An unsolicited post-submission “addendum” that alters payout tranches or equity infusion is a modification of the resolution plan and the CoC’s reasoned decision not to consider such addendum is within its commercial wisdom and is not liable to judicial interference absent any violation of Section 30(2) or Section 61(3) of the IBC

The **National Company Law Appellate Tribunal (NCLAT)** in the case of **Vedanta Ltd vs Bhuvan Madan, Resolution Professional of Jaiprakash Associates [Company Appeal (AT) (Insolvency) Nos. 552 & 553 of 2026] dated May 04, 2026**, has held that where the Request for Resolution Plan (RFRP) and Process Note treat the financial proposal at the close of the Challenge Process as final and prohibit subsequent modification, an unsolicited post-submission “addendum” that alters payout tranches or equity infusion is a modification of the resolution plan and not a mere clarification.

Accordingly, the NCLAT held that the CoC’s reasoned decision not to consider such addendum is within its commercial wisdom and is not liable to judicial interference absent any violation of Section 30(2) or Section 61(3) of the Insolvency & Bankruptcy Code, or any material irregularity in the process. Further, neither the highest Net Present Value (NPV) nor a higher gross plan value gives a resolution applicant any right to approval, since the CoC is entitled to evaluate plans as a whole in accordance with the Evaluation Matrix, feasibility, viability, and other process documents.

Thus, the NCLAT upheld the NCLT’s rejection of Vedanta’s challenge application, as well as approval of Adani Enterprises Ltd.’s resolution plan for acquisition of Jaiprakash Associates Ltd (JAL).

The Tribunal noted that Vedanta’s Addendum was not merely clarificatory, but it had the effect of modifying the financial proposal in two material respects: substantially increasing upfront payment and doubling equity infusion. The Tribunal noted that Vedanta itself had pleaded before the NCLT that, with the Addendum, its score under the Evaluation Matrix would have improved considerably and it would have emerged as the highest scorer.

The Tribunal relied on the Process Note clauses which prohibited any upward or downward revision after the Challenge Process and treated the highest proposal at closure as final and binding. It specifically referred to Clauses 13.9, 13.19 and 14.2(xv), which barred subsequent modification of the final commercial proposal. The Tribunal held that, although the CoC may in commercial wisdom abandon a process and start afresh, it was not bound to do so. Since the CoC considered the Addendum in the 24th CoC meeting, recorded reasons, and concluded that accepting it would be contrary to the RFRP/Process Note and impracticable within timelines, the decision not to accept the Addendum was neither invalid nor untenable.

On value maximisation, the Tribunal accepted that maximisation of asset value is an important objective of the IBC, but emphasized that it operates within a time-bound resolution framework and does not override the structure of the process or the CoC’s commercial wisdom. It also reiterated that the fundamental object of the IBC is resolution and revival, not mere recovery.

The Tribunal rejected Vedanta's argument that highest NPV or higher gross plan value compelled approval of its plan. It noted that the Process Note expressly stated that the CoC was under no obligation to approve the plan with the highest NPV or the highest score under the Evaluation Matrix. The Tribunal also held that the CoC had in fact considered Vedanta's plan in the 23rd CoC meeting. The submission that the CoC abdicated its jurisdiction in favour of BDO was rejected because BDO was an adviser engaged under the RFRP, the CoC discussed its report, raised queries, required a reconsideration of qualitative scoring, and thereafter proceeded to vote.

The Tribunal found no material irregularity by the RP, as the RP's email stating that the Addendum "appears" to violate the Process Note was treated as only a tentative opinion while seeking CoC views, and not as conduct amounting to material irregularity under Section 61(3). Thus, the Tribunal reaffirmed the narrow scope of judicial review over CoC decisions.