NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 1010 of 2026

[Arising out of the Impugned Order dated 13.04.2026 passed by the Adjudicating Authority, National Company Law Tribunal, Indore Bench, Indore) in IA No.280 of 2022 in TP No.152 of 2019 [CP(IB) No.99 of 2019]]

IN THE MATTER OF:

SHREE VARUN INFRATECH
Through Proprietor
Shri Jitendra Nagwani
D-1, Phase-I, Garden Homes, Alkapuri City Centre, Gawlior – 474011 (M.P.)
Email: jnagwanigwl@gmail.com **...Appellant(s)**

Versus

MR. JIGAR PRADIPCHANDRA SHAH
Resolution Professional of Hotline Glass Ltd.
B/801, Gopal Palace, Nr. Shiromnani Complex, Nehrunagar Cross Road, Nehrunagar, Ahmedabad – 380015 (Guj.)
Email: cirp.hotlineglass@gmail.com **...Respondent No. 1**

OMKARA ASSET RECONSTRUCTION PVT. LTD.
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Present:

For Appellant : CS Chaya Gupta.
For Respondents : Mr. Ashwini Chindorkar, Adv. for R1
Mr. Vivek Kumar and Mr. Akash Srivastava, Advocate for R2.

J U D G M E N T
(Hybrid Mode)

Per: Barun Mitra, Member (Technical)

The present appeal filed under Section 61 of the Insolvency and Bankruptcy Code, 2016 ('**IBC**' in short) by the Appellant arises out of the

Order dated 13.04.2026 (hereinafter referred to as the '**Impugned Order**') passed by the Adjudicating Authority (National Company Law Tribunal, Indore Bench, Indore) in I.A. No. 280 of 2022 in TP No. 152 of 2019 [CP(IB) No. 99 of 2019]. By the said impugned order, the Adjudicating Authority has directed a fresh and updated valuation report in respect of the assets of the Corporate Debtor by the Resolution Professional ('**RP**' in short). Being aggrieved by the impugned order, the Appellant has come up in appeal.

2. Dilating on the factual background and chronological sequence of events, the Ld. Counsel for the Appellant-Successful Resolution Applicant ('**SRA**' in short) submitted that the resolution plan of the Corporate Debtor was approved by the Committee of Creditors ('**CoC**' in short) with 100% vote share on 11.01.2021. The plan, as approved by the CoC, was filed before the Adjudicating Authority by the RP under Section 31 of the IBC for approval in 2022. The plan approval application was heard by the Adjudicating Authority and was reserved for orders on 16.06.2023. However, before the order could be passed, the Bench got reconstituted. Hence, the plan approval application got relisted for hearing and on 14.10.2024, the Adjudicating Authority again reserved the matter for orders. However, no order came to be passed by the Adjudicating Authority. The matter was reheard again on 22.09.2025 and though kept reserved for orders continued to remain pending. Eventually on 13.04.2026, the Adjudicating Authority passed the impugned order directing fresh and updated valuation report in respect of the assets of the Corporate Debtor by the RP. Aggrieved by the impugned order, the Appellant has come up in appeal.

3. The Ld. Counsel for the Appellant submitted that the plan had been submitted by the SRA on the basis of information contained in the Information Memorandum, Valuation Reports and other relevant data/records made available during the CIRP. The said plan was approved by the CoC in its commercial wisdom more than five years back. The plan approval application, however, remained pending before the Adjudicating Authority and much later on the ground that the value of the assets of the Corporate Debtor was likely to have undergone substantial change during the intervening period, the Adjudicating Authority directed the RP to obtain a fresh and updated valuation report and submit the same before the CoC for its consideration. It was vehemently asserted that the impugned order of the Adjudicating Authority directing fresh valuation of the assets of the Corporate Debtor is contrary to the settled principles governing the limited jurisdiction of the Adjudicating Authority under Section 31 of the IBC and amount to impermissible interference with the commercial wisdom of the CoC. Reliance was placed on the judgement of the Hon'ble Supreme Court in ***K. Sashidhar v. Indian Overseas Bank***, ***(2019) 12 SCC 150*** where it has been held that the commercial decision of the CoC in approving or rejecting a resolution plan is not justiciable on its merits and neither the Adjudicating Authority nor the Appellate Authority can substitute the commercial evaluation and assessment done by the CoC whether on grounds of fairness, equity or otherwise.

