

ANNUAL PUBLICATION



2025



**INSOLVENCY PROFESSIONAL AGENCY OF
INSTITUTE OF COST ACCOUNTANTS OF INDIA**

SECTION 8 COMPANY REGISTERED UNDER COMPANIES ACT 2013

PROMOTED BY THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

OVERVIEW

Insolvency Professional Agency of Institute of Cost Accountants of India (IPA-ICMAI) is a Section 8 Company incorporated under the Companies Act-2013 promoted by the Institute of Cost Accountants of India. We are the frontline regulator registered with Insolvency and Bankruptcy Board of India (IBBI). With the responsibility to enroll there under insolvency Professionals (IPs) as its members in accordance with provisions of the Insolvency and Bankruptcy Code 2016, Rules, Regulations and Guidelines issued thereunder and grant membership to persons who fulfil all requirements set out in its byelaws on payment of membership fee. We are established with a vision of providing quality services and adhering to fair, just, and ethical practices, in performing its functions of enrolling, monitoring, training and professional development of the professionals registered with us. We constantly endeavor to disseminate information in aspect of Insolvency and Bankruptcy Code to Insolvency Professionals by conducting round tables, webinars and sending daily newsletter namely "IBC Au Courant" which keeps the insolvency professionals updated with the news relating to Insolvency and Bankruptcy domain.

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MANAGING DIRECTOR

MESSAGE FROM DESK OF CHAIRMAN



Dear Valued Readers,

It gives me great pleasure to present this year's Annual Publication of the Insolvency Professional Agency of the Institute of Cost Accountants of India. This publication stands as a reflection of our collective efforts to deepen understanding, strengthen professional practice, and contribute meaningfully to the ongoing evolution and advancement of the Insolvency and Bankruptcy Code (IBC), 2016.

Over the years, the IBC has transitioned from a reformative framework into a mature insolvency regime that increasingly influences corporate behaviour, credit discipline, ethics and governance standards. The growing body of judicial pronouncements, regulatory refinements and professional experience has reinforced the Code's central objectives—timely resolution, value maximization and equitable treatment of stakeholders—while also highlighting areas that demand continuous refinement and responsible implementation.

The past year has been particularly significant, marked by important legislative proposals, expanding jurisprudence on resolution plans, personal guarantors, group insolvency, and heightened expectations from insolvency professionals as officers of the process. These developments reaffirm the need for constant learning, ethical conduct, and sound professional judgment in navigating complex insolvency proceedings.

This Annual Publication brings together thoughtful articles, empirical insights, and practitioner perspectives that address both theoretical and practical dimensions of insolvency law and practice. I sincerely appreciate the contributors who have devoted their time and expertise to enrich this publication. Your work not only advances professional knowledge but also supports informed decision-making within the insolvency ecosystem.

At IPA-ICMAI, our focus remains firmly on capacity building, professional integrity, and institutional credibility. Through structured training programmes, research initiatives, and collaborative fora, we continue to equip insolvency professionals to respond effectively to evolving regulatory challenges and market realities.

As we look ahead, the role of insolvency professionals will become even more pivotal in ensuring business continuity, safeguarding stakeholder interests, and reinforcing confidence in the insolvency framework. I encourage our readers to engage deeply with the ideas presented in this publication and to remain active participants in the dialogue that shapes the future of insolvency practice in India.

I extend my sincere gratitude to our members, contributors, editorial team, and stakeholders for their continued support and commitment. Together, we are strengthening not just a legal framework, but a system based on trust, transparency, and economic resilience.

With Sincere regards, I sign off with this issue.

DR. JAI DEO SHARMA
CHAIRMAN OF IPA-ICMAI

MESSAGE FROM DESK OF THE PRESIDENT



It is a privilege to connect with readers through this year's Annual Publication of the Insolvency Professional Agency of the Institute of Cost Accountants of India. This publication reflects not only the steady progress of the Agency over the past nine years under the aegis of ICAI, but also the dedication, professionalism and growing maturity of its members across the insolvency ecosystem.

During the past year, insolvency professionals have faced increased regulatory scrutiny, evolving legal interpretations and greater procedural complexity, underscoring the need for strong technical expertise, sound judgment and ethical practice. In response IPA-ICMAI has proactively supported its members through targeted capacity-building initiatives that bridge regulatory requirements with practical implementation.

IPA-ICMAI, in close coordination with the Regional Councils and Chapters of ICAI has actively organized numerous training programs, workshops, seminars and interactive sessions across the country. These initiatives have been carefully structured to address real-world challenges faced by insolvency professionals. The enthusiastic participation of members from across regions underscores a collective commitment to continuous professional development and shared learning.

This Annual Publication brings together a range of perspectives that address practical issues, emerging trends and experiential insights relevant to insolvency practice in the current landscape. The articles and analyses presented herein are expected to serve as valuable reference material for professionals at various stages of their careers.

ICMAI, as the parent Institute, continues to support IPA-ICMAI's initiatives to strengthen professional development, extending outreach to all stakeholders to enhance awareness and practical understanding of the Insolvency and Bankruptcy Code, which is increasingly essential in a dynamic regulatory environment.

As the profession moves forward, continued focus on strengthening professional discipline, enhancing practical capability and collectively upholding the credibility and integrity of the insolvency profession will remain paramount.

Jai Hind!

**CMA TCA SRINIVASA PRASAD
PRESIDENT, ICAI**

MESSAGE FROM DESK OF THE MANAGING DIRECTOR



The IBC ecosystem has seen a momentous year in 2025. As the IBC regime entered its 10th year, all stakeholders are preparing and awaiting to see the IBC Amendment Bill, 2025 that is with the Parliament, to be approved there and implemented soon thereafter. The bill that took shape after wide discussions within the Ministry of Corporate Affairs and Insolvency and Bankruptcy Board of India (IBBI) has reached the Parliament back after a careful consideration by the Select Committee of the Parliament with its recommendations. In the meanwhile, it has also been widely deliberated upon, discussed threadbare in numerous roundtables, workshops and written articles by experts, practitioners and observers. IPA-ICMAI itself held 3 roundtable and workshops at different locations and several online workshops wherein each of the proposed amendments were discussed in detail. Suggestions emanating out of the in-person workshops were also forwarded to IBBI for consideration.

On the regulatory front, a major change in 2025 was the implementation of Authorisation For Assignment (AFA) renewals at half year-ends. I am happy to note that IPA-ICMAI could satisfactorily have all the applications for renewal of AFA from its members were fully processed and renewals issued before the expiry date of 31 December, 2025. That would not have been possible without the dedicated and efficient processing by the monitoring and membership teams at IPA-ICMAI who were also supported by other team members for this purpose. My full compliments to my colleagues on this score.

On the Professional Development (PD) and advocacy front, 2025 saw a few new initiatives by IPA-ICMAI. IPA-ICMAI launched a podcast series featuring senior practicing members discussing the opportunities and challenges they faced in a comfortable conversation with Manager, IPA-ICMAI. I am happy to report that the two episodes aired so far have been received very well and many enquiries have been received from IPs to be featured on the podcast. This promises to be an interesting and engaging channel, both to connect with IPs and publicize the profession in the larger society. Second is the Quarterly Digest that IPA-ICMAI launched in 2025. Third is the Research project that was instituted by IPA-ICMAI. Two research projects have been successfully completed guided by a committee of members of Research and Publications Committee of the Governing Board of IPA-ICMAI and a senior practicing IP. Both the reports would be published in the 3rd Residential Program 'Unlocking the Secrets of Insolvency' at Shillong.

As always, ensuring that our monitoring practices are rigorous, up to date and working on one hand, and continuous innovation in designing PD programs to continuously engage with the professionals and reach out on an ongoing basis to the larger ecosystem, are the mandates we at IPA-ICMAI strive to meet.

I am happy to express our gratitude and thanks to

- The Chairperson, Whole Time Directors, Executive Directors and executives at our regulator, the IBBI, who have all along been very understanding, supportive and encouraging on all our activities
- the President, Central Council Members, Secretary and staff at our parent, the Institute of Cost Accountants of India (ICMAI) who are very supportive with the firm hand of the parent.
- The editorial team has worked diligently to bring out this third Annual Publication (AP) that captures select articles from our monthly journals published in 2025, key rulings of the Adjudicating Authorities and constitutional courts, all major PD activities through the year as also sample feedback from members and professionals. I do hope the AP gets its due attention from all professionals and discerning readers.

Last but not the least, a big cheer to the team at IPA-ICMAI, each member of which, has worked as a team member supporting each other and learning along the way.

