

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI**
Company Appeal (AT) (Insolvency) No. 1078 of 2025

[Arising out of the Impugned Order dated 16.05.2025 passed by the Adjudicating Authority, National Company Law Tribunal, Chandigarh in I.A. No. 1935 of 2024 in C.P. (IB) No. 291/(Chd)/2018]

In the matter of:

Manish Bagrodia
Director (Suspended Powers) of
Winsome Yarns Limited
351, Sector 9d, Chandigarh- 160009

.... Appellant

Versus

Anil Kohli
Resolution Professional of
Winsome Yards Limited
Flat No. 409, 4th Floor, Ansal Bhawan,
16 Kasturba Gandhi Marg, Connaught Place,
New Delhi, National Capital Territory of Delhi ,110001

.... Respondent

Present:

For Appellant : Mr. Pulkit Deora, Advocate.

For Respondent : Ms. Sandeep Bajaj, Ms. Honey Satpal, Mr. Mayank Biyani,
Ms. Pooja Singh and Mr. Aakash Agarwala, Advocates.

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

Per: Barun Mitra, Member (Technical)

The present appeal filed under Section 61 of Insolvency and Bankruptcy Code 2016 ('IBC' in short) by the Appellant arises out of the Order dated 16.05.2025 (hereinafter referred to as '**Impugned Order**') passed by the Adjudicating Authority (National Company Law Tribunal, Chandigarh Bench-I) in I.A. No. 1935 of 2024 in C.P. (IB) 291 (CHD) of 2018. By the impugned order,

the Adjudicating Authority has dismissed IA No. 1935 of 2024 filed by the suspended management of the Corporate Debtor and denied them access to the first set of two valuation reports. Aggrieved by the impugned order, the present appeal has been preferred by the Appellant- ex-Director of the Corporate Debtor.

2. Coming to the factual background of the matter at hand, the Appellant is ex-director of the Corporate Debtor-Winsome Yarns which was admitted into Corporate Insolvency Resolution Process ("**CIRP**" in short) on 22.12.2023. With the commencement of the resolution process, two valuers had been appointed viz. M/s Gtech Valuers Pvt. Ltd. and M/s Value Edge Professionals Pvt. Ltd. for valuing three class of assets of the Corporate Debtor. During the 8th CoC meeting held on 28.05.2024, both valuers had presented their valuation methodology. During the 9th CoC meeting held on 06.06.2024, the valuation reports submitted by Gtech and Value Edge were found to be high-pitched by the CoC which therefore decided to appoint two new valuers-M/s Kanassure Valuation Services Pvt. Ltd. and R&A Valuation LLP to provide fresh set of valuations. The Appellant sent an e-mail on 14.06.2024 to the Respondent-Resolution Professional ("**RP**" in short) to provide copies of the valuation reports of the first two valuers which was admittedly not provided. During the 10th CoC meeting held on 20.06.2024, the Appellant was excluded from the meeting when the valuation reports of the new valuers was discussed but was provided the minutes of the 10th CoC meeting in which the two new valuers had presented their respective valuation methodology. On 25.06.2024, the Appellant had again sent an e-mail to the RP requesting for the valuation reports of the first two valuers. The RP did not share the valuation reports of the first two valuers, however, the final valuation reports

of the new valuers as considered by the CoC was shared by the Respondent with the Appellant on 06.07.2024. The Appellant thereafter sent another e-mail on 07.07.2024 reiterating his request for the first two valuation reports and on 28.08.2024 filed IA No. 1935 of 2024 seeking directions from the Adjudicating Authority to the Respondent for sharing the valuation reports sought by him. The Adjudicating Authority on 16.05.2025 dismissed the IA No. 1935 of 2024. Aggrieved by the impugned order, the Appellant has come up in appeal.

