In.Corp
An ascentium Company

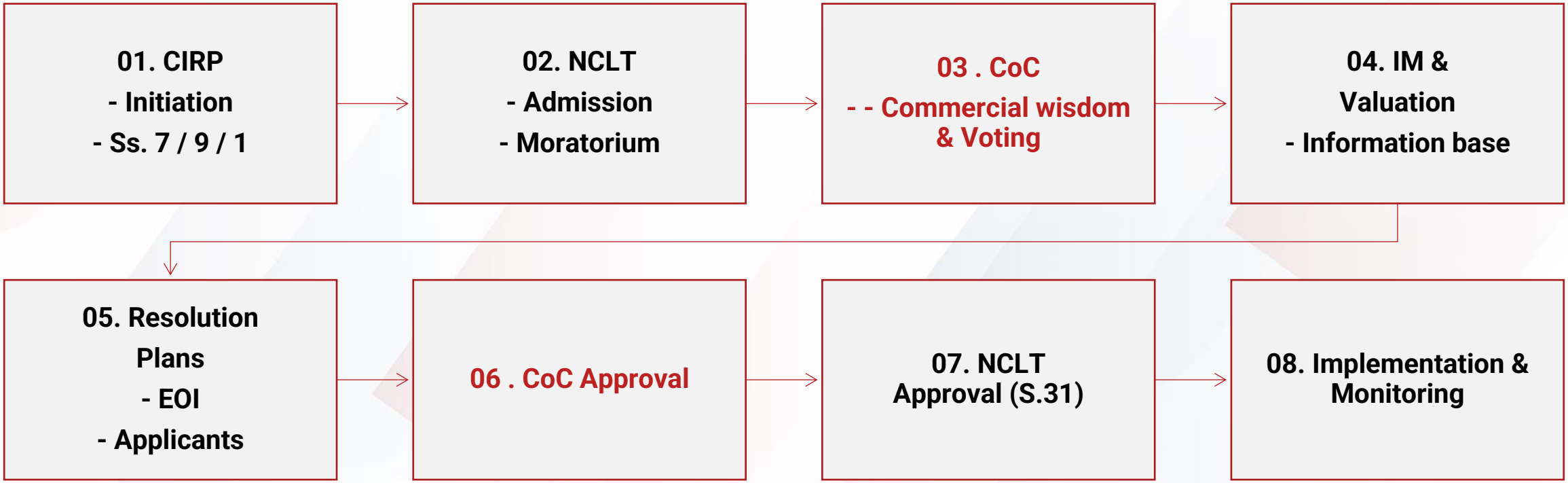
# COC & Resolution Plan:

## From Commercial Wisdom To Resolution

ICAI Hyderabad Chapter || October 25, 2026

# Committee Of Creditors (CoC)

# Where Does the CoC Fit in CIRP?




***The CoC is the central commercial decision-making body in the CIRP resolution stage.***


©2025 InCorp Group of Companies. All Rights Reserved.

# CoC Legal Framework & Voting Requirements

| IBC Provision | Key Area(s) | Voting Threshold |
|---|---|---|
| **Section 21** | Constitution of CoC | — |
| **Section 22** | Appointment of RP | **66%** |
| **Section 24** | CoC Meetings | — |
| **Section 25A** | Authorised Representative | — |
| **Section 27** | Replacement of RP | **66%** |
| **Section 28** | Approval for specified actions | **66%** |
| **Section 30(4)** | Resolution Plan approval | **66%** |
| **Section 12A** | Withdrawal of CIRP | **90%** |
| **Section 12(2)** | Extension of CIRP period | **66%** |


©2025 InCorp Group of Companies. All Rights Reserved.

# Constitution of the CoC : Section 21

01



## Constitution

Financial creditors constitute the CoC after verification of claims.

02



## Members

Primarily comprises financial creditors.

03



## Voting Rights

Based on each creditor's share of financial debt.

04



## Operational Creditors

May participate in specified cases but generally have no voting rights.

05



## Purpose

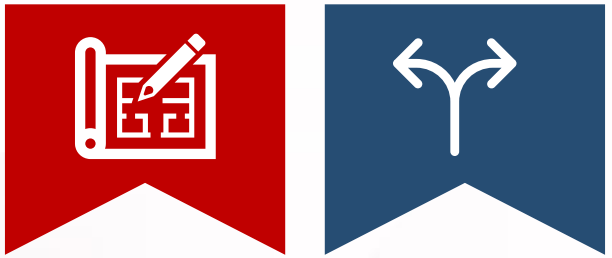
Principal commercial decision-making body during CIRP.



