.

1.3. With this preface, we now proceed to examine the facts and issues arising in the present civil appeals.

***74.** The Hon'ble Supreme Court in the above case has noticed the grounds on which Appeals can be filed before the NCLAT, i.e. Section 61 of the IBC. One of the grounds, which can be pressed to move to appellate jurisdiction is "material irregularity". The Hon'ble Supreme Court in the above case has held that where the RP acts on the instructions of the CoC, such conduct cannot, by any stretch*

of imagination, be characterised as a "material irregularity". In Paragraph 8.1, following was laid down:

"8.1. ***Where the RP acts on the instructions of the CoC, such conduct cannot, by any stretch of imagination, be characterised as a "material irregularity" within the meaning of Section 61(3)(ii). To hold otherwise would be to conflate the statutorily distinct roles of the RP and the CoC and to indirectly subject decisions of the CoC to judicial review, contrary to the scheme of the IBC****."*

75. *The Hon'ble Supreme Court in Paragraph 12 of the judgment has dealt with expression "Commercial Wisdom of the CoC Paramount". In Paragraph 12.1 to 12.4, the Hon'ble Supreme Court has noticed its earlier judgment lying down the principles of judicial review by the Adjudicating Authority and the Appellate Tribunal in decision of CoC taken in its commercial wisdom in approving the Resolution Plan. Paragraph 12.1 to 12.4 are as follows:*

"12.1. It has been the consistent view of this Court that the commercial wisdom of the CoC cannot be interfered with by the NCLT, the NCLAT or this Court as was held in ***K. Sashidhar v. Indian Overseas Bank****, (2019) 12 SCC 150 : (2019) 4 SCC (Civ) 222 : (2019) 213 Comp Cas 356 as under:*

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 percent 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.

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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."

(Underlining by us)

12.2. Similarly, in Kalyani Transco, decided on 26.09.2025, a three-Judge Bench of this Court held as follows:

"179. It can thus be seen that this Court has held that the legislature purposefully did not include a means to challenge the commercial wisdom exercised by the CoC. This makes a challenge to the same non – justiciable. It has been further held that a challenge cannot be raised against the decision making of the CoC unless and until the grounds for challenge as given in the Code are satisfied. Any interference in the paramount objective of the CoC of exercising its commercial wisdom would amount to the Court rewriting the law and going against the very objectives of the IBC.

180. We are therefore of the opinion that in the present matter as well, the CoC exercised its commercial wisdom while approving the

Resolution Plan whereby the Appellant – Jaldhi was classified as a contingent creditor and such a decision is deemed to be non – justiciable by this Court in view of K. Sashidhar (supra) which has been subsequently followed in a catena of judgments. The NCLT, and the NCLAT have also approved the Resolution Plan, and in light of the settled principle of law, we find no question of law being raised by the Appellant – Jaldhi and therefore, the appeal filed by it is liable to be dismissed."

(underlining by us)

12.3. We note the observations in ***Essar Steel India Limited****, clarifying that once the NCLT is satisfied that the CoC has applied its mind to the statutory requirements spelt out in sub-section (2) of Section 30 it must necessarily pass the resolution plan, as under:*

"73. …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 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."

(Underlining by us)

12.4. We also note the observations in ***Pratap Technocrats Private Ltd. v. Monitoring Committee of Reliance Infratel Limited****, (2021) 10 SCC 623 : (2021) 228 Comp Cas 1 wherein this Court categorically held as follows:*

"29. The jurisdiction which has been conferred upon the adjudicating authority in regard to the approval of a resolution plan is statutorily structured by sub-section (1) of Section 31. The jurisdiction is limited to determining whether the requirements which are specified in sub-section (2) of Section 30 have been fulfilled. This is a jurisdiction which is statutorily-defined, recognised and conferred, and hence cannot be equated with a jurisdiction in equity, that operates independently of the provisions of the statute. The adjudicating authority as a body owing its existence to the statute, must abide by the nature and extent of its jurisdiction as defined in the statute itself.