MR. G.S. NARASIMHA PRASAD
MANAGING DIRECTOR

OFFICIALS OF IPA-ICMAI



MR. G.S. NARASIMHA PRASAD
MANAGING DIRECTOR



CA SARIKA AGARWAL
CHIEF FINANCE OFFICER



MS. KARISHMA RASTOGI
SECRETARY OF THE COMPANY,
MANAGER & COMPLIANCE OFFICER



MR. MAYANK RASTOGI
ACCOUNTS MANAGER



MR. PRANAB BHARADWAJ
ASSISTANT MANAGER



CMA PUSHPENDRA JAISWAL
ASSISTANT MANAGER



MR. AYUSH GOEL
ASSISTANT MANAGER

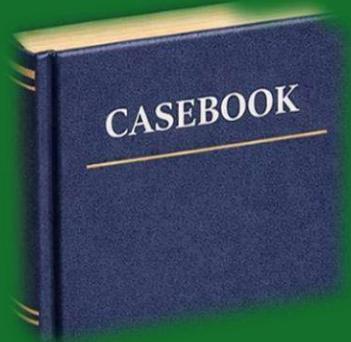
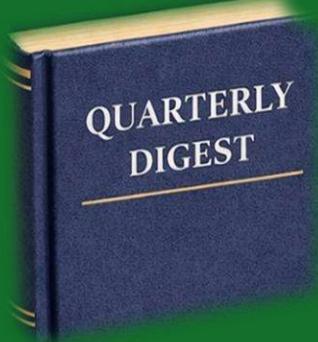
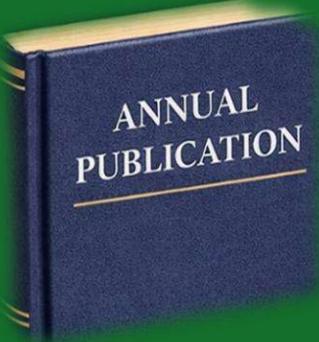
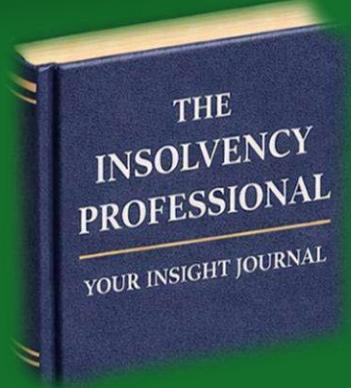
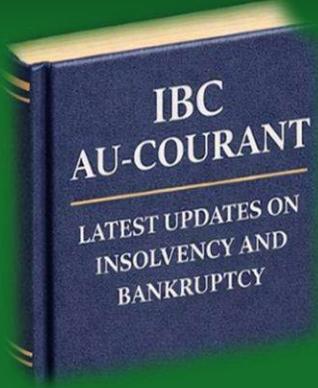
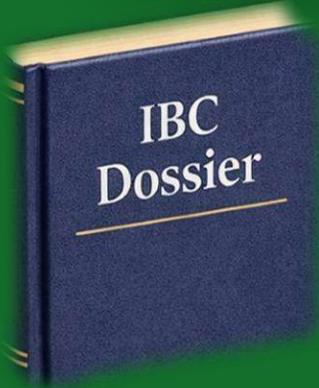


MS. NEHA SEN
RESEARCH ASSOCIATE



MR. ANIRUDH SINGH MALIK
EXECUTIVE

OUR PUBLICATIONS



PROFESSIONAL DEVELOPMENT INITIATIVES

EVENTS CONDUCTED FROM JANUARY TO DECEMBER 2025

DATE	PROGRAMME
JANUARY 2025	
04 January 2025	Residential Programme: <i>Resolving Insolvency in God's Own Country – Resolve Rebuild Renew</i>
17 January 2025	Workshop for Insolvency Professionals – Indore
19 January 2025	Workshop on Cross Border and Group Insolvency
23 January 2025	Executive Development Programme on <i>Navigating the NCLT & NCLAT Landscape</i>
31 January 2025	Workshop on <i>Understanding the Waterfall Mechanism</i> (Section 53 of IBC, 2016)
FEBRUARY 2025	
11 February 2025	Round Table Discussion on Streamlining Processes under the Code
15 February 2025	Discussion on Recent Developments under IBC, 2016 (Hybrid Mode)
16 February 2025	Workshop on <i>Interface of Different Laws with IBC, 2016</i>
22 February 2025	Workshop on <i>Personal Guarantors to Corporate Debtors</i>
28 February 2025	Workshop on Disciplinary Aspects & Governance under IBC, 2016
03 March 2025	Merit Certificate Course on Insolvency & Bankruptcy Code
MARCH 2025	
08 March 2025	Webinar on IPA Oversight, Grievance Redressal & Disciplinary Process and Legal Updates
09 March 2025	Workshop on Compliances to be made by Insolvency Professionals under IBC, 2016
13 March 2025	Workshop on Transaction Audit & Forensic Audit
23 March 2025	Workshop on Judicial Pronouncements under IBC, 2016
30 March 2025	Workshop on <i>Rising Haircuts under IBC, 2016</i>
APRIL 2025	
05 April 2025	Workshop on Understanding the Waterfall Mechanism (Section 53 of IBC, 2016)
11 April 2025	Workshop on Role & Responsibilities of Authorised Representatives under IBC, 2016
12 April 2025	Mediation Cohort: <i>Become a Certified Mediator with Comprehensive Industry Focus</i>
14 April 2025	67th Batch of Pre-Registration Educational Course (Online)
26 April 2025	Learning Session on <i>Unlocking the Power of Commercial Wisdom & CoC Decision-Making</i>
30 April 2025	Workshop on Challenges Faced by IPs in Implementation of Resolution Plans (Chandigarh)

MAY 2025

02 May 2025	Workshop on <i>Mastering the Information Memorandum under IBC, 2016</i>
05 May 2025	Roundtable on IBC with Stakeholders of the IBC Ecosystem
09 May 2025	Advanced Workshop on Liquidation
24 May 2025	Workshop on Compliances to be made by IPs under IBC, 2016
30 May 2025	Advanced Workshop on Successful Implementation of Resolution Plans

JUNE 2025

06 June 2025	Workshop on Not Readily Realisable Assets (NRRA)
09 June 2025	Merit Certificate Course on IBC, 2016
13 June 2025	Executive Development Programme on <i>Navigating the NCLT & NCLAT Landscape</i>
14 June 2025	Roundtable on Insolvency Insights – Hyderabad
20 June 2025	Seminar on <i>Balancing the Interests of Stakeholders under IBC</i>
20 June 2025	Workshop on Insolvency of Personal Guarantors – Evolving Landscape
28 June 2025	Advanced Workshop on Avoidance Transactions under IBC, 2016

JULY 2025

04 July 2025	Workshop on Mediation as a Strategic Tool in Insolvency Disputes under IBC
11 July 2025	Workshop on Disciplinary Aspects & Governance under IBC, 2016
18 July 2025	Workshop on Cross Border & Group Insolvency under IBC
21-27 July 2025	68th Batch of Pre-Registration Educational Course (Online)
26 July 2025	Advanced Workshop on IBC Practices and Regulatory Landscape

AUGUST 2025

02 August 2025	Workshop on Interplay of IBC, 2016 with Allied Laws
08 August 2025	Workshop on MSMEs & Pre-Pack Insolvency Resolution Process
18 August 2025	Seminar on IBC, 2016 – Chennai
22 August 2025	Roundtable on IBC (Amendment Bill, 2025): Impact, Insights & Interpretations
23 August 2025	Workshop on Forensic Audit and Transaction Audit
29 August 2025	Workshop on Corporate Insolvency Case Matrix (Industry-wise Resolution)
30 August 2025	One-Day Conference on IBC, 2016

SEPTEMBER 2025

06 September 2025	Workshop on AI Applications in IBC Processes
13 September 2025	Workshop on Pathways to Revival: Evolving Landscape of IBC
13 September 2025	Workshop on Non-Adversarial Concepts of ADR
15 September 2025	Special Programme on Insolvency and Bankruptcy Code, 2016

19 September 2025	Executive Development Programme on Case Management & Practices in IBC
27 September 2025	Learning Session on Critical Aspects in CIRP & Liquidation Lifecycles
OCTOBER 2025	
04 October 2025	Workshop on Foundation & Framework for Going Concern Management
08 October 2025	Seminar on Insolvency and Bankruptcy Code, 2016 – WIRC, Mumbai
10 October 2025	Workshop on Management of Creditors under IBC
17 October 2025	Workshop on Avoidance Transactions under IBC, 2016
25 October 2025	Workshop on Cross-Border & Group Insolvency under IBC and Global Practices
NOVEMBER 2025	
01 November 2025	IBC Conclave 2025
03 November 2025	3rd Batch of Certified Mediation Training – Delhi
07 November 2025	Webinar Series on Interplay of IBC with Other Laws
14 November 2025	Learning Session on Real Estate Stress & Attachment of Assets under IBC
21 November 2025	Three-Day Non-Residential Programme by IBBI – 2nd Batch, Delhi
28 November 2025	Foundation Day Programme of IPA-ICMAI – <i>Insolvency Evolution: Preparing Professionals for the Future</i>
DECEMBER 2025	
06 December 2025	Webinar Series on Practice & Strategic Challenges in CIRP
14 December 2025	Workshop on Role of Related Parties under IBC, 2016
19 December 2025	Executive Development Programme – <i>Mastering the Resolution Plan Lifecycle</i>
23 December 2025	Seminar on IBC (Amendment) Bill, 2025 & Role of IPs as Officers of Court
27 December 2025	Learning Session on Advanced Perspectives on Individual, Group & Cross-Border Insolvency