©2025 InCorp Group of Companies. All Rights Reserved.

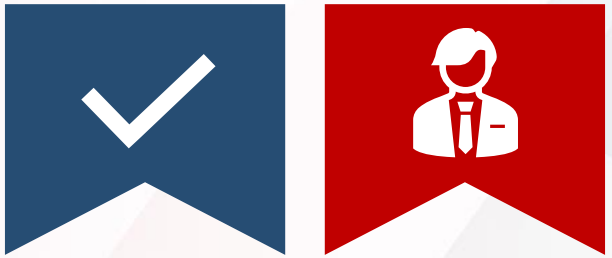
# Role & Powers of the CoC

**Resolution Plan Evaluation**
Reviews and evaluates resolution plans.



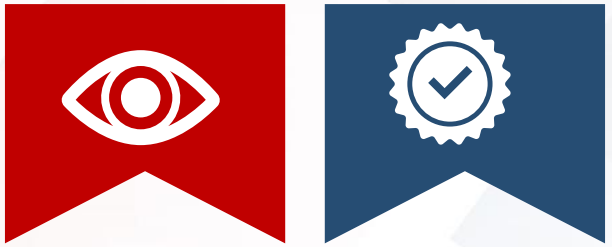
**Strategic Decision-Making**
Takes key commercial decisions during CIRP.

**Voting**
Exercises decision-making power through prescribed voting thresholds.



**Appointment of RP**
May confirm or replace the Resolution Professional.

**Oversight**
Monitors the CIRP and the performance of the Resolution Professional.



**Approval of Key Actions**
Approves specified actions requiring CoC consent.


©2025 InCorp Group of Companies. All Rights Reserved.