44. …the jurisdiction of the adjudicating authority and the appellate authority cannot extend into entering upon merits of a business decision made by a requisite majority of the CoC in its commercial wisdom. Nor is there a residual equity based jurisdiction in the adjudicating authority or the appellate authority to interfere in this decision, so long as it is otherwise in conformity with the provisions of IBC and the Regulations under the enactment."

(Underlining by us)"

76. *It is useful to notice observations made by the Hon'ble Supreme Court in Paragraph 12.5 and 13, which are as follows:*

"12.5. The issue is no longer res integra, the law having been settled that the commercial wisdom of the CoC enjoys primacy and cannot be supplanted by judicial review. Neither the NCLT, nor the NCLAT nor even this Court is empowered to substitute its assessment in place of the commercial decision arrived at by a requisite majority of the CoC.

13. The appeals before us typify the growing strategic use of the judicial system by unsuccessful resolution applicants, who seek to reopen almost every commercial decision under the guise of procedural impropriety. This converts the corporate resolution process into a protracted adversarial contest and erodes the value of the Corporate Debtor. Such an approach incentivises delay, rent-seeking, and strategic obstruction and is fundamentally inconsistent with the economic logic and statutory design of the IBC."

77. *The Hon'ble Supreme Court has also added few words of caution in Paragraph 14, 14.1 to 14.7, which are as follows:*

"14. Before parting, we wish to add a few words of caution. The IBC represents a conscious legislative choice to privilege speed, certainty, and creditor-driven decision-making over exhaustive judicial scrutiny. Experience shows 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 by filing applications or making representations. However, courts need to

remain vigilant against any temptation to expand the scope of review beyond the narrow boundaries prescribed by the IBC.

14.1. From an ex post perspective, excessive judicial review in the CIRP carries significant economic costs that run counter to the objects of IBC. The IBC is premised on the recognition that delay and uncertainty are value-destructive in distressed situations. When commercial decisions taken by the CoC are subjected to expansive judicial scrutiny, resolution timelines lengthen, transaction costs rise, and the going-concern value of the Corporate Debtor erodes. The consequence therefore is not merely delay, but a tangible loss of economic value for all stakeholders.

14.2. From an ex ante perspective also, the expectation of expansive judicial review distorts incentives for future bidders. Future resolution applicants may price legal uncertainty into their bids, either by discounting their offers or by refraining from participation in the CIRP altogether. This will weaken competition in the resolution process and reduce recoveries for creditors.

14.3. Excessive review also encourages strategic litigation. Stakeholders with little to no economic interest in the Corporate Debtor may resort to litigation as a bargaining tool to delay implementation of the Resolution Plan or extract concessions, thereby converting the insolvency process into an adversarial contest. Such conduct takes the process away from its objective of value maximisation.

14.4. This Court, in ***Swiss Ribbons Private Ltd. v. Union of India****, (2019) 4 SCC 17 : (2019) 213 Comp Cas 198, underlined that the IBC prioritises time-bound reorganisation to maximise*

asset value, revive corporate debtors as going concerns, and ultimately strengthen credit markets.

"27. …The Code is first and foremost, a Code for reorganisation and insolvency resolution of corporate debtors. Unless such reorganisation is effected in a time-bound manner, the value of the assets of such persons will deplete. Therefore, maximisation of value of the assets of such persons so that they are efficiently run as going concerns is another very important objective of the Code. This, in turn, will promote entrepreneurship as the persons in management of the corporate debtor are removed and replaced by entrepreneurs. When, therefore, a resolution plan takes off and the corporate debtor is brought back into the economic mainstream, it is able to repay its debts, which, in turn, enhances the viability of credit in the hands of banks and financial institutions. Above all, ultimately, the interests of all stakeholders are looked after as the corporate debtor itself becomes a beneficiary of the resolution scheme—workers are paid, the creditors in the long run will be repaid in full, and shareholders/investors are able to maximise their investment. Timely resolution of a corporate debtor who is in the red, by an effective legal framework, would go a long way to support the development of credit markets. Since more investment can be made with funds that have come back into the economy, business then eases up, which leads, overall, to higher economic growth and development of the Indian economy. …