IN- PERSON EVENTS

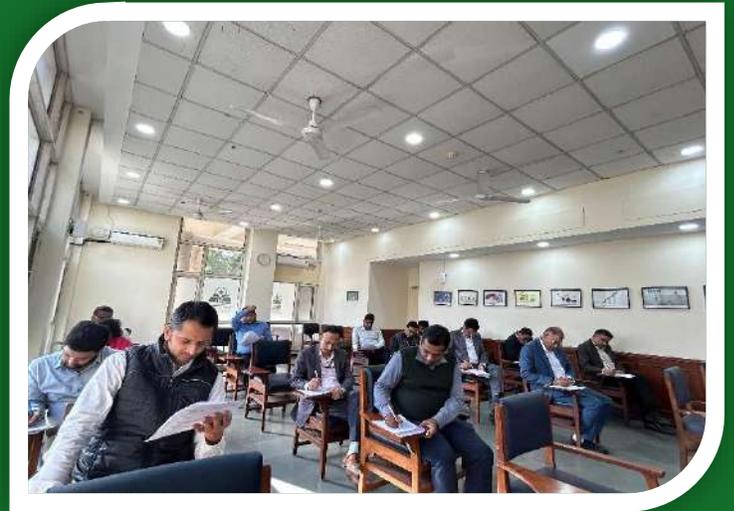
**Residential Program, "Deep Dive into Resolution in God's own Country,"
04th January - 08th January 2025 - Alleppey, Kerala**



Round table discussion on "Streamlining Processes under the Code: Reforms for Enhanced Efficiency and Outcomes" on 11th February 2025



Merit Certificate Course on Insolvency and Bankruptcy Code in Association with NIBSCOM, held from 3rd to 7th, March 2025



The Mediation Cohort to Become a Certified Mediator with Comprehensive Industry Focus (12th - 19th April 2025)



Workshop For Insolvency Professionals (Challenges Faced by Insolvency Professional in Implementation of Resolution Plan) in Association with The Chandigarh Chapter of ICAI (30th April 2025)



Roundtable on IBC with Stakeholders of the IBC Ecosystem" at CMA Bhawan, Bengaluru on 5th May 2025.



IPA ICAI, in association with Hyderabad Insolvency Professionals Association , conducted a professional roundtable on 14th June 2025 in Hyderabad.



IPA-ICMAI, in association with ICMAI Cochin Chapter, conducted a Seminar on "Balancing Interest of Stakeholders under the processes of IBC" on 20th June 2025 in Cochin.



Seminar on Insolvency and Bankruptcy Code 2016 "Empowering Professionals | Resolving Insolvencies" on 18th August 2025 at CMA Bhawan Chennai



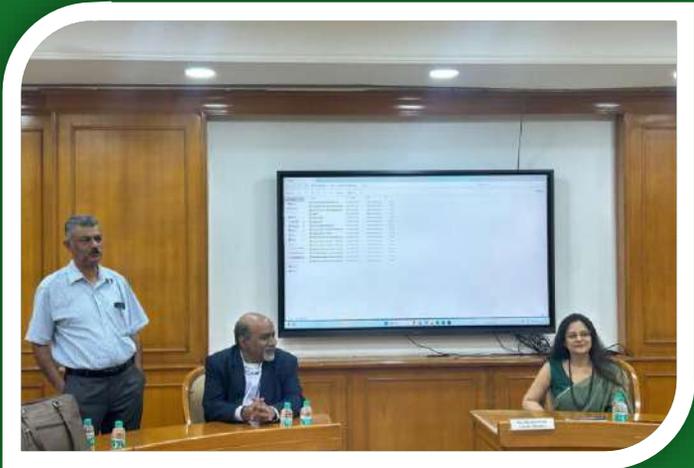
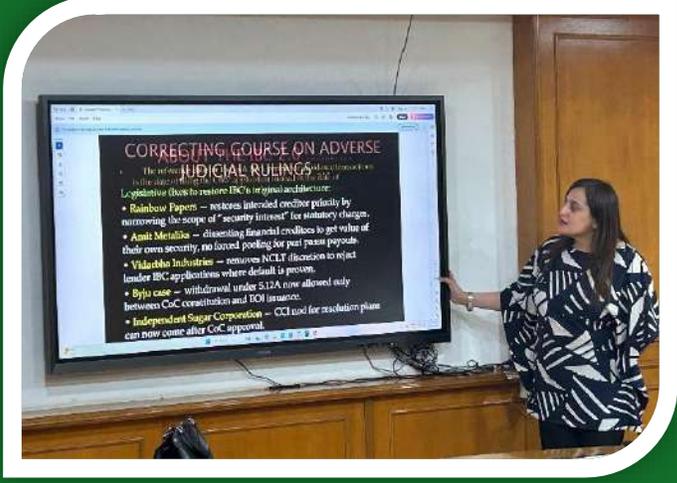
IBC Amendment Bill 2025 (Impact, Insights & Interpretations) on 22nd August 2025 at Delhi.



Workshop on Pathways to Revival the Evolving Landscape of IBC in Association with Hyderabad Insolvency Professional Association 13th September 2025 in Hyderabad.



Special Programme on Insolvency and Bankruptcy Code 2016 in association with NIBSCOM from 15th – 19th, September 2025



IPA-ICMAI, in association with ICMAI - WIRC, Conducted a Seminar on "Insolvency and Bankruptcy Code, 2016 on 8th October 2025 at Mumbai



IPA - ICMAI, in partnership with IP Net, successfully organized the IBC Conclave 2025 on 1st November 2025 at the India Habitat Centre, New Delhi



3-Day Training Program for Insolvency Professionals: Organized by IBBI jointly with all three Insolvency Professional Agencies from 21st -23rd, November 2025.

Training Program for Insolvency Professionals Day- 1



Training Program for Insolvency Professionals Day - 2



Training Program for Insolvency Professionals Day- 3



Foundation Day Program of IPA-ICMAI: Seminar on Insolvency Evolution: Preparing Professionals for the Future on 28th November 2025.





3rd Batch – 50 Hours Hybrid Mediation Training Program: Jointly organized by IPA-ICMAI and Missing Bridge on 28th -29th November, 2025.



Seminar on The Insolvency & Bankruptcy Code Amendment Bill 2025 & Role of Insolvency Professionals as Officers of Court on 23rd December 2025 in Mumbai.



Words of Appreciation

Ms. Pooja Bahry

IPAICMAI has played a pivotal role in strengthening and advancing the insolvency profession through its consistent support, proactive approach, capacity building programs and high standards of regulation. As a regulator, it has demonstrated exceptional professionalism, transparency, and responsiveness, ensuring that insolvency professionals are well-guided in an evolving regulatory landscape.

What truly distinguishes IPAICMAI is its approachability and readiness to assist. Whether through timely clarifications, continuous engagement, capacity-building initiatives, or hands-on guidance, the Institute has always stood by insolvency professionals, enabling them to discharge their responsibilities with confidence and integrity.

IPAICMAI's commitment to excellence, ethical conduct, and professional development has significantly contributed to strengthening trust in the insolvency framework. Its sustained efforts to support, guide, and empower professionals reflect a regulator that is not only effective, but also deeply invested in the growth and success of the profession.

Mr. Suhasini B Ashok

It is always a joy to be part of ICMAI IPA programmes. I deeply appreciate the dedication and vision of ICMAI IPA, the excellent team, and the great leadership of Mr. Narasimha Prasad garu for their tireless track record of innovation in organising webinars and seminars. Thoughtful topics on issues faced by Insolvency Professionals and the industry are deliberated upon by experts with remarkable depth and insight. ICMAI IPA's contribution is both valued and inspiring. My best wishes to the entire Team ICMAI IPA. -

Mr. Manoj kulshreshtha

Insolvency Professional Agency of Institute of Cost Accountants of India (IPAICAD), an arm assisting the regulator Insolvency and Bankruptcy Board of India in regulating the profession of Insolvency and performing excellent for the robust growth of economy and insolvency practices. It has dedicated worked in developing and grooming insolvency professionals and also developed a platform for research, training, advocacy and development of insolvency practices at par with global insolvency practices. I appreciate the efforts made by IPAICAI for the creating an excellent platform for academic, practice of insolvency and research areas fully dedicated to insolvency reforms at par with global best practices for placing at significantly improved rating in ease of doing business world ranking.