3. Making his submissions, Shri Pulkit Deora, Ld. Counsel for the Appellant submitted that Respondent-RP and the CoC had not only failed to provide the Appellant with the valuation reports of the initial two valuers but not allowed them to participate in the CoC meetings when discussions on the valuation reports were held. It was contended that these valuation reports being integral to the CIRP process of the Corporate Debtor, denial of access to these reports were not in consonance with the objective of facilitating the beneficial resolution of the Corporate Debtor for maximisation of the value for stakeholders. Had the Appellant not been denied their statutory right to access the valuation reports and their participative rights in the CoC meetings, the Appellant would have been in a better position to guide the successful resolution of the Corporate Debtor. Denial of these rights therefore vitiated the integrity and outcome of the CIRP. In support of their contention that the Appellant in his capacity as ex-Director of the Corporate Debtor was entitled to receive copies of all documents related to the resolution process including previous valuation reports, reliance was placed on the judgment of the Hon'ble Supreme Court in ***Vijay Kumar Jain Vs Standard and Chartered Bank in Civil Appeal No. 8430 of 2018.***

Assailing the impugned order, it was also contended that the Adjudicating Authority had disregarded the mandate of Sections 24(3)(b) and 24(4) of the IBC which clearly allows participation of suspended directors in the CoC meetings.

4. Rebutting the contentions raised by the Appellant, Shri Sandeep Bajaj, Ld. Counsel representing the Respondent-RP submitted that the Adjudicating Authority had correctly dismissed the IA No. 1935 of 2024 after taking notice of the fact that the relevant valuation reports which had been relied upon by the CoC alongwith the resolution plans had already been shared with the Appellant. It was asserted that when the reports of the first two valuers had not been approved by the CoC, it had become redundant and did not constitute part of the records of the ongoing CIRP. The CoC having decided to scrap the first set of valuation reports, the suspended management cannot claim entitlement to access such documents. Further the notice and agenda of the 9th CoC meeting did not mention that valuation reports were slated for discussion and hence the valuation reports of the first two valuers were not circulated to any member/participant in the said CoC meeting. Therefore, the Appellant cannot claim that they were denied access to documents. It was emphatically asserted that the statutory requirement of providing the relevant reports of the approved valuers on fair market value and liquidation value had been complied with by the RP. Thus, sufficient action had been taken by the RP in terms of the statutory provisions of IBC by providing the fresh valuation reports to enable the Appellant to discharge his role in rendering assistance and co-operation in the successful conduct of the resolution process. Further the Appellant had no genuine grounds to complain as he had been allowed to participate in the CoC meetings

unhindered and was unfailingly provided with notices and agenda for each and every CoC meeting. It was contended that Regulation 35(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (“**CIRP Regulation**” in short) clearly stipulate that valuation reports are required to be shared only with the members of the CoC who had voting rights subject to submission of confidentiality undertaking. In support of their contention, reliance has been placed on the judgment of this Tribunal in ***Dr. Arabinda Kumar Rath Vs Siba Kumar Mohapatra in CA(AT)(Ins) No. 1482 of 2023*** wherein it has been held that the CIRP Regulations do not entail the need to share valuation reports of the Corporate Debtor with the suspended management. It was therefore contended by the Respondent that when valuation reports relevant for CIRP of the Corporate Debtor had already been provided to the Appellant and the Appellant was also allowed to participate in the CoC meetings, the intent of the Appellant in filing IA No. 1935 of 2024 was to derail the CIRP proceedings and hence rightly rejected by the Adjudicating Authority.

5. We have duly considered the arguments advanced by the Learned Counsel for the parties and perused the records carefully.

6. The limited issue for our consideration is whether the Appellant is justified in claiming that they were denied parity in the access to documents made available to the CoC and that they were denied participative rights in the CoC meetings.

7. To appreciate the issue before us, we feel it necessary to run our eyes through the relevant provisions of the IBC and attendant CIRP Regulations with regard to the role of RP and CoC in the conduct of the resolution process and

meetings of the CoC including dealing with valuation process and related reports.

Section 24: Meeting of committee of creditors.

24. (1) The members of the committee of creditors may meet in person or by such electronic means as may be specified.

(2) All meetings of the committee of creditors shall be conducted by the resolution professional.