# First CoC Meeting: Timing & Key Decisions

**Timing:** First CoC meeting must be held within 7 days of CoC constitution.

**RP:** CoC decides whether to confirm or replace the IRP as Resolution Professional.

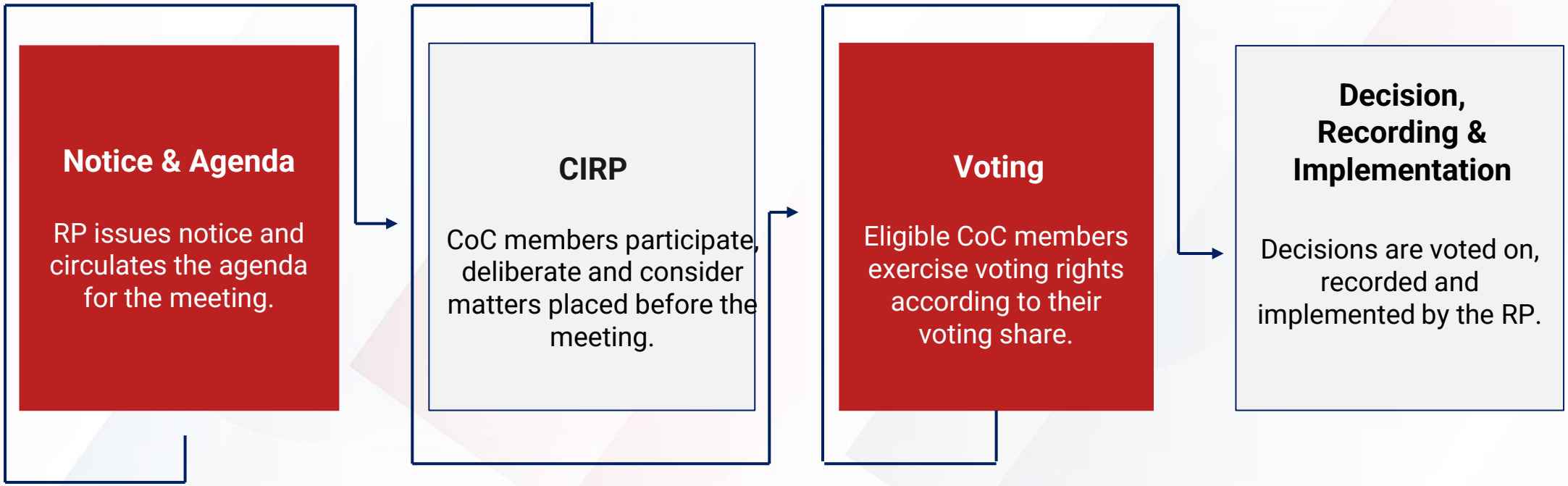


**CIRP Matters:** Key matters concerning the conduct of the CIRP are discussed.

**Voting:** Appointment/replacement of RP requires at least 66% voting share.

©2025 InCorp Group of Companies. All Rights Reserved.

# CoC Meeting & Decision-Making Process




©2025 InCorp Group of Companies. All Rights Reserved.

# The Concept of ‘Commercial Wisdom’

**Financial Returns**

Recovery & value maximization

**Feasibility & Viability**

Ability of the business to survive

***CORE PRINCIPLE***

Commercial Wisdom

**Risk Assessment**

Financial & implementation risks

**Prospects**

Long-term business sustainability

**CoC assesses the plan and determines which one is commercially viable.**

**Judicial position:** Courts generally review statutory compliance; the CoC retains the commercial assessment of the resolution plan.


©2025 InCorp Group of Companies. All Rights Reserved.

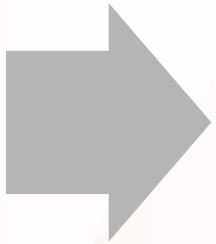
# Limits of CoC Commercial Wisdom

**COC DISCRETION**

**Commercial Wisdom**

CoC assesses what is commercially feasible and viable.

- Financial returns
- Business viability
- Risk and implementation



**LEGAL BOUNDARY**

**Subject to the IBC**

**Section 30(2):** Mandatory statutory requirements

**CIRP Regulations:** Procedural compliance

**Judicial Review:** Legal & procedural compliance

**COMMERCIAL WISDOM ≠ UNLIMITED DISCRETION**

The CoC decides commercially — but within the statutory framework of the IBC.



©2025 InCorp Group of Companies. All Rights Reserved.

# Landmark Case: K. Sashidhar v. Indian Overseas Bank

| ISSUE | SC RULING | PRINCIPLE |
| --- | --- | --- |
| **Whether NCLT/NCLAT can interfere with the CoC's commercial decision?** | ➢ CoC's commercial decision has primacy.<br>➢ NCLT/NCLAT cannot substitute their commercial judgment.<br>➢ Judicial review is limited to IBC compliance. | **"Commercial wisdom of the CoC is generally non-justiciable, subject to compliance with the IBC"** |

***CoC decides on commercial merits; the adjudicating authority reviews statutory compliance.***


©2025 InCorp Group of Companies. All Rights Reserved.

# Landmark Case: *Essar Steel India Ltd. v. Satish Kumar Gupta* (2019)

**ISSUE**

**Whether the CoC has discretion to decide the distribution of proceeds among different classes of creditors?**

**SC RULING**

- CoC has commercial primacy over distribution.
- Equal treatment is not mandatory for different creditor classes.
- NCLT/NCLAT cannot substitute the CoC's commercial judgment.

**PRINCIPLE**

**"Equitable treatment" does not mean "equal treatment" of all creditors**

***CoC can differentiate between creditors, provided the resolution plan complies with the IBC.***


©2025 InCorp Group of Companies. All Rights Reserved.