28. It can thus be seen that the primary focus of the legislation is to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation. The Code is thus a beneficial

legislation which puts the corporate debtor back on its feet, not being a mere recovery legislation for creditors. The interests of the corporate debtor have, therefore, been bifurcated and separated from that of its promoters/those who are in management. Thus, the resolution process is not adversarial to the corporate debtor but, in fact, protective of its interests. The moratorium imposed by Section 14 is in the interest of the corporate debtor itself, thereby preserving the assets of the corporate debtor during the resolution process. The timelines within which the resolution process is to take place again protects the corporate debtor's assets from further dilution, and also protects all its creditors and workers by seeing that the resolution process goes through as fast as possible so that another management can, through its entrepreneurial skills, resuscitate the corporate debtor to achieve all these ends.

(Underlining by us)

4.5. From an institutional design point of view, the law must secure three interdependent economic freedoms viz. entry into the market, continuation of business operations under conditions of competitive neutrality, and exit from the market. While easy entry and operation enable risk-taking and value creation, exit performs a critical function too by ensuring that failure, an inevitable by-product of risk taking, is resolved efficiently rather than postponed indefinitely. An efficient insolvency resolution system performs an important allocative function: it preserves viable firms through timely reorganisation while ensuring swift liquidation and exit of non-viable businesses. Where insolvency laws are tardily enforced, viable firms are driven into failure, and non-viable firms are permitted to persist.

14.6. For the longest time under Indian law, the freedom of exit remained under-institutionalised. The enactment of the IBC was a decisive correction of this imbalance by introducing a predictable and time-bound mechanism for insolvency resolution. While predictability allows market participants to form stable expectations about enforcement outcomes, finality curtails strategic delay and rent-seeking, ensuring timely deployment of capital and labour into more productive use.

14.7. Predictability and finality are thus essential to maintaining a robust insolvency regime. Judicial intervention beyond the narrow statutory confines undermines both predictability and finality. Recognising this, the IBC deliberately confines judicial review to strict statutory compliance under Sections 30(2) and 61(3). Respecting these limits will preserve the economic sense of the IBC and ensure that insolvency remains a predictable, time-bound, and market-driven process.

78. *The above judgment, thus, has laid down that judicial intervention in the commercial wisdom of the CoC is narrow and statutorily confined. Further, one of the grounds, which has been recognised is the ground on which an Appeal can be entertained is "material irregularity". The present is a case where there is no challenge to the Resolution Plan submitted by Respondent No.3 on the ground of any violation of statutory provisions, i.e. Section 30 sub-section (2) of the IBC. Challenge is made on the claim of highest Plan value and higher NPV value of the Appellant and refusal of CoC to take Addendum submitted by the Appellant on 08.11.2025. We have already in foregoing paragraphs of this judgment has held that decision of CoC not to accept the Addendum was not an*

invalid decision. As noted above, for evaluation of the Resolution Plan, Evaluation Matrix and its parameters are paramount, which the CoC is obliged to consider. However, the CoC has not bound to approve a Resolution Plan, which has the highest score in Evaluation Matrix, which is clearly provided in the RFRP, nor the CoC is bound to approve a Resolution Plan, which has highest NPV, as noted above.

79. *We may also notice another recent judgment of the Hon'ble Supreme Court in* ***Power Trust (Promoter of Hiranmaye Energy Ltd.) vs. Bhuvan Madan and Ors. (Interim Resolution Professional of Hiranmaye Energy Ltd.) – [(2026) ibclaw.in 87 SC] : (2026) SCC OnLine SC 248*** *decided on 18.02.2026, which is a case where Promoter of the CD has challenged the order of NCLT and NCLAT, where CIRP has commenced against the CD. The Hon'ble Supreme Court, however, noticed that the Resolution Plan submitted by the Damodar Valley Corporation ("**DVC**") was approved by the CoC. The Promoter contended that the settlement proposal given by the Appellant was much higher than the accepted Resolution Plan submitted by the DVC. The Hon'ble Supreme Court in the above context has observed that commercial wisdom of the CoC to accept one Resolution Plan over another cannot be second-guessed by the Court. In Paragraph 42 of the judgment, following was laid down:*