(3) The resolution professional shall give notice of each meeting of the committee of creditors to—

(a) members of committee of creditors, including the authorised representatives referred to in sub-sections (6) and (6A) of section 21 and sub-section (5);

(b) members of the suspended Board of Directors or the partners of the corporate persons, as the case may be;

(c) operational creditors or their representatives if the amount of their aggregate dues is not less than ten per cent. of the debt.

(4) The directors, partners and one representative of operational creditors, as referred to in sub-section (3), may attend the meetings of committee of creditors, but shall not have any right to vote in such meetings:

Provided that the absence of any such director, partner or representative of operational creditors, as the case may be, shall not invalidate proceedings of such meeting.

(5) [Subject to sub-sections (6), (6A) and (6B) of section 21, any creditor] who is a member of the committee of creditors may appoint an insolvency professional other than the resolution professional to represent such creditor in a meeting of the committee of creditors:

Provided that the fees payable to such insolvency professional representing any individual creditor will be borne by such creditor.

(6) Each creditor shall vote in accordance with the voting share assigned to him based on the financial debts owed to such creditor.

(7) The resolution professional shall determine the voting share to be assigned to each creditor in the manner specified by the Board.

(8) The meetings of the committee of creditors shall be conducted in such manner as may be specified.

When we peruse the above statutory provision of IBC, it is clear that the RP is required to give notice of each meeting of the CoC to members of CoC under Section 24(3)(a) which includes the authorized representatives referred to in Sections 21(6) and (6-A). On the other hand, the members of the suspended Board of Directors or partners of the corporate persons have been separately covered under Section 24(3)(b). Thus, the members of the suspended Board of Directors have been treated separately and distinctly from the members of CoC in Section 24(3)(a) of IBC. We also notice that the Operational Creditors and their representatives whose dues are not less than 10% of the debt have also been categorized separately under Section 24(3)(c). It therefore becomes clear that the Financial Creditors, the Operational Creditors and suspended management have not been clubbed together but classified separately under Section 24(3). Further Section 24(4) clearly provide that Operational Creditors and ex-directors and partners are bereft of voting rights in CoC meetings.

8. We now come to the relevant CIRP Regulations viz. Regulation 27 and 35 dealing on the conduct of valuation process by the RP.

Regulation 27: Appointment of Professionals

27. (1) The resolution professional shall, within seven days of his appointment but not later than forty-seventh day from the insolvency commencement date, appoint two registered valuers to determine the fair value and the liquidation value of the corporate debtor in accordance with regulation 35.

(2) The interim resolution professional or the resolution professional, as the case may be, may appoint any professional, in addition to registered valuers under sub-regulation (1), to assist him in discharge of his duties in conduct of the corporate insolvency resolution process, if he is of the

opinion that the services of such professional are required and such services are not available with the corporate debtor.

(3) xxxx

(4) xxxx

Regulation 35: Fair value and Liquidation value.

35. (1) Fair value and liquidation value shall be determined in the following manner:-

(a) the two registered valuers appointed under regulation 27 shall submit to the resolution professional an estimate of the fair value and of the liquidation value computed in accordance with internationally accepted valuation standards, after physical verification of the inventory and fixed assets of the corporate debtor;

Provided that the resolution professional shall facilitate a meeting wherein registered valuers shall explain the methodology being adopted to arrive at valuation to the members of the committee before computation of estimates.

(b) if the two estimates of a value in an asset class are significantly different, or on receipt of a proposal to appoint a third registered valuer from the committee of creditors, the resolution professional may appoint a third registered valuer for an asset class for submitting an estimate of the value computed in the manner provided in clause (a).

Explanation.– For the purpose of clause (b),

(i) “asset class” means the definition provided under the Companies (Registered Valuers and Valuation)

Rules, 2017;

(ii) “significantly different” means a difference of twenty-five per cent. in liquidation value under an asset class and the same shall be calculated as $(L1-L2)/L1$, where,

L1= higher valuation of liquidation value

L2= lower valuation of liquidation value.