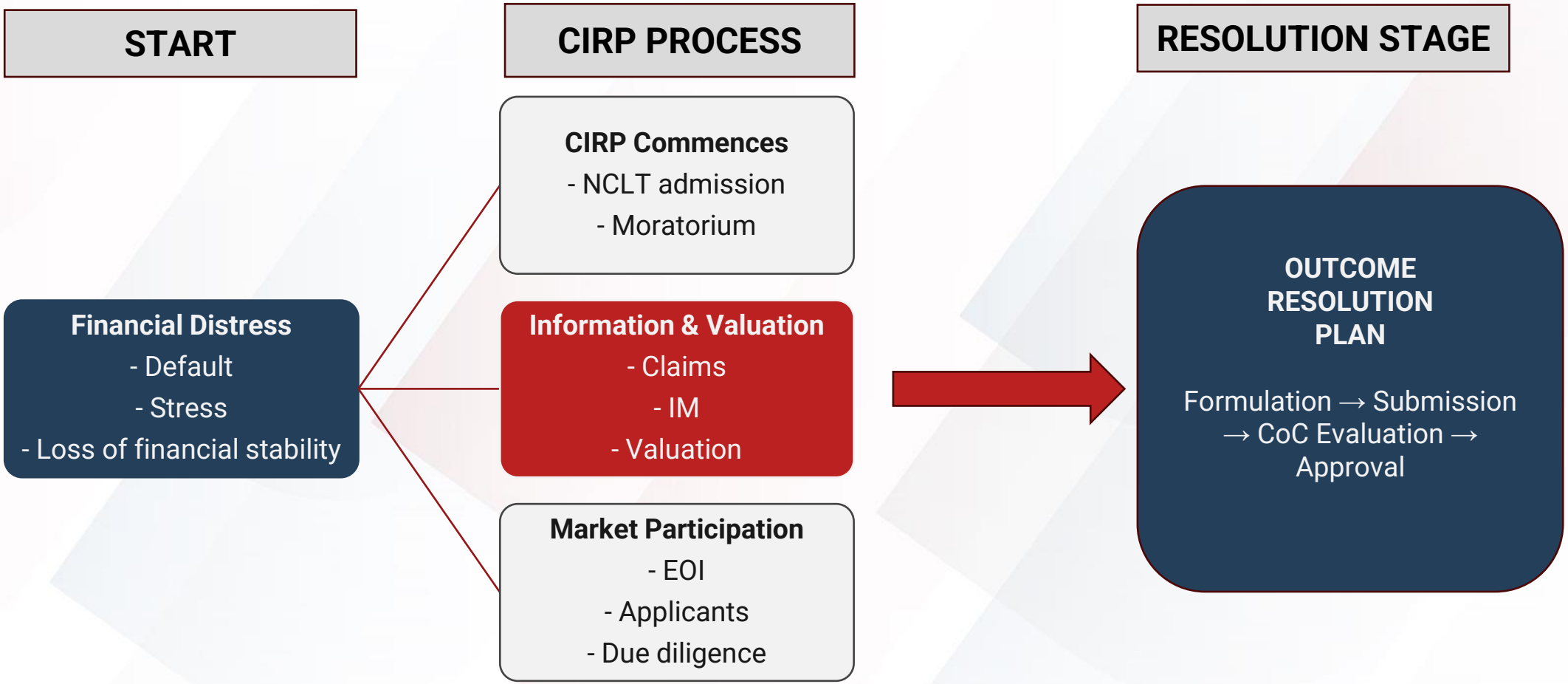
# Landmark Case: *M.K. Rajagopalan v. Dr. Periasamy Palanisamy* (2023)

| ISSUE | SC RULING | PRINCIPLE |
| --- | --- | --- |
| **Whether CoC's commercial wisdom is completely immune from judicial scrutiny when approving a resolution plan?** | ➢ Commercial wisdom is not absolute.<br>➢ CoC must comply with Section 30(2).<br>➢ NCLT can review statutory non-compliance. | **"Commercial wisdom" cannot be used to override mandatory provisions of the IBC.** |

***CoC's commercial wisdom is broad but remains subject to the IBC's statutory requirements***.


©2025 InCorp Group of Companies. All Rights Reserved.

# From Financial Distress to Resolution




©2025 InCorp Group of Companies. All Rights Reserved.



# From Distress To Resolution

# Who Can Submit a Resolution Plan?

**SECTION 29A**

**Who is eligible?**

A Resolution Applicant must not fall within the statutory disqualifications.

**Financial Conduct**
Wilful defaulter / specified NPA-related disqualification

**Insolvency Status**
Undischarged insolvent

**Criminal Conduct**
Specified convictions

**Regulatory Restrictions**
Specified securities-law prohibitions

**Connected Persons**
Persons connected to the applicant who fall within specified Section 29A disqualifications


©2025 InCorp Group of Companies. All Rights Reserved.