"42. On October 29, 2024, while rejecting the appellant's third settlement proposal, the committee of creditors approved the resolution plan of the DVC. Thereafter, the appellant's fourth and fifth settlement proposals worth Rs. 1,606.86 crores and Rs. 1,671.86 crores respectively were also rejected by the committee

of creditors. ***The appellant argues its fifth settlement plan is offering to pay Rs. 1,671.86 crores and is more viable than the accepted resolution plan submitted by the DVC. It is trite law that the commercial wisdom of the committee of creditors to accept one resolution plan over another cannot be second-guessed by the*** *court [Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta[2020] 219 Comp Cas 97 (SC); (2020) 8 SCC 531; 2019 SCC OnLine SC 1478, paragraphs 62-64,* ***Ebix Singapore P. Ltd. v. Committee of Creditors of Educomp Solutions Ltd.[****2022] 231 Comp Cas 110 (SC); (2022) 2 SCC 401; (2022) 1 SCC (Civ) 586; 2021 SCC OnLine SC 707, paragraphs 157-158."*

17. In light of the extensive and unequivocal jurisprudence established by the Hon'ble Supreme Court and the Hon'ble NCLAT, it is a foundational, non-negotiable tenet of the Insolvency and Bankruptcy Code, 2016 (IBC) that the commercial wisdom of the Committee of Creditors (CoC) enjoys absolute primacy and remains entirely non-justiciable within the territory of judicial review.The Applicant's contention that the downward revision of the approved plan violates the principle of value maximization must be rejected, as this Triubnal cannot second-guess the well-informed business decisions of the creditors who ultimately bear the economic consequences of failure. Furthermore, as underscored by the Hon'ble Supreme Court, courts must remain highly vigilant against the "strategic use of the judicial system by unsuccessful resolution applicants" who attempt to spin essential commercial choices as procedural faults to secure a second shot through litigation. Such excessive and expansive judicial intervention carries severe economic costs, distorts future bidding incentives, fosters rent-seeking,

and fundamentally erodes the going-concern value of the Corporate Debtor by delaying resolution timelines.

18. The Applicant contends that due to this downward revision of the Plan , the COC and RP has failed to achieve one of the primary objectives of the Code which is maximization of the assets of the Corporate Debtor, while we do agree that the downward revision has led to a plan with less value being approved by the CoC , but it is also worth noting that many subsequent discoveries and developments have taken place that may have affected the market perception, with the discovery of third party land occupation, uncertainity regarding title, withdrawal of bidders , and prolonged litigation have significantly impacted the market perception, during the hearing on February 06,2026, an oral submission was made by the Counsel on behalf of the CoC that the Liquidation Value of the Corporate Debtor was approximately Rs. 292 Crores and Since the Resolution Plan value of Respondent Number 10 is higher than the Liquidation Value of the Corporate Debtor.
19. It is to be noted that due to many new discoveries and shift in market perception, some RAs had withdrwan or not submitted plans, if the CoCs did not allow the remaining participating RAs to submit their plan they wouldhave been pushed into liquidation and thus would have had to accept an even lower amount.Thus it can be said that the CoC are well within their rights to accept whatever plan they deem best fit according to the surrounding ciurcumstances as long as it is within the puview of Code and framework Provided.
20. We feel it is necessary to refer the judgement of the Hon'ble Supreme Court ***in Arcelormittal India Pvt. Ltd. v. Satish Kumar Gupta & Ors.,*** ***(2018) ibclaw.in 31 SC***, in which it was stated that :

"83. The only reasonable construction of the Code is the balance to be maintained between timely completion of the corporate insolvency

resolution process, and the corporate debtor otherwise being put into liquidation. We must not forget that the corporate debtor consists of several employees and workmen whose daily bread is dependent on the outcome of the corporate insolvency resolution process. If there is a resolution applicant who can continue to run the corporate debtor as a going concern, every effort must be made to try and see that this is made possible. "