(c) the average of the two closest estimates of a value shall be considered the fair value or the liquidation value, as the case may be.

(2) After the receipt of resolution plans in accordance with the Code and these regulations, the resolution professional shall provide the fair value, the liquidation value and valuation reports to every member of the committee in electronic form, on receiving an undertaking from the member to the effect that such member shall maintain confidentiality of the fair value, the liquidation value and valuation reports and shall not use the information contained in the valuation reports to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29.

(3) The resolution professional and registered valuers shall maintain confidentiality of the fair value and the liquidation value.

From a perusal of the above CIRP Regulation 35(2) which has come into effect from 15.02.2024, it is clear that the CIRP Regulation stipulates that the valuation reports shall be provided to every member of the CoC. However, the expression “member of the CoC” has not been spelt out in clear terms.

9. Having seen the statutory construct of the IBC, we now come to the rival contentions made by the two parties. It is the case of the Appellant that the RP had violated the statutory right of the Appellant by failing to provide access to the valuation reports though the same was discussed during the 9th CoC meeting. Per contra, it is the contention of the RP that the valuation reports of the first set of valuers was not part of the agenda for the 9th CoC meeting and hence was not circulated to any member of the CoC.

10. For a better appreciation of the issue, we may now look at the notice and agenda of the 9th CoC meeting to examine whether the valuation reports of the first two valuers were reflected as part of the agenda item for discussion in the 9th CoC meeting. The notice of the 9th CoC meeting dated 03.06.2024 has been placed on record by the Respondent by way of an additional affidavit as may be seen at page 17-18 therein. This notice dated 07.06.2024 notified that the 9th CoC meeting would be held on 06.06.2024 and also appended the agenda and notes for the meeting. The agenda for the 9th CoC meeting as enclosed with meeting notice is placed at page 20 of the additional affidavit which is as reproduced below:

AGENDA FOR THE MEETING

Item No.	Particulars
A. LIST OF MATTERS TO BE DISCUSSED/NOTED:	
1.	<i>The Resolution Professional to take the Chair</i>
2.	<i>To ascertain the quorum of the Meeting in accordance with the provisions of Regulation 22 of CIRP Regulations</i>
3.	<i>To take note of the minutes and resolutions forming part of the minutes of the 8th meeting of Committee of Creditors.</i>
4.	<i>To apprise Committee of Creditors about Progress of Corporate Insolvency Resolution Process conducted post last COC Meeting till date.</i>
5.	<i>To discuss and negotiate with the PRAs for Resolution Plans received and to discuss the way forward.</i>
6.	<i>To discuss on the last date of CIRP i.e. 19.06.2024 being 180th day from CIRP Commencement date.</i>
7.	<i>To update on the CIRP Cost incurred during the intervening period.</i>
B. RESOLUTIONS TO BE PASSED AT THE MEETING	
1.	<i>Approval on the matters put up, if any, post discussions in the meeting.</i>
C. TO TRANSACT ANY OTHER MATTER WITH THE PERMISSION OF THE CHAIR:	
	<i>Vote of Thanks.</i>

11. When we look at the agenda for the 9th CoC meeting, we do not find any mention of any discussion to be held on the valuation reports submitted by the first set of two valuers. It is submitted by the Respondent that the valuation reports had not been submitted by the registered valuers as on the date of issue of notice on 03.06.2024 and hence not flagged for discussions. The valuation reports were received from the valuers only on the date of the meeting. Since the reports from the two valuers reached on 06.06.2024, which was the date on which the CoC meeting was scheduled, these reports could not possibly have

been circulated along with the notice and agenda which had been circulated on 03.06.2024. Ostensibly therefore we find no intentional omission on the part of the RP in not having circulated the valuation reports alongwith the meeting notice. We therefore do not find any deliberate lapse or wilful irregularity in the conduct of the RP while sending notice of the CoC meetings to the Appellant or any signs of breach or non-compliance to the mandate of Section 24(3) of the IBC.