Mr. Rakesh Dindal

Our IPE is enrolled with the Insolvency Professional Agency of the Institute of Cost Accountants of India, and our experience has been excellent. Whether it is renewal of AFA, timely credit of CPE hours, or addressing any other compliance requirement, the responsiveness and personalized support provided by the team are truly unmatched.

Based on our positive experience, I have also recommended several colleagues to shift their IPA registration to IPA-ICMAI, especially as many of them have faced persistent issues with AFA renewals elsewhere.

Mr. Jayesh Sanghrajka

My association with IPA-ICMAI has been both meaningful and enriching. The institution has evolved into a thoughtful platform that supports Insolvency Professionals through relevant programmes, knowledge sharing, and peer engagement.

I appreciate the balanced approach adopted in addressing practical challenges faced by professionals. I would also like to acknowledge the leadership of G. S. Narasimha Prasad for his steady guidance and commitment to strengthening the insolvency ecosystem.

I am pleased to be associated with IPA-ICMAI and look forward to its continued contribution to the IBC framework..

Ms. Sujata Chattopadhyay

A member of the IPA of ICAI since 2017, I have over the past 9 years experienced the seamless interface of the IPA with its members. Right from the registration process to handling member queries, the IPA has served its members with ease. What stands out above all is the personal touch and the effort that the entire team puts into each of the IPA's initiatives

Mr. Sumit Shukla

I express our sincere appreciation to the IPA and its dedicated team for their continued support and guidance.

Their unwavering commitment to professional excellence and capacity-building has strengthened our work and elevated the standards of the profession. The encouragement and clarity they provide continue to inspire us to strive for higher benchmarks of diligence, integrity, and impact.

I look forward to their ongoing leadership and collaboration.

Dr. S.R. Shriram Shekher

I wish to extend my sincere appreciation for the excellent professional services rendered by our Institute. Commitment to quality and dedication to perfection towards professional excellence are the hall marks of our team.

The efficiency, responsiveness, and expertise demonstrated throughout our engagement reflect not only the organizational values but also the high standards we all uphold in every aspect our assignment. It has been a pleasure to experience such professionalism and I must express my deepest satisfaction in being guided by our Institute. I am confident to excel in our profession with the able support being rendered. Thank you once again for the outstanding support and services. I look forward continued guidance to achieve success and to make our Institute proud.

Words of Appreciation

Mr. Shamsher Bahadur Singh

IPA-ICMAI exemplifies professional excellence, ethical commitment, and intellectual rigor in advancing the accounting and insolvency profession. It consistently nurtures competent and forward-looking professionals equipped to meet evolving economic challenges. The institution's holistic approach blends academic depth with practical relevance, fostering leadership, governance, and professional responsibility. Through education, research, capacity building, and continuous learning initiatives, IPA-ICMAI has built a vibrant knowledge ecosystem. Its dedicated support system for Insolvency Professionals reflects efficiency, sincerity, and professionalism. Overall, IPA-ICMAI continues to earn trust and respect through its lasting contribution to the profession and society.

Mr. Sutannu Sinha

As an Insolvency Professional and a member of IPA-ICMAI since the beginning of the profession, I take this opportunity to place on record my deep appreciation for the exemplary role played by our IPA-ICMAI.

From the very beginning, IPA-ICMAI has provided consistent guidance, robust institutional support, and a strong professional framework that has significantly contributed to honing our professional acumen and enhancing our efficiency. It has not only functioned effectively as a Professional Agency but has also discharged its regulatory responsibilities in a holistic, transparent, and balanced manner.

Throughout the year, IPA-ICMAI keeps its members actively engaged through a wide range of knowledge enhancement programmes, workshops, seminars, and capacity-building initiatives, ensuring continuous learning and professional development in a rapidly evolving insolvency ecosystem.

I extend my best wishes to IPA-ICMAI for continued success and for scaling greater heights in strengthening the insolvency profession in India.

Mr. KJ Vinod

I am particularly grateful for the following positive aspects that demonstrate IPAICMAI's commitment to excellence: **Personal Attention and Guidance:** From the very first registration, IPAICMAI offers personal care, guidance, and valuable advice, patiently addressing all queries related to applications and processes. **Concessional Fee Structure:** The agency charges very reasonable and concessional fees for all registrations, including membership, making professional growth accessible to all. **Timely Assistance for AFA Renewals:** During the renewal period for the Authorization for Assignment (AFA), IPAICMAI staff are highly accessible responding promptly via email and phone, often going the extra mile to ensure urgent renewals are handled with personal care and attention. **Interactive and Respectful Staff:** The staff at IPAICMAI are not only approachable but also consistently respectful and interactive, creating a welcoming environment for all members. **Member-Centric Training Sessions:** Training sessions are organized based on member requests and feedback, with topics carefully selected in consultation with members to ensure maximum relevance and benefit. **Remarkable Support During Enquiries and Inspections:** Perhaps most importantly, IPAICMAI provides invaluable advice and recommendations when members receive enquiry or inspection notices. With the agency's guidance, members are able to confidently prepare and submit audit reports, ensuring compliance and professionalism.

Mr. Sanjeev Ahuja

My association with IPA-ICMAI is almost a decade old having interacted with the leadership team at various stages during the evolution of IBC since 2016. Been a member of many committees over the period and got an opportunity to add value on Policy Advocacy and assisting fellow professionals as the profession grew at a rapid pace. With the changing times, this organisation has also evolved and has been at the forefront taking initiatives much ahead of others including capacity building along with Missing bridge while conducting Mediation Training for many Professionals including Insolvency Professionals. Credit must go to the vibrant team ably led by their MD as a true leader optimally putting to use the limited resources and the tight time frames they have at their disposal.

Ms. P. Siva Rama Prasad

The Institute of Cost and Accountants of India- Insolvency Professional Agency (ICMAI IPA), New Delhi, deserves sincere appreciation for its commendable initiative of conducting regular weekly webinars, both online and offline, on the latest developments under the Insolvency and Bankruptcy Code, 2016. These well-structured knowledge sessions comprehensively cover amendments to the Code, evolving regulations and rules, as well as significant judicial pronouncements, thereby enabling Insolvency Professionals to stay current in a rapidly changing legal and regulatory environment.

The programs significantly enhance the professional competence of Resolution Professionals across the country in effectively handling assignments relating to Corporate Insolvency Resolution Process (CIRP), Liquidation, Voluntary Liquidation, Pre-Packaged Insolvency Resolution Process (PIRP), and matters concerning Personal Guarantors to Corporate Debtors.

Importantly, these initiatives extend valuable learning support to members registered with all Insolvency Professional Agencies, including Chartered Accountants, Cost and Management Accountants, and Company Secretaries. The consistent efforts of ICMAI IPA in capacity building and professional development truly reflect its commitment to strengthening the insolvency ecosystem in India and merit high appreciation.

Mr. Yogesh Chatwani

I have been associated with the Insolvency Professional Agency of Institute of Cost Accountants of India (IPA ICMAI) since 2021, beginning with the PREC after clearing the Limited Insolvency Examination. From my very first interaction to date, I have consistently received prompt, courteous, and helpful responses from various representatives of the Agency. The IPA's website is well-maintained and regularly updated with relevant content, various publications, and important announcements. The Agency's commitment to continuous learning is evident through its regular CPE programs—both virtual and in-person—which offer valuable insights into regulatory and practical aspects of the profession. The residential programs also provide meaningful networking opportunities in a more informal setting. I feel privileged to have contributed as a speaker in some of these sessions. These opportunities not only allowed me to share insights from my own experience but also enriched my own learning through interaction with fellow professionals. The recent launch of the IPA's Podcast series is a noteworthy initiative. It creates a focused platform for Insolvency Professionals to reflect on real-world challenges, regulatory nuances, and lessons drawn from actual cases under the IBC framework. My sincere appreciation and best wishes to the entire team at IPA ICMAI, ably led by the Managing Director, for their continued dedication to strengthening the IP ecosystem.

