INSTITUTE OF INSOLVENCY PROFESSIONALS
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LEARNING CURVE-8/2026

23rd February, 2026

"Only the Liquidation Value in summary form is to be provided to the members of the CoC and not the full Valuation Report- NCLAT, Chennai"

CASE TITLE	**Tamilnad Mercantile Bank Limited V/s. Mr. Radhakrishnan Dharmarajan**
CASE NO.	Company Appeal (AT) (CH) (Ins.) No.23/2026 IA No. 58/2026
DATE OF ORDER	03rd February 2026
COURT/ TRIBUNAL	NCLAT, Chennai
STATUTES/RULES INVOLVED	Regulation 35(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016
BENCH	Hon'ble Mr. Justice N. Seshasayee, Member (Judicial) and Mr. Jatindranath Swain, Member(Technical)

Brief Facts of the Case:

Appellant is a Financial Creditor to Coastal Energen Private Limited. The Respondent herein, was appointed first as IRP (interim resolution professional) and subsequently as RP (resolution professional). The bank was a dissenting financial creditor in the insolvency of Coastal Energen Private Limited. It held a 2.20 percent voting share in the Committee of Creditors. The resolution plan submitted by Dickey Alternative Investment Trust in consortium with Adani Power Limited was approved by 97.80 percent of the lenders. The NCLT approved the plan.

After approval, the resolution professional distributed the resolution amount. The bank received ₹52.78 crore. The bank claimed it was entitled to Rs. 73.17 crore in terms of Section 53(1) read with Section 30(2) of the Insolvency and Bankruptcy Code. It sought the valuation reports and minutes of the monitoring committee to examine how the distribution had been calculated.

Opposing the plea, the resolution professional stated that the liquidation value had been shared with all Committee of Creditors members, including the bank, in compliance with Regulation 35 after obtaining confidentiality undertakings. He also pointed out that the bank had not raised any objection to the valuation during the insolvency process.

Issue for consideration:

- **Whether the Resolution Professional (RP) must provide full valuation reports to CoC members?**
- **Whether the bank can challenge valuation after plan approval and distribution?**

Contentions of Parties:

Petitioners (Tamilnad Mercantile Bank Limited):

The appellant, Tamilnad Mercantile Bank, contended that the resolution professional wrongly restricted access to crucial information by refusing to provide the complete valuation reports and minutes of the monitoring committee, which the bank argued were essential to verify the correctness of the distribution of the resolution proceeds. It asserted that, as a dissenting financial creditor, it was entitled to receive ₹73.17 crore in accordance with Section 53(1) read with Section 30(2) of the Insolvency and Bankruptcy Code, instead of the ₹52.78 crore actually received, and that access to the full valuation data was necessary to ascertain whether the liquidation value and waterfall distribution had been appropriately computed.

Respondents (Mr. Radhakrishnan Dharmarajan):

The respondents, led by the Resolution Professional, contended that they had fully complied with Regulation 35 of the CIRP Regulations by duly sharing the fair value and liquidation value—in the prescribed summary form—after obtaining confidentiality undertakings from all CoC members, including the appellant, and that there was no legal requirement to disclose complete valuation reports. They argued that the appellant had never objected to the valuation during the CIRP and had participated in the process without raising any dispute, making the present demand an afterthought aimed at reopening settled issues after approval of the resolution plan by both CoC and NCLT. The RP further maintained that the distribution of proceeds was carried out strictly in accordance with the approved resolution plan and statutory provisions, and that the appellant's attempt to seek additional documents at this late stage was unjustified.

Decision of the Appellate Authority

Referring to Regulation 35 as it stood at the relevant time, it observed that the legislature had consciously provided that only the liquidation value in summary form is to be provided to members of the Committee of Creditors and not the full valuation reports. *"Admittedly, the legislature had consciously provided for that only the liquidation value in summary form is to be provided to the members of the CoC and not the full valuation reports,"* the bench said.

The tribunal further noted that the bank had not challenged the liquidation value during the insolvency period. It observed that the subsequent attempt to seek the complete valuation reports appeared to be an afterthought. It clarified that the bank's separate application seeking payment of an additional Rs. 20.23 crore is still under consideration before the NCLT.

With these observations, the appeal was dismissed.

Significance of the Case:

The decision clarifies the limited scope of information disclosure that Committee of Creditors (CoC) members are entitled to during the Corporate Insolvency Resolution Process (CIRP). By holding that only the fair value and liquidation value in summary form must be shared with CoC members—and not the full valuation reports—the NCLAT reinforces the confidentiality framework under Regulation 35 of the CIRP Regulations. This protects sensitive commercial information from unnecessary circulation, thereby preventing potential manipulation, misuse, or interference by individual creditors. The ruling also strengthens the principle of finality in CIRP, cautioning creditors against raising valuation-related objections after the resolution plan has been approved and implemented. Importantly, it underscores that dissenting financial creditors cannot challenge distribution mechanisms belatedly by seeking additional documents, especially when they had an opportunity to raise concerns during CIRP. Overall, the case provides clear judicial guidance on valuation disclosure standards, promotes procedural discipline, and supports the smooth, time-bound functioning of the insolvency framework.

Link of the Order:
https://efiling.nclat.gov.in/nclat/order_view.php?path=L05DTEFUX0RvY3VtZW50cy9DSVNfRG9jdW1lbnRzL2Nhc2Vkb2Mvb3JkZXJzL0NIRU5OQUkvMjAyNi0wMi0wMy9jb3VydHMvMS9kYWlseS8xNzcwMzc2ODI2MjEwNDQyOTI5OTY5ODVjZTdhMWFhYzcucGRm