12. This brings us to the deliberations of the 9th CoC meeting at Item No.4 where the valuation reports of the first set of two valuers had figured in the discussions. The relevant extracts of the 9th CoC meeting is as reproduced below:

“Item No. 4-

Update on the Valuation Reports received in the matter-

The undersigned apprised the members of the COC that the Registered Valuers Entities have submitted their valuation Reports on 06.06.2024 and the same has been sent to the COC members who have submitted the Confidentiality Undertaking to obtain the same. Further, the undersigned requested the representative of Indian Overseas Bank to provide the signed and stamped Confidentiality Undertaking as the same is pending from their Bank only. The representative of IOB assured to provide the same at the earliest. Thereafter, the representative of IOB and Mr. Manish Bagrodia (Director, power of Board suspended) were requested to excuse from the meeting for sometime and wait in the waiting room so that valuation reports can be presented and discussed. They excused themselves from the meeting.

The undersigned thereafter presented the Valuation Reports. It was discussed that the valuation of Building seems to be hypothetical and exorbitant and does not seem to be realizable. The representative of EARC suggested that the RP may discuss the methodology adopted in conducting the valuation with both the RVEs and that the valuers may provide justification of the said valuation. To this, the representative of PNB submitted and apprised all the members that the RP in the last COC Meeting had duly discussed on the methodology that the valuers have

adopted and that the RP during the course of the last COC Meeting had requested for adopting a fair/practical methodology for carrying out the valuation as the valuers have adopted Replacement methodology. The representative of PNB further submitted that the members of the COC in the last COC Meeting had also presented their views on methodology to the RVEs. Further, the undersigned submitted that he had made all possible efforts in the last COC Meeting to make the Valuers understand the views of the COC and RP on the methodology. Further, Valuation of building has been done on replacement cost basis which doesn't reflect true realizable/liquidation value, the methodology was already discussed with valuers in the last COC Meeting. However, the Valuers were reluctant to adopt the replacement method and have not considered the views of the COC and RP.

It was further discussed by the COC members that the overall valuation should be re-looked as it does not appear to be practical and may hamper the resolution process. The said agenda was discussed at length. The representative of PNB and EARC suggested to go for fresh valuation. After due discussion and deliberation, it was decided that a resolution for appointment of two set of valuers to conduct fresh valuation.

On conclusion of this agenda, Mr. Manish Bagrodia again joined the meeting.”

(Emphasis supplied)

13. Besides the fact that valuation reports were received on the very day that the 9th CoC meeting got scheduled, it is also the case of the RP that the valuation reports having a confidentiality overtone, this was not one document that could be circulated to one and all. When we look at the above minutes of the 9th CoC meeting, we notice that the CoC has taken note of the fact that valuation reports was to be circulated to only CoC members who have already furnished confidentiality undertaking and not to other participants including the suspended management of the Corporate Debtor. The RP was of the view that the Appellant had the status of a participant in the CoC meeting and not that of a member of the CoC, hence, in terms of Section 21 of the IBC and CIRP

Regulation 35(2), the valuation report could not have been shared with the Appellant. The representative of Indian Overseas Bank inspite of being a Financial Creditor was also asked to excuse himself from the meeting as he had not submitted the confidentiality undertaking. Similarly, the Appellant was also requested to excuse himself from the meeting so that the valuation reports could be presented and discussed. This is therefore clearly not a case where the RP had been arbitrary or selectively discriminatory in not sharing the valuation report with the Appellant during the 9th CoC meeting.

14. We also find that the issue of participatory rights was admittedly raised by the Appellant with the Respondent-RP. The RP had also sent their clarificatory response thereto. The e-mail of the RP dated 20.06.2024 is as extracted below:

Thu, Jun 20, 2024 at 6:25 PM

To: Manish B <manishb230699@gmail.com>

Cc: Anil Kohli <anilkohli@arck.in>, Insolvency <insolvency@arck.in>

Dear Sir,

This is in reference to the trailing email regarding sharing of valuation reports.