PODCAST SERIES FOR INSOLVENCY PROFESSIONALS "UNRAVELLING THE MYSTERIES OF INSOLVENCY"

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RESEARCH PROJECTS

Research Project 1 : AI-Driven Insolvency Prediction and Analysis of Professional Challenges in CIRP Delays under the Insolvency and Bankruptcy Code



Summary :An effective insolvency framework requires not only time-bound resolution after default but also mechanisms that enable early identification of financial distress and timely corrective intervention. While the Insolvency and Bankruptcy Code, 2016 (IBC) has substantially strengthened India's corporate insolvency regime by introducing a creditor-driven and rule-based resolution process, significant challenges persist. Insolvency proceedings are often initiated

at an advanced stage of distress, when substantial economic value has already eroded, and resolution under the Corporate Insolvency Resolution Process (CIRP) frequently exceeds statutory timelines due to operational, procedural, and institutional constraints. These limitations adversely affect recovery outcomes, impose considerable burdens on Insolvency Professionals (IPs), and weaken the overall effectiveness of the insolvency ecosystem. Against this backdrop, the present study addresses two interrelated objectives: first, to develop a structured, data-driven Early Warning System (EWS) capable of detecting corporate financial distress at a pre-default stage using financial, compliance, and governance indicators; and second, to empirically examine the causes of delays in CIRP execution, with particular emphasis on the professional and operational challenges faced by Insolvency Professionals under the IBC framework. By integrating predictive analytics with institutional analysis, the study seeks to bridge the gap between early distress detection and effective insolvency resolution in India. The research adopts a mixed-method, sequential explanatory design grounded in a pragmatic research paradigm. The first phase is quantitative and focuses on insolvency prediction using secondary data drawn from corporate financial statements, governance disclosures, and statutory compliance records obtained from sources such as ProwessIQ, Capitaline, the Ministry of Corporate Affairs, and publications of the Insolvency and Bankruptcy Board of India. Key early warning indicators relating to liquidity stress, cash-flow sustainability, leverage, profitability, audit qualifications, governance signals, and persistent delays in statutory filings are identified and tested using econometric techniques, including panel data and survival-based models. The statistically significant predictors derived from these models form the analytical foundation for an AI-assisted classification framework that categorises firms into solvent and high-distress risk groups, enabling early identification of probable insolvency. The second phase of the study is empirical and explanatory in nature and relies on primary data collected from

Insolvency Professionals through structured questionnaires. This phase examines operational, procedural, and institutional factors contributing to delays in CIRP execution, focusing on issues such as information asymmetry, non-cooperation by promoters, litigation pressures, deficiencies in data quality, coordination challenges among stakeholders, professional workload constraints, and limitations in sector-specific expertise. The findings reveal that financial distress in Indian

corporates is observable well before default through declining cash flows, weakening debt-servicing capacity, governance red flags, and repeated compliance delays. Models relying exclusively on traditional accounting ratios or default-based triggers fail to capture these early signals, whereas the proposed EWS demonstrates that integrating financial and non-financial indicators significantly enhances early detection capability and expands the window for preventive intervention and restructuring. The study further shows that CIRP delays are driven not only by tribunal backlogs or litigation but also by micro-level operational challenges faced by Insolvency Professionals, including unreliable corporate records, limited cooperation from suspended management, and resource constraints. These findings underscore that improvements in institutional capacity, data quality, and process management are as critical as statutory timelines in achieving effective insolvency outcomes. From a practical and policy perspective, the proposed EWS can serve as a monitoring tool for lenders, IPs, and regulators to identify vulnerable firms at an early stage, facilitating timely engagement, corrective restructuring, or negotiated settlements before default. Rather than replacing CIRP, the EWS is positioned as a preventive, pre-default layer that complements the curative insolvency framework and enhances the overall effectiveness of the IBC in achieving sustainable insolvency resolution outcomes in India.

“Interested readers may request the full project report by emailing publication@ipaicmai.in”

Research Author: Mr. Ajay. A
Research Guide: Mr Yogesh Gupta
Review Committee Member:

- Dr. Divya Sharma
- Dr. Risham Garg

Research Project 2 : Efficacy of Incentives for Resolution Professionals in Timely Completion of Corporate Insolvency Resolution Process (CIRP): A Pre and Post Implementation Analysis under the IBC, 2016.”



Summary: The main objectives of enacting IBC Code 2016 were basically timely resolution of corporate distress and maximization for the values of the creditors. One of the major concerns despite a strong statutory framework was a persistent delay in CIRP (Corporate Insolvency Resolution process) which often resulted in value erosion and hampered the stakeholder’s confidence. As the role played by Resolution Professionals is very crucial in this aspect, IBBI introduced the performance linked incentive scheme to result in faster and timely completion of CIRP in a more disciplined manner.

The present research conducted by me investigates whether the introduction of these incentives has improved the CIRP performance in India. The study has utilized secondary data which has been extracted from IBBI quarterly newsletter and reports. The time of the study has been segregated into pre incentive period (from April 2019 to March 2022) and post incentive period (from April 2022 to March 2025). The various indicators taken into consideration in the study were average resolution time, median resolution time, timeliness ratio (percentage of cases completed within 330 days), recovery ratio as well as resolution to liquidation ratio has been examined.

The study has utilized descriptive analytics, paired sample T test, Wilcoxon signed rank test and correlation. The analysis has been done using SPSS. It has been observed from the findings that incentive framework has a statistically significant and positive impact on procedural efficiency. The average and median resolution time reflects a meaningful reduction in the post incentive period and the timeliness ratio (proportion of the cases completed within statutory limit of 330 days) has also improved significantly. The study indicates that the incentive framework did have a positive impact on time discipline and operational efficiency among resolution professionals. Further the study indicates that the improvement in recovery outcomes is limited. It is seen that though the recovery ratio has marginally increased in the post-incentive period, the result is not statistically significant. The correlation analysis results also show that there is a strong and positive correlation between resolution time and recovery ratio in post incentive period suggesting that the higher recoveries are often associated with longer resolution period. This result highlights a important policy tradeoff between speed and value maximization in insolvency resolution.

The research concludes that while the introduction of performance linked incentive framework has been effective in improving the timeliness and procedural efficiency of the CIRP, it has not been translated into higher creditor recoveries. The findings of the study suggest the need for having a balanced incentive framework that rewards simultaneously for timely completion and value maximization. The present study has tried to contribute empirical evidence towards insolvency policy discourse in India while also offering practical insights for resolution professionals, regulators as well as insolvency practitioners who are involved to strengthen the effectiveness of IBC regime.

“Interested readers may request the full project report by emailing publication@ipaicmai.in”

Research Author: Dr. Arindam Banerjee
Research Guide: Mr. Pratim Bayal



ARTICLES

YOUNG PROFESSIONALS IN INSOLVENCY AND BANKRUPTCY ECO-SYSTEM NEW CAREER PATHS AND OPPORTUNITIES



KARISHMA RASTOGI
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IPA OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

The Insolvency and Bankruptcy Code, 2016 (IBC), has redefined India's corporate and financial landscape by introducing a streamlined and time-bound process for resolving insolvency. Since its enactment, the IBC has significantly influenced corporate governance, credit culture, and distressed asset management in India. While **Insolvency Professionals (IPs)** occupy a pivotal position in managing Corporate Insolvency Resolution Processes (CIRPs) and Liquidation, a much wider ecosystem of professionals supports the functioning of the IBC.

For young professionals who are not registered as IPs, there are abundant career opportunities in legal advisory, financial services, compliance, valuation, forensic audit, investment advisory, and research. This article explores in depth the non-IP career avenues for young professionals under the IBC, highlighting skill requirements, roles, challenges, and future prospects.

While IPs are central to the process, they require the support of a multidisciplinary team to manage different aspects of insolvency resolution. Some reasons for growing non-IP opportunities include:

- **Specialized support functions:** Valuation, forensic audits, legal representation, and financial restructuring cannot be solely handled by IPs.
- **Increasing complexity of cases:** Large corporate insolvencies involve multiple creditors, cross-border transactions, and complicated financial structures.
- **Judicial and Regulatory Interactions:** Lawyers, company secretaries, and compliance professionals are needed to manage hearings, filings, and regulatory compliance.
- **Investor interest in Distressed assets:** Investment bankers, financial advisors, and consultants help resolution applicants in bidding and structuring deals.

1. LEGAL OPPORTUNITIES UNDER IBC : ADVOCATES AND LAW FIRMS

The IBC has generated a substantial demand for lawyers specializing in insolvency and corporate law. Young advocates can explore:

a) Litigation and Representation:

- **NCLT/NCLAT Practice:** Represent financial creditors, operational creditors, or corporate debtors in insolvency petitions, appeals, and applications.
- **Avoidance Transactions:** File or defend applications for preferential, fraudulent, or undervalued transactions.
- **Liquidation & Distribution Matters:** Represent stakeholders in liquidation disputes.

b) Advisory Roles:

- Drafting and reviewing resolution plans for legal compliance.

- Advising resolution applicants on regulatory risks and approvals.
- Structuring cross-border insolvency transactions.

c) Corporate Law Support:

- Advising companies on preventive restructuring and pre-packaged insolvency.
- Drafting settlement agreements for out-of-court restructuring.

Career Path: Young advocates can start as associate’s in law firms specializing in insolvency, gradually building a strong NCLT/NCLAT litigation practice.