# Information Memorandum : Foundation for Resolution Plans

**01**

**Business & Financial Information**

Key information about the Corporate Debtor

**02**

**Assets, Liabilities & Claims**

Relevant financial and stakeholder information

**03**

**Operational & Other Relevant Information**

Information specified under the CIRP framework

**04**

**Foundation for Resolution Plans**

Enables prospective applicants to formulate their plans

**Section 29 provides the information base for formulation of Resolution Plans.**


©2025 InCorp Group of Companies. All Rights Reserved.

# Anatomy of a Resolution Plan

**01**
**Business Strategy**

Revival & future operations

**02**
**Stakeholder Treatment**

Treatment of creditors

CORE DOCUMENT

**RESOLUTION PLAN**

A comprehensive proposal for revival, restructuring and implementation

**03**
**Financial Proposal**

Funding, debt restructuring & payments

**04**
**Management & Control**

Proposed ownership & management

**05**
**Implementation & Monitoring**

Timeline & monitoring mechanism

**06**
**Legal & Regulatory Compliance**

S. 30(2) & other regulations


©2025 InCorp Group of Companies. All Rights Reserved.

# Mandatory Requirements under Section 30(2)

**01**

**CIRP Costs**

**Payment of insolvency resolution process costs in priority.**

**02**

**Operational Creditors**

**Provides the minimum statutory entitlement under the IBC.**

**03**

**Financial Creditors**

Provides for payment in accordance with the IBC.

**04**

**Management & Implementation**

**Includes provisions for implementation of the plan.**

**05**

**Legal Compliance**

**The plan must not contravene applicable law.**



©2025 InCorp Group of Companies. All Rights Reserved.

# Evaluating & Approving the Resolution Plan

# How should the CoC evaluate competing Resolution Plans?

**Recovery**

Amount and timing of creditor recovery

**Feasibility**

Funding and ability to implement

**Viability**

Sustainable future of the business

**Execution**

Funding, timelines, and execution capability

**Compliance**

Section 29A, Section 30(2) and applicable requirements

**Viability**

When will the committed funds actually be available?


©2025 InCorp Group of Companies. All Rights Reserved.

# Evaluation Matrix : What Separates One Plan from Another?

| Evaluation Parameter | Weight | Plan A | Plan B | Plan C |
|---|---|---|---|---|
| **Creditor Recovery** | 30% | 26 | 22 | 28 |
| **Feasibility of Implementation** | 20% | 16 | 18 | 14 |
| **Business Viability** | 20% | 18 | 17 | 15 |
| **Funding Certainty** | 15% | 12 | 14 | 10 |
| **Execution Timeline** | 10% | 8 | 7 | 8 |
| **Other Evaluation Criteria** | 5% | 4 | 4 | 3 |
| **TOTAL SCORE** | **100%** | **84** | **82** | **78** |


©2025 InCorp Group of Companies. All Rights Reserved.

# Negotiation & Revision of Resolution Plans

1. **Plan Discussions:** The CoC may discuss and seek clarification on the commercial terms and feasibility of competing Resolution Plans.

2. **Plan Revision:** Resolution Applicants may be permitted to improve or revise their plans in accordance with the CIRP framework and the process set by the CoC.

3. **Comparative Assessment:** Revised plans are evaluated against the approved Evaluation Matrix and applicable statutory requirements.