It is apprised that in consonance with Regulation 35 of IBBI (Resolution Process for Corporate Persons) Regulations, 2016, the Resolution Professional shall provide the fair and Liquidation Value to every member of the committee.

Relevant extract of Regulation 35 is reproduced hereunder-

Reg 35 (2)- After the receipt of resolution plans in accordance with the Code and these regulations, the resolution professional shall provide the fair value and the liquidation value to every member of the committee in electronic form, on receiving an undertaking from the member to the effect that such member shall maintain confidentiality of the fair value and the liquidation value and shall not use such values to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29:

It is pertinent to mention here that the Directors (power of Board suspended) are the participants in the meeting and are not the members

of the Committee. Further as per Section 21 of Insolvency & Bankruptcy Code, 2016, Committee of Creditors shall comprise of all Financial Creditors of the Corporate Debtor.

Accordingly, the valuation reports cannot be shared with the Directors (powers of Board suspended).

Further with respect to your request for allowing your participation in all deliberations of the COC, it is submitted that you were requested to excuse yourself from the COC Meeting only when the discussion of Valuation reports was going on. On conclusion of the said discussion, your good self was immediately again admitted in the meeting and thereafter the discussion of Resolution Plans were carried out in your presence. Please be rest assured that your good self will be included in all deliberations as permissible as per IBC, 2016.

(Emphasis supplied)

15. On the issue of participative rights raised by the Appellant, it was also pointed out by the RP that the Appellant had been allowed to join the meeting immediately after the discussion of valuation reports was over. It is also important to note that though the ex-director of the Corporate Debtor was asked to excuse himself while the valuation report and the valuation methodology was being discussed by the CoC, he was allowed to rejoin the meeting thereafter on conclusion of deliberations held in respect of Agenda Item-4. Thus, it is apparent from record of the minutes that the ex-director was not prevented from participating in the 9th CoC meeting in respect of the other agenda items. It was also clarified in the reply email that discussion on the resolution plans were also carried out during the same 9th CoC meeting in which the Appellant had participated. The RP had also clearly assured the Appellant that he would be included in all deliberations of the CoC as permissible under the IBC. We thus find that the RP had allowed the Appellant to participate in the 9th CoC meeting on other agenda items as well as assured them of continued participation in

future CoC meetings. We therefore do not find any instance of RP having precluded or blocked the Appellant from participation in crucial discussions relating to valuation and resolution plans.

16. Given this backdrop, the Adjudicating Authority did not commit any mistake in holding that the right to participate of the Appellant under Section 24 of the IBC did not extend to deliberations over documents which are statutorily restricted and confidential in nature. In making this observation, the Adjudicating Authority at para 14 of the impugned order has also relied on the judgment of this Tribunal in ***Arabinda Kumar Rath judgment supra*** wherein it has been held that the RP is not obligated to share valuation reports containing confidential information of the fair value and liquidation value of the Corporate Debtor with the suspended management.

17. The Appellant has however contested the findings of the Adjudicating Authority on the ground that the Appellant being an erstwhile director of the Corporate Debtor was entitled to receive copies of all documents related to the resolution process including valuation reports particularly because valuation reports directly impact the resolution process. In support of their contention, reliance has been placed on the judgment of the Hon'ble Supreme Court in ***Vijay Kumar Jain judgment supra***. Much emphasis was laid on the fact that the above judgment had clearly laid down the principle that erstwhile Board of Directors being participants in the CoC meetings, they enjoy parity in the access to documents including resolution plans. Hence, denial of the valuation report of the first set of two valuers was an irregularity on the part of the RP/CoC which has been wrongly disregarded by the Adjudicating Authority.

18. Repelling the contention raised by the Appellant, it is canvassed by the Respondent-RP that the Appellant had been provided all information required under the IBC for successful completion of the resolution process. The Appellant had also been receiving notices and agendas of every CoC meeting and had also been participating in the meetings without any hurdles. The Appellant therefore could not have pressed for the first set of valuation reports when these had already been categorically rejected by the CoC in the exercise of commercial wisdom. It was further pointed out that the Appellant has not controverted the fact that they had been provided with the valuation reports of the new valuers as well as copies of the resolution plan. Further, the Appellant had also participated in the discussion on the resolution plan.

