



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IBC Case Law Capsule

Number 258

(January 12, 2026)



**Bank of Baroda vs IDBI Bank Limited & Ors.
Company Appeal (AT) (Insolvency) No. 1708 of 2025
Date of NCLAT Judgment: 23rd December 2025**

Facts of the Case: -

The present appeal was filed by Bank of Baroda (“the Appellant”), an assenting financial creditor of the Corporate Debtor, challenging the order dated 10.10.2025 passed by the National Company Law Tribunal, Mumbai Bench–I, whereby an interlocutory application (“I.A.”) filed by IDBI Bank Ltd., a dissenting financial creditor, was allowed. Aggrieved by the said order, the Appellant preferred the present appeal.

The Corporate Insolvency Resolution Process (“CIRP”) of Reliance Communications Infrastructure Limited commenced on 26.09.2019. Reliance Projects & Property Management Services Limited submitted a resolution plan, which was considered in the 18th meeting of the Committee of Creditors (“CoC”) held on 05.08.2021. The resolution plan was approved by a voting share of 67.97%, with the Appellant voting in favour, while IDBI Bank, State Bank of India, and certain other financial institutions dissented. Thereafter, the Resolution Professional filed an application under Section 30(6) of the Insolvency and Bankruptcy Code, 2016 (“the Code”) for approval of the resolution plan.

Subsequently, the Appellant filed an application seeking reallocation of distribution under the resolution plan concerning the Reliance Bhutan Loan. Pursuant to directions of the Adjudicating Authority, a CoC meeting was convened on 27.10.2023, wherein a resolution approving reallocation and reassignment of the said loan was passed with 67.55% majority, though IDBI Bank and State Bank of India dissented. The Adjudicating Authority later approved the resolution plan on 19.12.2023.

IDBI Bank thereafter filed an I.A. challenging the CoC’s decision on reallocation. By order dated 10.10.2025, the Adjudicating Authority allowed the application, holding that the approved resolution plan could not be modified by reallocating the Reliance Bhutan Loan to dissenting financial creditors. Aggrieved by this decision, the Appellant filed the present appeal.



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NCLAT's Observations:

After duly hearing all the concerned parties, the Appellate Tribunal reiterated that in terms of Section 30(4) of the Code, the commercial wisdom of the CoC is exercised at the stage of approval of the Resolution Plan, including decisions relating to the manner of distribution. Once a Resolution Plan is approved, it attains finality and becomes binding on all stakeholders, including the CoC itself. The Tribunal observed that in the present case, the Resolution Plan expressly provided for assignment of the Reliance Bhutan Loan exclusively in favour of the assenting financial creditors, and any subsequent proposal to reallocate or reassign the said loan would amount to an impermissible modification of the approved Resolution Plan.

While interpreting Clause 3.3.20 of the Resolution Plan, the Tribunal held that the expression “such other entity” could not be expansively construed to include dissenting financial creditors. It was clarified that the said expression was intended only to facilitate implementation-related arrangements, such as creation of trusts or nominee entities, for the benefit of approving financial creditors, and not to alter the distribution framework approved by the CoC.

The Tribunal further rejected the plea of res judicata raised by the Appellant, holding that the earlier orders dated 17.10.2023 and 10.11.2023 were purely procedural in nature, as they merely directed convening of a CoC meeting and did not adjudicate any issue on merits. Placing reliance on the judgments of the Hon'ble Supreme Court in *K. Sashidhar v. Indian Overseas Bank* and *State Bank of India v. Consortium of Murari Lal Jalan*, the Tribunal reaffirmed that while the commercial wisdom of the CoC is generally non-justiciable, it cannot be invoked to justify post-approval alterations that are contrary to the provisions of the Code or the terms of the approved Resolution Plan.

Order/Judgement: Considering the facts and circumstances of the case as highlighted above, the Appellate Tribunal dismissed the appeal and upheld the order passed by the Adjudicating Authority, holding that the post-approval reallocation of the Reliance Bhutan Loan was contrary to the approved Resolution Plan and not binding on the dissenting financial creditors.

Case Review: *Appeal Dismissed.*