2. FINANCIAL AND ADVISORY ROLES UNDER IBC:

a) Financial Consultants and Analysts: Resolution applicants often require Financial Advisors to:

- Conduct business valuation and due diligence of distressed companies.
- Prepare financial models to evaluate feasibility of resolution plans.
- Analyze liquidation vs. resolution outcomes for creditors.
- Identify restructuring opportunities for reviving stressed businesses.

b) Investment Bankers and Transaction Advisors

- Advising investors on bidding strategies for distressed companies.
- Negotiating debt restructuring with creditors.
- Facilitating fundraising for resolution applicants.
- Identifying strategic or financial investors for resolution plans.

c) Turnaround and Management Consultants

- Business process restructuring to make operations viable post-resolution.
- Cost optimization and revenue enhancement strategies.
- Market analysis for repositioning companies after resolution

3. VALUATION AND REGISTERED VALUERS

Valuation plays a central role in determining fair and liquidation values. Opportunities for young valuation experts include:

- Working as analysts assisting Registered Valuers.
- Providing research support in determining enterprise value.
- Young professionals can begin as analysts before obtaining registration as valuers.

4. FORENSIC AUDITORS AND INVESTIGATION SPECIALISTS

The IBC empowers resolution professionals to identify and report fraudulent, preferential, or undervalued transactions. This has led to a surge in demand for forensic auditors. Young professionals can:

- Trace fund diversions and investigate related-party transactions.
- Prepare forensic audit reports.
- Assist in recovery of wrongfully transferred assets.

5. COMPLIANCE AND COMPANY SECRETARIAL ROLES

Company Secretaries (CS) play an essential role during CIRP:

- Preparing and filing statutory forms with ROC, IBBI, and NCLT.
- Drafting notices, minutes, and resolutions for CoC meetings.
- Ensuring adherence to corporate governance norms.

6. ACCOUNTING AND TAXATION EXPERTS

Complex tax issues arise during CIRP, CMAs and CAs can assist companies and resolution applicants in these matters.

- Treatment of GST and other indirect taxes.
- Carry-forward and set-off of tax losses.
- Determination of contingent liabilities.

7. OPPORTUNITIES IN RESEARCH, TRAINING, AND POLICY ADVISORY

The IBC is evolving, creating opportunities for researchers and policy advisors:

- Working with think tanks and industry associations.
- Publishing articles and research papers.
- Conducting training workshops for professionals.

8. OPPORTUNITIES IN TECHNOLOGY AND DATA ANALYTICS

The growing use of technology opens avenues:

- Data Analytics: Detecting early signs of stress.
- Virtual Data Rooms: Managing data security for bidders.
- Forensic Tools: Using AI for fraud detection.

HOW YOUNG PROFESSIONALS CAN ENTER INTO THE IBC ECOSYSTEM

The Insolvency and Bankruptcy Code (IBC) has created a dynamic ecosystem that integrates legal, financial, and strategic disciplines to resolve distressed assets and corporate insolvency cases. For young professionals aspiring to build a career in this domain, there are several practical and impactful pathways to enter and grow within the IBC framework.

One of the most effective ways to begin is by acquiring specialized knowledge through professional certifications. Programs recognized by institutions like the **IPA-ICMAI**, the Insolvency and Bankruptcy Board of India, the Indian Institute of Corporate Affairs, other IPAs etc. offer structured learning and industry-recognized credentials. These certifications provide a strong foundation in Insolvency Law, Resolution Processes, and the economic principles underpinning distressed asset management.

Practical experience is equally important. Young professionals should aim to work with **IPAs**, law firms, accounting firms, or Insolvency Professional Entities (IPEs) that handle IBC-related cases. These organizations offer exposure to real-world corporate insolvency resolution processes, including drafting resolution plans, managing stakeholders, and navigating the National Company Law Tribunal (NCLT) proceedings. Interning or working in such firms allows young aspirants to observe and contribute to

complex insolvency cases under the guidance of experienced professionals.

Another crucial step is to build a strong professional network. Attending IBC-focused seminars, webinars, workshops, and conferences can help young professionals connect with insolvency professionals (IPs), legal experts, regulators, and industry practitioners. These events not only offer insights into evolving legal frameworks and case law but also provide networking opportunities that can lead to internships or full-time roles.

Moreover, young professionals must strive to develop multidisciplinary skills. The IBC domain is not confined to law alone; it intersects with finance, accounting, valuation, and business strategy. A strong understanding of company balance sheets, debt restructuring, legal compliance, and commercial negotiation can significantly enhance a professional's contribution and value in this space.

CONTRIBUTION OF IPA ICMAI TO IBC ECO-SYSTEM

The IPA ICMAI plays a significant role in strengthening the Insolvency and Bankruptcy Code (IBC) ecosystem in India by conducting a wide range of courses and training programs. These initiatives are designed to build professional competence among insolvency professionals (IPs), young professionals, and other stakeholders involved in corporate restructuring and resolution processes. The courses conducted by IPA of ICMAI are in alignment with the regulatory framework laid down by the Insolvency and Bankruptcy Board of India (IBBI).

1. Pre-Registration Educational Course (PREC)

This is one of the most important courses conducted by IPA of ICMAI for aspiring Insolvency Professionals. As mandated by the IBBI, every individual who seeks registration as an IP must undergo a 50-hour Pre-Registration Educational Course. This course covers the foundational aspects of the Insolvency and Bankruptcy Code, 2016, and provides a structured learning framework through lectures, case studies, and group discussions. The PREC is conducted in both physical and virtual modes and aims to enhance the conceptual clarity and practical skills of participants.

2. Continuing Professional Education (CPE)

To ensure that registered Insolvency Professionals stay updated with the evolving legal and regulatory landscape, IPA-ICMAI conducts **Continuing Professional Education programs**. These are periodic workshops, seminars, and webinars that cover advanced topics such as resolution plans, cross-border insolvency, group insolvency, valuation techniques, forensic audits, and legal updates. These programs contribute to the mandatory CPE credit requirements for registered professionals under the IBBI norms. The following courses are conducted as CPE Programs:

Certificate Courses Learning Sessions, Masterclasses and Workshops, IPA of ICMAI also offers specialized certificate courses that delve deeper into niche areas within the insolvency domain.

These courses are also conducted in collaboration with leading institutions where academicians, legal experts, and insolvency practitioners take the session. They provide an opportunity for hands-on learning and exposure to real-world scenarios.

3. Orientation and Awareness Programs

To create awareness among students, professionals, and other stakeholders, the IPA organizes **orientation programs, awareness sessions, and panel discussions** on various aspects of the IBC. These programs are particularly useful for young professionals who are exploring career options in insolvency, restructuring, and resolution.

4. Mock Test Series and Preparatory Classes

For candidates appearing for the Limited Insolvency Examination (LIE) conducted by IBBI, IPA ICMAI conducts **mock test series, doubt-solving sessions, and revision classes**. These are structured to help candidates understand the exam pattern, assess their readiness, and focus on key areas.

5. Residential Programs in Pondicherry and Kerala

IPA ICMAI has also conducted **residential training programs in Pondicherry and Kerala**, in-person learning retreats aimed at deepening the understanding of the Insolvency and Bankruptcy Code (IBC), 2016. These programs are particularly curated for **all stakeholders of IBC, i.e. Insolvency Professionals (IPs), young professionals, bankers, lawyers, and corporate stakeholders (Delegates from PSU, Law Firms, IPEs and Ministries)** who are either practicing under or engaging with the IBC framework.

Key Features of the Residential Programs:

- a) **Holistic Learning Experience:** These multi-day residential programs offer participants an opportunity to engage in **comprehensive discussions on practical and legal aspects of insolvency resolution**, including Corporate Insolvency Resolution Process (CIRP), liquidation, valuation, resolution plan evaluation, avoidance transactions, and emerging trends such as cross-border insolvency.
- b) **Expert Faculty:** The sessions are led by **eminent professionals**, including senior Insolvency Professionals, NCLT/NCLAT practitioners, IBBI officials, forensic auditors, and retired judges. Their practical insights and real-case analysis provide participants with applicable knowledge for real-time challenges.
- c) **Serene Learning Environment:** Locations such as **Pondicherry and Kerala** are specifically chosen for their tranquil atmosphere, promoting deeper engagement and reflective learning. Away from the distractions of urban life, participants benefit from both professional development and mental rejuvenation.
- d) **Professional Networking and Collaboration:** The residential setting also creates ample scope for **networking**, allowing professionals from diverse backgrounds—chartered accountants, cost accountants, company secretaries, lawyers, and bankers—to connect, share experiences, and explore collaborative opportunities in the IBC ecosystem.
- e) **CPE Credit Compliance:** Participation in these residential programs also contributes to the **Continuing Professional Education (CPE)** requirements mandated by the IBBI, helping IPs maintain their professional standing.