19. At this juncture, it may be useful to extract the relevant excerpts of the ***Vijay Kumar Jain judgment*** which is as under:

9. This statutory scheme, therefore, makes it clear that though the erstwhile Board of Directors are not members of the committee of creditors, yet, they have a right to participate in each and every meeting held by the committee of creditors, and also have a right to discuss along with members of the committee of creditors all resolution plans that are presented at such meetings under Section 25(2)(i). It cannot be gainsaid that operational creditors, who may participate in such meetings but have no right to vote, are vitally interested in such resolution plans, and must be furnished copies of such plans beforehand if they are to participate effectively in the meeting of the committee of creditors. This is for the reason that under Section 30(2)(b), repayment of their debts is an important part of the resolution plan qua them on which they must comment. So the first important thing to notice is that even though persons such as operational creditors have no right to vote but are only participants in meetings of the committee of creditors, yet, they would certainly have a right to be given a copy of the resolution plans before such meetings are held so that they may effectively comment on the same to safeguard their interest.

13. It is also important to note that every participant is entitled to a notice of every meeting of the committee of creditors. Such notice of meeting must contain an agenda of the meeting, together with the copies of all documents relevant for matters to be discussed and the issues to be voted upon at the meeting vide Regulation 21(3)(iii). Obviously, resolution plans are “matters to be discussed” at such meetings, and the erstwhile Board of Directors are “participants” who will discuss these issues. The expression “documents” is a wide expression which would certainly include resolution plans.

15. As a result of the aforesaid discussion, the arguments of the respondents that “committee” and “participant” are used differently, which would lead to the result that resolution plans need not be furnished to the erstwhile members of the Board of Directors, must be rejected. Equally, the Regulations, far from going beyond the Code, flesh out the true intention of the Code that is achieved by reading the plain language of the Sections that have already been adverted to. So far as confidential information is concerned, it is clear that the resolution professional can take an undertaking from members of the erstwhile Board of Directors, as has been taken in the facts of the present case, to maintain confidentiality. The source of this power is Regulation 7(2)(h) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, read with paragraph 21 of the First Schedule thereto. This can be in the form of a non-disclosure agreement in which the resolution professional can be indemnified in case information is not kept strictly confidential.

20. We have no quarrel with the proposition laid down in the above judgment that every participant in the meeting of the CoC is required to be provided with copies of all documents relevant for matters to be discussed. In the present case, when the 9th CoC meeting was held, the agenda did not provide for discussion on valuation reports. The valuation reports had not been circulated to any member or participant in the CoC meeting. Hence, the Appellant cannot have any cogent grounds for claiming to have been discriminated against. We also notice that it is an undisputed fact that the final valuation reports and the resolution plans were shared with the Appellant. Therefore, the Appellant cannot claim any disparity in the sharing of documents. Further, when only the fresh

valuation reports were germane for the insolvency resolution of the Corporate Debtor which had already been shared while the earlier set of valuation reports stood rejected by the CoC in the exercise of its commercial wisdom and had therefore become superfluous, the logic behind insisting on document which had become redundant and irrelevant does not appeal to reason.

21. This brings us to the findings of the Adjudicating Authority which has held that the Appellant had no legal right under the IBC or the CIRP Regulations to demand valuation reports which were not under the consideration of the CoC. The Adjudicating Authority had observed that the CoC in the 9th meeting had duly deliberated on the first set of valuation reports and had thereafter rejected the same on the ground that the methodology adopted was replacement cost basis which was not practical as it did not reflect the true realisable/liquidation value. The CoC had thereafter resolved to obtain fresh valuations. The Adjudicating Authority has held that with the fresh valuation reports which was relied upon by the CoC having already been shared with the Appellant, there is no ground for any relief to be given to the Appellant. The relevant paragraphs of the impugned order are as reproduced below:

15. In the present case, the initial valuation report was expressly rejected by the Committee of Creditors (CoC) owing to concerns regarding its reliability and the methodology adopted therein. Exercising its commercial wisdom-a domain that is accorded paramount importance under the Insolvency and Bankruptcy Code, 2016-the CoC resolved to obtain fresh valuations from two independent entities. These subsequent reports were duly considered and adopted by the CoC in the course of the Corporate Insolvency Resolution Process (CIRP). Further, it is worthwhile to note that the valuation reports which have been relied upon by CoC have already been shared with the applicant.