4. Assailing the impugned order, it was further submitted that the delay in the consideration of the resolution plan by the Adjudicating Authority was not on account of any fault which was attributable to the SRA but due to pendency of the proceedings before the Adjudicating Authority partly due to

reconstitution of the Bench and due to proceedings initiated by other stakeholders. In such circumstances, the conduct of fresh valuation as directed by the Adjudicating Authority would effectively mean reopening of the CIRP process. Any fresh valuation exercise would materially alter the commercial and financial basis of the approved plan which in turn would unsettle the entire resolution process which had attained finality upon approval of the plan by the CoC. Allowing any such valuation would cause commercial injury and prejudice to the interests of the Appellant-SRA having already deposited substantial amounts towards EMDs and furnished Performance Bank Guarantee leading to substantial financial exposure. Attention was drawn to the judgement of the Hon'ble Supreme Court in ***Torrent Power Ltd. vs. Ashish Arjunkumar Rathi & Ors.***, ***2026 INSC 206*** wherein it held that decision concerning the viability, valuation and acceptable commercial terms of a plan are primarily matters falling within the domain of CoC and that the primacy of the CoC's commercial wisdom operates as long as the decision of the CoC is in conformity with the provisions of the IBC, CIRP Regulations and the Process Documents as in the facts of the present case.

5. The Respondent No. 2-Omkara Asset Reconstruction Pvt. Ltd. in their pleadings have submitted that they have no grievance as such against the Appellant-SRA or any objections to their prayers in the present proceedings for the only issue requiring determination is the legal validity, propriety and effect of the direction given by the Adjudicating Authority to the RP for conducting a fresh valuation.

6. Heard the parties and perused the records carefully.

7. The short issue before us is whether in the given factual matrix it lies within the jurisdiction of Adjudicating Authority to direct a fresh valuation at this stage when the resolution plan is approved in the exercise of its commercial wisdom by the CoC with 100% vote strength.

8. From the material on record, it is abundantly clear that the plan approval application had remained under judicial consideration for a considerable long period of time. There are also no two views on the factum that the delay in final adjudication of the plan was not on account of any omission, negligence or inactivity on the part of the SRA. This is not a case where there is any allegation of any misconduct, irregularity, inaction, omission or breach which is found against the Appellant-SRA. Moreover, we do not find anything available on record which shows that any objections or doubts were expressed at the relevant stage regarding the manner of conduct of the valuation process or the outcome of this valuation exercise. Further no subsequent material event has been brought to notice which can be said to have adversely affected the statutory compliances or maintainability of the resolution plan. When we see the impugned order, there is no mention therein that the Adjudicating Authority in its assessment found the plan to violate the provisions of Sections 30(2) or 31 of the IBC.

9. Could then the Adjudicating Authority on its own steam have compelled the RP to undertake fresh valuation without the CoC having taken any such decision?

10. We are guided by the judicial precedent laid down by the Hon'ble Supreme Court in ***Ramkrishna Forgings Ltd. v. Ravindra Loonkar, RP of***

ACIL Ltd. and Anr. in Civil Appeal No. 1527 of 2022 wherein it was held in that case that since the CoC in that case had exercised its commercial wisdom and approved the Resolution Plan which was thereafter put up before the Adjudicating Authority for approval, the Adjudicating Authority had exceeded its jurisdiction in passing the direction for revaluation. The relevant paras of the above judgement also succinctly notice some of the other judicial precedents laid down by the Hon'ble Apex Court enunciating the legal precept that the Adjudicating Authority being a creature of statute cannot exercise an independent or residual equitable jurisdiction beyond the provisions of the IBC which paras are as extracted hereunder:

> *"27. Having considered the matter in depth, the Court is unable to uphold the decisions rendered by the Adjudicating Authority – NCLT as also the NCLAT. The moot question involved is the extent of the jurisdiction and powers of the Adjudicating Authority to go on the issue of revaluation in the background of the admitted and undisputed factual position that no objection was raised by any quarter with regard to any deficiency/irregularity, either by the RP or the appellant or the CoC, in finally approving the Resolution Plan which was sent to the Adjudicating Authority-NCLT for approval. Further, the statutory requirement of the RP involving two approved valuers for giving reports apropos fair market value and liquidation value was duly complied with and the figures in both reports were not at great variance. Significantly, the same were then put up before the CoC, which is the decision maker and in the driver's seat, so to say, of the Corporate Debtor.* ***K Sashidhar*** *(supra) and* ***Committee of Creditors of Essar Steel India Ltd.*** *(supra) are clear authorities that the CoC's decision is not to be subjected to unnecessary judicial scrutiny and intervention. This came to be reiterated in* ***Maharashtra Seamless Limited*** *(supra), which also emphasised that the CoC's commercial analysis ought not to be qualitatively examined and the direction therein of the NCLAT to direct the successful Resolution Applicant to enhance its fund flow was disapproved of by this Court. Thus, if the CoC, including the FC(s) to whom money is due from the Corporate Debtor, had undertaken repeated negotiations with the appellant with regard to the Resolution Plan and thereafter, with a majority of 88.56% votes, approved the final negotiated Resolution Plan*

of the appellant, which the RP, in turn, presented to the Adjudicating Authority-NCLT for approval, unless the same was failing the tests of the provisions of the Code, especially Sections 30 & 31, no interference was warranted. In ***Kalpraj Dharamshi v Kotak Investment Advisors Limited****, (2021) 10 SCC 401, the Court concluded that '… in view of the paramount importance given to the decision of CoC, which is to be taken on the basis of "commercial wisdom", NCLAT was not correct in law in interfering with the commercial decision taken by CoC by a thumping majority of 84.36%."*

28. In ***Pratap Technocrats Private Limited*** *(supra), the Court, after considering the relevant case-laws, pointed out that the Indian Legislature had departed from foreign insolvency regimes, as under:*

> *'44. These decisions have laid down that 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.*
>
> *45. Certain foreign jurisdictions allow resolution/reorganisation plans to be challenged on grounds of fairness and equity. One of the grounds under which a company voluntary arrangement can be challenged under the United Kingdom's Insolvency Act, 1986 is that it unfairly prejudices the interests of a creditor of the company. The United States' Bankruptcy Code provides that if a restructuring plan has to clamp down on a dissenting class of creditors, one of the conditions that it should satisfy is that it does not unfairly discriminate, and is fair and equitable. However, under the Indian insolvency regime, it appears that a conscious choice has been made by the legislature to not confer any independent equity based jurisdiction on the adjudicating authority other than the statutory requirements laid down under sub-section (2) of Section 30 IBC.*
>
> *47. Hence, once the requirements of IBC have been fulfilled, the adjudicating authority and the appellate authority are duty-bound to abide by the discipline of the statutory provisions. It needs no emphasis that neither the adjudicating authority nor the appellate authority have an unchartered jurisdiction in equity. The jurisdiction arises within and as a product of a statutory framework.'*

30. At this juncture, it also cannot be lost sight of that it is for the FC(s) who constitute the CoC to take a call, one way or the other. Stricto sensu, it is now well-settled that it is well within the CoC's domain as to how to deal with the entire debt of the Corporate Debtor. In this background, if after repeated negotiations, a Resolution Plan is submitted, as was done by the appellant (Resolution Applicant), including the financial component which includes the actual and minimum upfront payments, and has been approved by the CoC with a majority vote of 88.56%, such commercial wisdom was not required to be called into question or casually interfered with. Surprisingly, the discussion in both orders is wanting, except for the difference in the figure of the total outstanding dues and the amount of money which the appellant was to put up initially for taking over the Corporate Debtor, for this Court to understand as to what other reasons, grounded in the Code's provisions, compelled the Adjudicating Authority-NCLT to embark upon the novel path of ordering revaluation by the OL. At the cost of repetition, nobody had moved before the NCLT or raised any objection challenging the Resolution Plan pending approval. Even the NCLAT has only indicated that when "figures of crores" are emerging stage-wise, "then there is no harm to look at the Expert opinion", which the Adjudicating Authority-NCLT in this case has asked for.