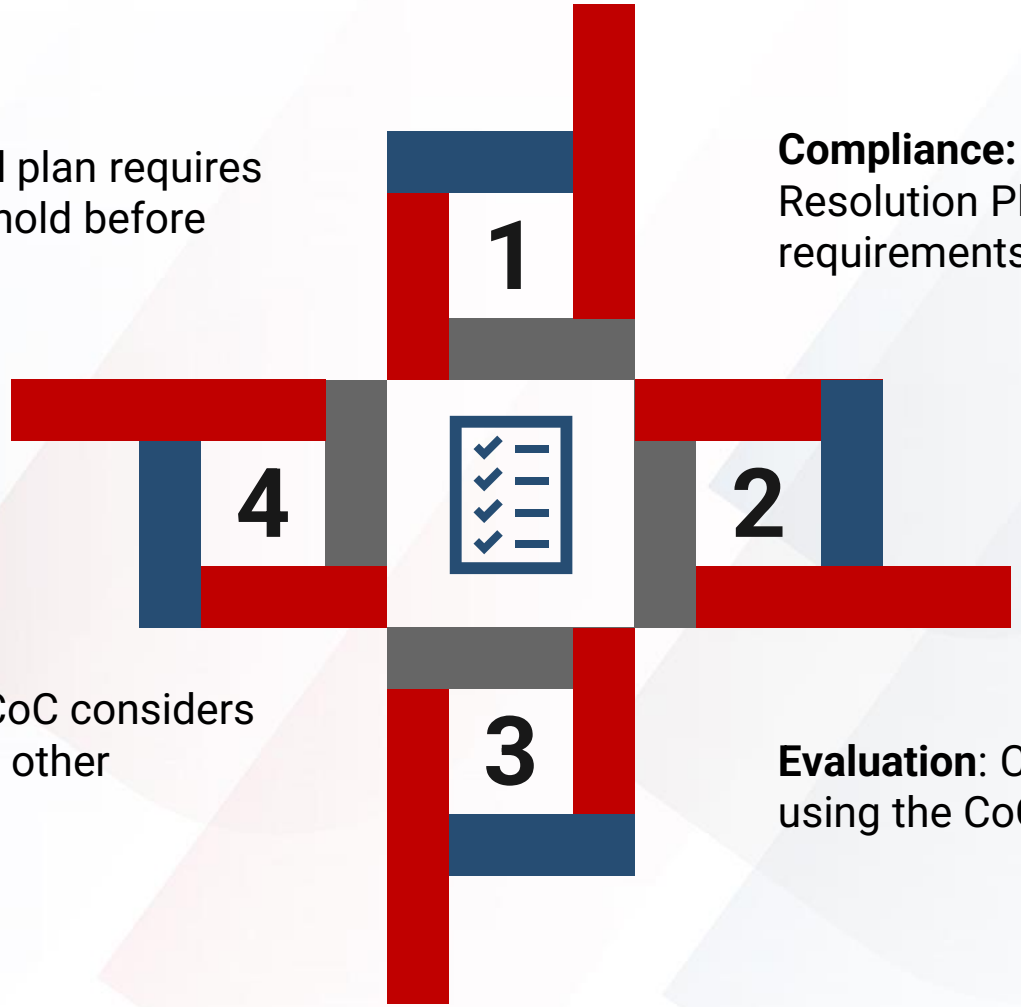
4. **Final Decision**: The CoC selects the plan it considers most suitable based on its commercial wisdom, subject to the IBC framework.


©2025 InCorp Group of Companies. All Rights Reserved.

# CoC Approval of the Resolution Plan

**Voting & Approval:** The selected plan requires the prescribed CoC voting threshold before being submitted to the NCLT.