21. Bearing in mind the core objectives of the Insolvency and Bankruptcy Code, 2016, and the settled legal framework governing the resolution process, this Tribunal is of the considered view that the commercial wisdom of the Committee of Creditors (CoC) is paramount, non-justiciable, and cannot be meddled with by the Adjudicating Authority. While the Applicant has vehemently contended that the downward revision of the Resolution Plan defeats the primary objective of maximizing the value of the Corporate Debtor's assets, such an argument overlooks the volatile commercial realities and subsequent adverse developments including the discovery of third-party land occupation, title uncertainties, the withdrawal of other prospective bidders, and prolonged litigation which severely diminished the market perception of the Corporate Debtor. In such a compromised commercial landscape, the CoC was faced with a pragmatic choice between accepting the highest remaining viable plan, which notably stands above the estimated liquidation value of approximately Rs. 292 Crores, or inevitably pushing the Corporate Debtor into liquidation. As underscored by the Hon'ble Supreme Court in *Arcelormittal India Pvt. Ltd. v. Satish Kumar Gupta & Ors.*, every effort must be made to maintain a delicate balance between timely completion of the corporate insolvency resolution process and ensuring the survival of the enterprise as a going concern, rather than forcing a corporate death

through liquidation. The CoC, in its collective commercial acumen, weighed the surrounding adverse circumstances, evaluated the commercial viability of the plan by Respondent Number 10, and exercised its statutory prerogative to avert liquidation,a decision that falls strictly within the purview and framework of the Code.

22. The Respondents have further contended that the Suspended directors cannot maintain a challenge to an approved resolution plan and have placed reliance on Shankar Mukherjee and Anr. v. Ravi Sethia RP and Ors., (2025) ibclaw.in 385 NCLAT, upon perusal of the submitted case it can be clearly inferred that the Suspended Board lack locus standi as they are not "persons aggrieved" and their rights were not affected by the plan. The relevant extarct from the case in given under :

> **61.** We note that the Adjudicating Authority, in dismissing the Application of the Appellant, explicitly held that the Appellants lacked locus standi, noting:
>
> *"31. His allegation of material irregularity fraud etc., is not substantiated by any evidence whatsoever. Therefore, merely on surmise and apprehensions plan cannot be challenged.*
>
> *32. …One who feels disappointed with the order is not the person aggrieved. He must be disappointed by a benefit that he would have received if the order (plan in this case) had gone the other way…"*
>
> *This finding, coupled with the NCLT's reliance on Supreme Court precedents, confirms the Appellants' lack of standing.*
>
> *c. The Hon'ble NCLAT in Jaydip Ghosh & Ors v. Niraj Agarwal & Ors. [CA (AT) (Ins) No. 839 of 2022] has held that suspended board*

members have no locus to challenge a resolution plan approved by the CoC and NCLT, stating:

"41. …law is settled on the point that the suspended Board of Directors have got no locus to file an appeal against the approval of the plan by CoC and finally approved by the Adjudicating Authority…"

Accordingly, the Appellants' appeal is liable to be dismissed on this ground alone.

d. The Appellants' attempt to challenge the Resolution Plan is contrary to the Code's objective of maximizing value and ensuring timely resolution, further underscoring the appeal's non-maintainability."

62. Based on above detailed observations, we do not find any error in the Impugned Order."

23. As firmly established by the Hon'ble NCLAT in *Shankar Mukherjee v. Ravi Sethia RP* and *Jaydip Ghosh v. Niraj Agarwal*, suspended directors do not qualify as "persons aggrieved" under the Code since an approved plan does not deprive them of any legal benefits they would have otherwise received, rendering their appeal non-maintainable.

ORDER

24. Since the approved plan satisfies all statutory mandates and reflects the deliberate, informed commercial choice of the creditors to preserve the Corporate Debtor as a going concern in the face of deteriorating market conditions, the contentions raised by the Applicant lack legal merit, and the present Application **I.A(I.B.C) No. 223/KB/2026** is hereby **dismissed.**

25. The Registry is directed to send e-mail copies of the order fortwith to all the parties and their Ld.Counsels for information and for taking necessary steps.
26. Certified Copy of this order maybe issued, if applied for, upon compliance with all requisite formalities.

CMDE Siddharth Mishra
Member (Technical)

Bidisha Banerjee
Member (Judicial)

The Order is Signed on this, the 10th day of June, 2026

RKM(LRA)