31. It is worthwhile to note that the Adjudicating Authority has jurisdiction only under Section 31(2) of the Code, which gives power not to approve only when the Resolution Plan does not meet the requirement laid down under Section 31(1) of the Code, for which a reasoned order is required to be passed. We may state that the NCLT's jurisdiction and powers as the Adjudicating Authority under the Code, flow only from the Code and the Regulations thereunder. It has been held in ***Jaypee Kensington Boulevard Apartments Welfare Association v NBCC (India) Limited****, (2022) 1 SCC 401:*

> *'273.1. The adjudicating authority has limited jurisdiction in the matter of approval of a resolution plan, which is well-defined and circumscribed by Sections 30(2) and 31 of the Code. In the adjudicatory process concerning a resolution plan under IBC, there is no scope for interference with the commercial aspects of the decision of the CoC; and there is no scope for substituting any commercial term of the resolution plan approved by the Committee of Creditors. If, within its limited jurisdiction, the adjudicating authority finds any shortcoming in the resolution plan vis-à-vis the specified parameters, it would only send the resolution plan back*

to the Committee of Creditors, for re-submission after satisfying the parameters delineated by the Code and exposited by this Court.'

(Emphasis supplied)

11. A perusal of the above judgement clearly shows that the Hon'ble Supreme Court had set aside the order of the Adjudicating Authority directing for valuation since the question of valuation had been raised after approval of the Resolution Plan by the CoC. The above judgement establishes the key principle is that the commercial wisdom of the CoC is paramount and non-justiciable, meaning thereby that the Adjudicating Authority cannot ordinarily interfere with or review the CoC's decision once a resolution plan is approved by the CoC unless it finds that the plan does not comply with the requirements of Section 30(2) of the IBC.

12. This Appellate Tribunal in ***Committee of Creditors v. Anil Tayal, Resolution Professional of Horizon Buildcon Pvt. Ltd. in CA(AT)(Ins.) No. 1633 of 2023*** has applied the above principles laid down in the ***Ramkrishna Forgings*** judgement of the Hon'ble Apex Court. The relevant paras are as reproduced below:

8. …… Valuation has been obtained as per Regulations and Resolution Plan has been already approved, we, thus, are of the view that the Adjudicating Authority did not commit any error in rejecting the application filed by the Appellant.

9. Learned counsel for the Respondent has relied on judgment of Hon'ble Supreme Court in "Ramkrishna Forgings Limited vs. Ravindra Loonkar, Resolution Professional of ACIL Ltd. & Anr., Civil Appeal No.1527 of 2022" decided on 21.11.2023. In the said case, after approval of the Resolution Plan question of valuation was sought to be raised and the Adjudicating Authority has directed for valuation, which order was set aside by the Hon'ble Supreme Court. The said judgment fully supports the submission of learned counsel for the Respondent.

13. This brings us to the judgement of the Hon'ble Supreme Court of India in ***Torrent Power Ltd. supra*** which has been relied upon by the Appellant. We find that this judgement after taking note of the judicial precedents established by the Hon'ble Apex Court in ***K. Shashidhar (supra); Kalyani Transco Vs. Bhushan Power & Steel Ltd., 2025 SCC OnLine SC 2093; Committee of Creditors of Essar Steel India Ltd. Vs. Satish Kumar Gupta, (2020) 8 SCC 531 and Pratap Technocrats Pvt. Ltd. Vs. Monitoring Committee of Reliance Infratel Ltd. (2021) 10 SCC 623*** held that the courts need to remain vigilant against any temptation to expand the scope of review beyond the narrow boundaries prescribed by the IBC. Para 12.5 of the said judgment reads as under:

> *"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."*

This judgment squarely comes to the rescue of the Appellant in that it held that the scope for judicial intervention in a challenge to a commercial decision taken by the CoC is limited and attempt at excessive and expansive judicial review runs counter to the objects of the IBC.