16. The Applicant has failed to establish any enforceable legal right under the IBC or the CIRP Regulations to access valuation reports that were neither accepted nor relied upon by the CoC. The right to participate under Section 24 of the IBC does not extend to deliberations over documents which are statutorily restricted and confidential in nature. The submission of a confidentiality undertaking by the Applicant does not, in any manner, override the statutory limitations which confine the disclosure of such reports exclusively to the members of the CoC and not to the suspended board of directors.

22. When we look at the material placed on record, we find the following e-mails exchanged between the Appellant and the RP which clearly shows that the Appellant had been given access to the second set of final valuation reports and corresponding resolution plans. The e-mails as exchanged on 06.07.2024 and 07.07.2024 are as reproduced below:

Sat, Jul 6, 2024 at 12:32 PM

Winsomeyarns ibc <winsomeyarns.ibc@gmail.com>

To: Manish B <manishb230699@gmail.com>

Cc: Anil Kohli<anilkohli@arck.in>, Insolvency <insolvency@arck.in>

Dear Sir,

With reference to the trailing email, please find appended below the link to access the valuation reports and Resolution Plans received in the matter of Winsome Yarns Limited.

Sun, Jul 7, 2024 at 3:40 PM

Manish B <manishb230699@gmail.com>

To: winsomeyarns ibc<winsomeyarns.ibc@gmail.com>

Cc: Anil Kohli<anilkohli@arck.in>, Insolvency <insolvency@arck.in>

Dear Sirs,

Thank you for providing copies of the Valuation reports and Resolution Plans.

However, the folder does not have the valuation reports of the earlier two valuers appointed namely - M/s Value edge professionals Pvt Ltd and M/s Gtech Valuers Pvt Ltd.

You are kindly requested to send these reports as well.

Sun, Jul 7, 2024 at 5:19 PM

To: Manish B <manishb230699@gmail.com>, winsomeyarns

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These are final reports that have been considered by ccoc.

23. Thus, the RP has acted in a fair and transparent manner in supplying documents including valuation reports and resolution plans to the Appellant. When the fresh valuation report formed the basis of the CIRP and the same had already been provided to the Appellant, they cannot be seen to be an aggrieved party. Further, when the CoC in its commercial wisdom had already disregarded the valuation report of the first set of valuers, the Appellant cannot substitute their own perception with the commercial wisdom of the CoC in holding that the later valuation reports showed suppressed value compared to the earlier valuation reports. It may not be off the mark to hold that the Appellant being part of the suspended management was responsible for the insolvency of the Corporate Debtor. It therefore does not behove the Appellant to self-proclaim that they are the only participant entity which is focused on efficient and beneficial resolution of the Corporate Debtor. We also do not find any rationale in the Appellant pressing for the first set of valuation reports when these had already been categorically rejected by the CoC and no longer carried any relevance to the resolution plans which were discussed by the CoC. The unilateral perception of the Appellant on the reliability of the first set of valuation reports which had already been rejected by the CoC lacks force of contention. The Adjudicating Authority had not committed any error in rejecting the application filed by the

Appellant to provide them with copies of the first set of valuation reports which had been discarded by the CoC.

24. For the reasons stated above, we are of the considered view that the impugned order rejecting IA No. 1935 of 2024 does not warrant any interference. The Appeal lacks merit and is dismissed with no order as to costs.

**[Justice Ashok Bhushan]
Chairperson**

**[Barun Mitra]
Member (Technical)**

Place: New Delhi

Date: 29.10.2025

Abdul