CONCLUSION

The IBC has opened diverse professional opportunities beyond Insolvency Professionals. Lawyers, financial analysts, valuers, forensic auditors, company secretaries, and management consultants are integral to successful insolvency resolution. For young professionals, the IBC ecosystem offers intellectually stimulating work, exposure to high-value corporate transactions, and significant career growth potential. By building expertise, networking, and staying updated, they can become indispensable contributors to India's evolving insolvency framework.

MEDIATION IN INSOLVENCY CASES: SCOPE AND BENEFITS

CA KISHORE KUMAR PAHUJA
INSOLVENCY PROFESSIONAL

The Insolvency and Bankruptcy Board of India (IBBI) has proposed new regulations allowing operational creditors to opt for voluntary mediation before initiating insolvency proceedings against a company. This initiative aims to alleviate the burden on the judiciary and reduce delays in the insolvency process. If the mediation fails, the mediator will prepare a non-settlement report, which must be submitted alongside the application for the Corporate Insolvency Resolution Process (CIRP) to the adjudicating authority (AA). This process is designed to streamline insolvency proceedings and make them more efficient. The proposal is based on recommendations from an expert committee, which emphasized pre-institutional mediation as a necessary first step before filing insolvency applications. By incorporating mediation, the IBBI seeks to promote quicker and less adversarial resolutions. The move is part of broader efforts to improve the insolvency and bankruptcy framework in India.

Mediation is gradually becoming an increasingly useful tool in resolving disputes and facilitating efficient solutions to complex financial challenges. Insolvency, whether personal or corporate, often involves a multitude of stakeholders, including debtors, creditors, employees, and regulatory bodies, each with different interests and objectives. Traditional litigation processes can be slow, costly, and adversarial, and may not lead to the best outcomes for all involved parties. Mediation provides an alternative method of resolving disputes and facilitating negotiations in insolvency proceedings.

What is Mediation?

Mediation is a voluntary, confidential process in which a neutral third party (the mediator) helps disputing parties to reach a mutually acceptable resolution. Unlike litigation, which involves a judge or arbitrator making decisions based on the law, mediation empowers the parties to negotiate directly and control the outcome of the process. The mediator does not make decisions but instead facilitates communication, helps identify common ground, and assists in finding solutions that satisfy all parties involved. Mediation is widely used in various legal contexts, including family law, commercial disputes, and employment issues, and its application to insolvency cases has proven to be particularly beneficial.

Insolvency Cases- Need for Mediation

Insolvency cases often involve complex financial structures, multiple creditors, and competing interests. These cases can be particularly contentious because the available assets are limited, and the stakeholders involved may have conflicting goals. For example, creditors may be eager to recover as much of their debt as possible, while the debtor may seek to avoid liquidation and preserve the business or individual's financial future. In addition, insolvency cases can involve regulatory authorities, employees, and shareholders, each with their own interests. Without mediation, these disputes often end up in court, where the outcome is uncertain and the process can be expensive and time-consuming.

The benefits of mediation in insolvency proceedings are particularly clear when one considers the following challenges typically faced in these cases:

Multiple stakeholders with different priorities: In corporate insolvency, a business may owe debts to numerous creditors, each with different interests. These creditors may include secured lenders,

unsecured creditors, employees, suppliers, and tax authorities. Balancing these competing interests often requires careful negotiation, which is where mediation can play a pivotal role.

Pressure to resolve disputes quickly: Insolvency cases, particularly corporate bankruptcies, often require urgent decisions to preserve assets, prevent asset dissipation, and prevent further losses. Court procedures can be slow and may not yield timely resolutions. Mediation, on the other hand, allows for more flexibility and can help expedite the resolution process.

Complex financial and legal issues: Insolvency involves technical financial issues such as asset valuation, debt restructuring, and claims priority, as well as legal matters concerning the debtor's obligations and rights. Mediation can help simplify these issues by allowing the parties to engage in open discussions and work toward a practical solution.

Preserving business relationships: Insolvency cases often involve ongoing business relationships between debtors and creditors. A contentious court battle can further damage these relationships, making future cooperation difficult. Mediation fosters cooperation and can help preserve the possibility of future business dealings.

Given these challenges, mediation presents an opportunity to resolve insolvency disputes in a less adversarial and more efficient manner than litigation.

The Key Roles of Mediation in Insolvency Cases

Mediation can address a wide range of issues in insolvency cases. Below are some of the key roles that mediation can play:

1. Resolving Disputes Between Creditors and Debtors

One of the primary applications of mediation in insolvency is resolving disputes between the debtor and creditors. In many insolvency cases, creditors may seek repayment of debts while the debtor may be struggling to meet obligations due to a lack of liquidity or financial distress. Mediation provides a platform for both sides to express their concerns, share relevant financial information, and work toward a resolution that satisfies all parties.

Mediation can also assist in negotiating more favourable repayment terms, such as extending repayment periods, reducing debt amounts, or restructuring the debt in a way that allows the debtor to continue operations. For creditors, the goal is often to recover as much of their debt as possible, while for the debtor, the goal is typically to avoid liquidation or preserve the business. Mediation helps reconcile these interests and find a balanced solution.

2. Debt Restructuring and Workouts

In cases of corporate insolvency, mediation can be particularly effective in facilitating debt restructuring or debt workouts. A debt restructuring process involves renegotiating the terms of outstanding debts, often to make them more manageable for the debtor while ensuring that creditors are still compensated sufficiently. This could involve changes to interest rates, repayment schedules, or even the principal amount of the debt.

The mediator can guide the negotiations between the debtor and creditors to ensure that the restructuring process is conducted fairly and transparently. By engaging the parties in open dialogue, the mediator helps bridge differences and fosters a collaborative approach to addressing the debtor's financial difficulties. In some cases, mediation may lead to a voluntary debt settlement or an agreement to convert debt into equity.

3. Avoiding Bankruptcy Proceedings

One of the most significant advantages of mediation is that it can help parties avoid lengthy and costly bankruptcy proceedings. Bankruptcy, while providing a legal framework for resolving insolvency, often results in the liquidation of assets and the cessation of operations, which may not be in the best interest of the debtor or the creditors. Mediation, on the other hand, allows the parties to explore alternatives to bankruptcy, such as reorganization or debt forgiveness.

In cases where the debtor is a business, bankruptcy may mean the loss of jobs, damage to the business's reputation, and the destruction of shareholder value. Mediation provides an opportunity to reach an agreement that can allow the business to continue operating while still addressing the financial issues.

4. Facilitating Communication Between Parties

In insolvency cases, communication between the debtor and creditors can be difficult, especially when there are multiple parties involved. Creditors may be distrustful of the debtor's intentions or may feel that their claims are being ignored. Similarly, debtors may be reluctant to share financial information due to fear of legal consequences or the potential loss of assets.

Mediation helps break down these communication barriers by creating a structured environment for dialogue. The mediator ensures that both parties have an opportunity to present their views and concerns. By facilitating respectful and open communication, mediation helps foster mutual understanding, which can lead to more productive negotiations.

5. Promoting Settlement Over Litigation

Litigation in insolvency cases can be time-consuming, expensive, and adversarial. It often involves multiple legal steps, including filing lawsuits, discovery, hearings, and appeals. The outcome of litigation is uncertain and may not satisfy all parties involved. In contrast, mediation promotes settlement by focusing on collaboration and compromise rather than adversarial tactics.

In mediation, the parties have control over the outcome, which allows for more creative and flexible solutions. For example, rather than having a court decide on the distribution of assets, the parties may agree to a more equitable arrangement that addresses the unique needs of each creditor.

6. Cross-Border Insolvency Cases

In an increasingly globalised world, insolvency cases often involve multiple jurisdictions, complicating matters further. When the debtor's assets are spread across different countries, or when creditors are located in different regions, resolving disputes can become more complicated. Different legal systems, regulatory frameworks, and cultural approaches to dispute resolution can create friction.

Mediation can be particularly effective in cross-border insolvency cases because it allows for greater flexibility in accommodating different legal systems and cultural differences. Mediators with experience in international insolvency cases can help bring together stakeholders from various jurisdictions and facilitate negotiations that align with local laws and customs.

7. Confidentiality in Mediation

Confidentiality is a fundamental feature of the mediation process. Unlike court proceedings, which are generally open to the public, mediation is private, and the details of the negotiations do not become part of the public record. This confidentiality can encourage parties to engage in more honest and open discussions.

In case of debtors, confidentiality provides protection against reputational damage or loss of customer confidence. While for creditors, it can ensure that sensitive financial information is not disclosed to competitors or other stakeholders. The confidential nature of mediation promotes an atmosphere of trust, which is essential for reaching a successful resolution.