14. We also notice that even this Appellate Tribunal in ***Central Bank of India Vs. Bijendra Kumar Jha and Ors. in CA(AT)(Ins) No. 713 of 2025*** held that once CoC has considered at length the valuation report and approved the plan, the Adjudicating Authority cannot interfere with the commercial decision taken by the CoC as the scope of judicial review available

to the Adjudicating Authority is limited. The relevant portion of the judgement is reproduced as under:

> *'22.The present is a case where CoC in its commercial wisdom has approved the Resolution Plan. The valuation report as required by Regulation 35 of the CIRP Regulations is shared with all members of the CoC. All members of the CoC have deliberated on the valuation report and approved the plan. As held by the Hon'ble Supreme Court in "K. Sashidhar v. Indian Overseas Bank & Ors.- (2019) 12 SCC 150", the commercial wisdom of the CoC in approving the Resolution Plan is not to be interfered with in exercise of judicial review by the Adjudicating Authority or by this Tribunal.... '*

15. Having perused the law propounded by the Hon'ble Supreme Court as well as by this Appellate Tribunal in its various judgements, we cannot but conclude that ultimately, it is the commercial wisdom of the CoC which holds sway to decide and approve what is the best resolution plan. It is well settled that while considering a resolution plan under Section 31 of the IBC, the jurisdiction of the Adjudicating Authority is circumscribed by Section 30(2) of IBC and it cannot analyse or evaluate or sit on judgment over the commercial decision of the CoC. Sections 30(2) and 31 of the IBC outlines the statutory construct for scrutiny of a resolution plan by the Adjudicating Authority which is as to whether the requirements of Section 30(2) stands met and whether it provides for its effective implementation. The jurisdiction is not an open-ended power to reassess commercial merits or to substitute a judicial view for the commercial decision of the CoC. It is not for the Adjudicating Authority to consider or evaluate the rationale underlying the commercial decision of the CoC. The Adjudicating Authority can reject the resolution plan only when there is non-compliance of Section 30(2) of IBC and in the present

case the impugned order does not put forth grounds to show how the plan does not conform to Section 30(2) of IBC.

16. Once a valuation report is submitted by the RP to the CoC and the CoC is satisfied with the same, the Adjudicating Authority cannot go into the question of valuation of the assets conducted by the RP during the CIRP and that too when resolution plan has been approved by the CoC with 100% voting share. In the absence of any demonstrated statutory or procedural irregularity; mere passage of time alone cannot justify reopening valuation and disturbing the CoC's commercial decision. The Adjudicating Authority with the limited powers of judicial review available to it cannot substitute its views with the commercial wisdom of the CoC. We have no doubts in our minds that the above-cited judgements fully support the submission of the Appellant that once the valuation reports had been placed before the CoC which thereafter approved the resolution plan, there is no valid justification on the part of the Adjudicating Authority for directing re-valuation of the assets of the Corporate Debtor. The Appellant cannot be made to bear the commercial consequences of prolonged pendency of the approval application by being subjected to a fresh valuation exercise, particularly when no default or irregularity is attributable to the Appellant.

17. In view of the facts and circumstances of the case and judicial precedents, we are of the considered view that the impugned order fails to sustain. In result, the impugned judgment passed by the Adjudicating Authority is set aside. The Appeal is allowed. The matter is remitted back to the Adjudicating Authority to pass a fresh order on IA (Plan) No. 280 of 2022

filed by the RP for the approval of the Resolution Plan and for this purpose the aforesaid IA is revived before the Adjudicating Authority for fresh decision. Since the plan has been approved by the CoC in 2021 and has remained pending before the Adjudicating Authority since 2022, we request the Adjudicating Authority to dispose of the Plan approval application strictly in accordance with law stated above, at an early date, preferably within 60 days from the date of this order. No order as to costs.

[Justice Yogesh Khanna]
Officiating Chairperson

[Barun Mitra]
Member (Technical)

New Delhi
19th November, 2026
Sheetal/Farhan