**Compliance:** The CoC considers whether the Resolution Plan meets the applicable IBC requirements.

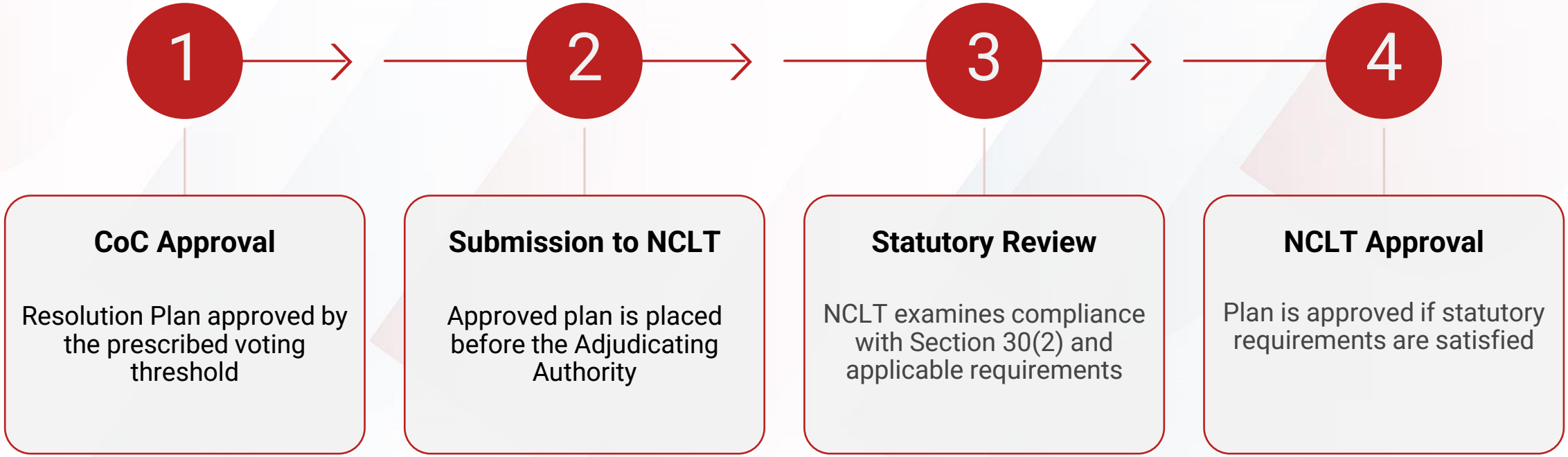



**Commercial Assessment:** The CoC considers feasibility, viability, recovery and other approved criteria.

**Evaluation**: Compliant plans are assessed using the CoC-approved Evaluation Matrix.


©2025 InCorp Group of Companies. All Rights Reserved.

# NCLT Approval under Section 31




©2025 InCorp Group of Companies. All Rights Reserved.

# Implementation & Monitoring of the Resolution Plan



## Effective Date

The approved Resolution Plan becomes effective as specified in the plan and the NCLT order.



## Implementation

The Successful Resolution Applicant undertakes the agreed payments, restructuring and operational measures.



## Monitoring

Monitoring of compliance with the plan's milestones, timelines and obligations.



## Completion

Successful implementation results in the resolution of the CD in accordance with the approved plan.



©2025 InCorp Group of Companies. All Rights Reserved.

# Landmark Cases : Resolution Plans

## Ebix Singapore v. CoC of Educomp Solutions (2021)

- Resolution Applicant cannot freely withdraw from a CoC-approved plan.
- Highlights the binding nature of the resolution process.

## Ghanashyam Mishra & Sons v. Edelweiss ARC (2021)

- Approved Resolution Plan becomes binding on stakeholders.
- Claims not provided for in the approved plan are generally extinguished.

## Innoventive Industries v. ICICI Bank (2017)

- Established the foundational framework of the IBC's time-bound insolvency resolution process.
- Reinforced value maximisation and resolution as core objectives.


©2025 InCorp Group of Companies. All Rights Reserved.

# Key Takeaways

CoC drives commercial decision-making through its commercial wisdom within the IBC framework.

Resolution Plans must be viable, feasible and legally compliant, particularly under Sections 29A and 30(2).

Evaluation Matrix enables structured comparison of competing Resolution Plans.

CoC approval → NCLT approval → Implementation converts the selected plan into an effective resolution.


©2025 InCorp Group of Companies. All Rights Reserved.



# Any Questions?

# Thank You !!



**Jayesh Sanghrajka**
**FCA, FCS, LLB, IP**
**Founding Partner**
**Incorp Restructuring Services LLP**
**www.incorprestructuring.in**
**jayesh.sanghrajka@incorpadvisory.in**
**+91-9820024619**

## InCorp Restructuring Services LLP (IRS LLP)

An IBBI-registered Insolvency Professional and an Insolvency Professional Entity with a **pan-India presence** and a well-established professional network. A **prominent market leader in restructuring** and resolution of stressed assets, with a track record of over **USD 4 billion** in successful resolutions. We bring deep sector expertise and a trusted network of developers, legal experts, financial institutions, and funds across India and Singapore.

## Practice Areas

- Turnaround & Restructuring Services
- Distressed Asset Advisory
- Support and Process Advisory
- Alternate Dispute Resolution Services
- Pre-Pack Insolvency & MSME Resolution
- Fund Raising
- Homebuyer Advisory & Representation
- Tax & Regulatory Advisory
- Investment Banking & Special Situations Funding
- Real Estate & Redevelopment Advisory

## Practice highlights

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **15+** Partners | **INR 35k Cr+** Resolved Admitted Claims | **100+** Deals Restructured | **~89%** Average CoC Approval Rate | **25K+** Homebuyers Engaged | **200+** Team of Professionals | **50+** Resolution Applicants Advised | **100%** Success Rate in Insolvency Cases |

• MUMBAI • BANGALORE • NEW DELHI • HYDERABAD • PUNE • AHMEDABAD • AHMEDNAGAR • CHENNAI • NAGPUR • KOCHI