8. Creative Solutions and Flexibility

Mediation is not bound by the same rigid rules as court proceedings. This flexibility allows the parties to explore creative solutions that might not be available in a courtroom. For example, creditors may agree to accept partial debt forgiveness in exchange for an expedited repayment plan, or a debtor may agree to sell certain assets to satisfy debts without having to liquidate the entire business.

The mediator's role is to help the parties come up with innovative solutions that address their respective interests. This creative problem-solving process is particularly important in insolvency cases, where the traditional solutions may not always be the most practical or effective.

Advantages of Mediation in Insolvency

1. Mediation in insolvency cases offers numerous advantages over traditional litigation. Some of the key benefits include:
2. **Cost Efficiency:** Mediation is generally less expensive than litigation because it avoids the need for extensive legal proceedings and expert testimony.
3. **Time Efficiency:** Mediation can be scheduled and completed more quickly than court hearings, which can take months or even years to resolve.
4. **Preservation of Relationships:** Because mediation focuses on collaboration rather than confrontation, it is less likely to damage relationships between the debtor and creditors, which is important for future cooperation.
5. **Control Over Outcomes:** In mediation, the parties have greater control over the resolution, as they are involved in crafting the solution rather than leaving it to a judge.
6. **Confidentiality:** Mediation is a private process, which helps protect the interests and reputations of all involved parties.

Challenges of Mediation in Insolvency

Despite its advantages, mediation in insolvency cases is not without challenges. Some of the key challenges include:

1. **Power Imbalances:** In some insolvency cases, there may be a power imbalance between the debtor and creditors, especially when a creditor holds significant leverage. The mediator must ensure that both sides are treated fairly and that the weaker party is not coerced into an unfavourable agreement.
2. **Lack of Willingness to Compromise:** For mediation to be successful, both parties must be willing to negotiate and make concessions. If one party is unwilling to compromise, mediation may not lead to a resolution.
3. **Enforcement of Agreements:** While mediation can result in a binding agreement, the enforceability of that agreement depends on the parties' willingness to comply. In some cases, even after mediation, the parties may fail to uphold their commitments.

Requirement of Mediation under Insolvency and Bankruptcy Code 2016

The Insolvency and Bankruptcy Board of India (IBBI) has proposed revised regulations to allow operational creditors to opt for voluntary mediation before starting insolvency proceedings against a company. The aim is to ease the burden on the judiciary and reduce delays in insolvency processes.

“In case of failure of mediation settlement, the mediator will prepare a non-settlement report, which shall be annexed with the application for initiation of Corporate Insolvency Resolution Process (CIRP) before the adjudicating authority (AA),” the IBBI said, adding that the proposal would reduce the burden on the authority and expedite admissions.

The IBBI proposal follows recommendations from an expert committee, which in a report submitted in January, had called for pre-institutional mediation as a preliminary step before filing insolvency applications.

Conclusion

Mediation is a valuable tool in insolvency cases because it provides a cost-effective, time-efficient, and flexible alternative to traditional litigation. It allows parties to reach mutually beneficial solutions, preserving relationships and encouraging cooperation. Whether resolving disputes between creditors and debtors, facilitating debt restructuring, or avoiding bankruptcy, mediation can significantly improve the chances of a positive outcome for all involved. However, successful mediation requires the willingness of all parties to engage in the process, and the mediator must ensure that the process is fair, transparent, and balanced.

RECALLING THE ORDER OF ADJUDICATING AUTHORITY

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The Insolvency and Bankruptcy Code, 2016 ('Act' for short) provides the procedure for the initiation of corporate insolvency resolution process ('CIRP' for short) against the corporate debtor by a financial creditor or an operational creditor or by the corporate applicant itself. On receipt of the application, the Adjudicating Authority (National Company Law Tribunal) will admit the application, if it is satisfied that the application is perfect in all aspects. The Adjudicating Authority will appoint an Interim Resolution Professional ('IRP' for short) for further processing of CIRP.

If any person is aggrieved by the order of the Adjudicating Authority, he can file appeal before the National Company Law Appellate Tribunal ('NCLAT' for short). Rule 11 of the National Company Law Tribunal Rules, 2016 provides that nothing in these rules shall be deemed to limit or otherwise affect the inherent powers of the Tribunal to make such orders as may be necessary for meeting the ends of justice or to prevent abuse of the process of the Tribunal.

Whether the Adjudicating Authority can recall its own orders under Rule 11? There is a distinction between review and recall. The power to review is not conferred upon this Tribunal but power to recall its judgment is inherent in this Tribunal since inherent powers of the Tribunal are preserved, powers which are inherent in the Tribunal as has been declared by Rule 11 of the NCLT Rules, 2016. Power of recall is not power of the Tribunal to rehear the case to find out any apparent error in the judgment which is the scope of a review of a judgment. Power of recall of a judgment can be exercised by NCLT when any procedural error is committed in delivering the earlier judgment; for example; necessary party has not been served, or necessary party was not before the Tribunal when judgment was delivered adverse to a party. There may be other grounds for recall of a judgment. Well known ground on which a judgment can always be recalled by a Court is ground of fraud played on the Court in obtaining judgment from the Court.

In 'Shristi Infrastructure Development Corporation Limited v. Housing and Urban Development Corporation Limited, Vikram Kumar, RP of Sarga Udaipur Hotels & Resorts Private Limited (formerly known as Shristi Udaipur Hotels & Resorts Private Limited)' - 2025 (3) TMI 1192 - NCLAT, Principal Bench, New Delhi (LB), Sarga Udaipur Hotels & Resorts Private Limited (corporate debtor) entered into a loan agreement with Housing and Urban Development Corporation Limited (HUDCO) for an amount of Rs.6907.92 Lakhs. HUDCO appointed Dr. Alok Kumar Joshi as its nominee director of the corporate debtor.

The corporate debtor filed an application before the Adjudicating Authority under Section 10 of the Code for the initiation of corporate insolvency resolution process. The application was admitted by the Adjudicating Authority on 29.04.2022. HUDCO filed its claim to the IRP to the tune of Rs.23.82 crore. The IRP admitted the claim for Rs.20.60 crores.

The Committee of Creditors ('CoC' for short) was constituted by the IRP. The HUDCO claimed that it was also entitled to be a member of the CoC. The IRP refused the same on the ground that HUDCO is a related party to the corporate debtor under section 5(24) of the Code. Therefore, HUDCO filed an application before the Adjudicating Authority with a prayer to include it as a member of the CoC. The said application was allowed by the Adjudicating Authority on 30.08.2023. The Adjudicating Authority held that HUDCO is not a related party of the corporate debtor and deserved to be added as a member in the CoC. The

Adjudicating Authority directed the IRP to reconstitute the CoC. The IRP reconstituted the CoC including HUDCO as a member of CoC.

Shristi Infrastructure Development Corporation Limited ('appellant' for reference) filed an appeal before the NCLAT against the order of the Adjudicating Authority. However, the said appeal was withdrawn by the appellant with the intent to file a separate application before the Adjudicating Authority. The appellant filed an application before the Adjudicating Authority for recall of its order dated 30.08.2023. The appellant prayed for the following in its application before the Adjudicating Authority-

- To invoke its inherent powers of the Adjudicating Authority as vested under Rule 11 of National Company Law Tribunal Rules, 2016, and re-call the Order dated 30.08.2023 passed in I.A.(IBC) No. 514/KB/2022 arising out of C.P.(IB) No. 202/KB/2021 and direct exclusion of the respondent No. 1 (HUDCO) from the CoC of the Corporate Debtor
- To pass/issue necessary order and/or orders directing the IRP to restart CIRP of the Corporate Debtor from the stage of constitution of CoC after declaring all resolutions and/or decisions taken by the CoC of the Corporate Debtor, which involved respondent No. 1 as the lead member of the CoC despite it being a related party. as null and void and consequently all such resolutions and/or decisions taken in such CoC's meeting involving Respondent No. 1 should be immediately set aside by this Hon'ble Tribunal;
- To pass/issue necessary order and/or orders staying any further CoC's meeting and/ or staying all further functioning of the CoC in respect of the Corporate Debtor and/or staying the passing of any resolution in any CoCs' meeting of the Corporate Debtor and/or taking any further decision by the CoC of the Corporate Debtor till the adjudication of this instant application;
- To pass ad-interim orders in terms of prayer in the previous para and particularly ad-interim orders restraining respondent No. 1 from exercising its voting rights in any CoCs' meeting of the Corporate Debtor till the adjudication of this instant application;
- To issue appropriate direction to the Interim Resolution Professional/ Respondent No. 2 to include the Applicant as a member of the Committee of Creditors of the Corporate Debtor.

HUDCO filed a reply to the application. The Adjudicating Authority heard the parties and rejected the application filed by the appellant. Therefore, the appellant filed the present appeal before NCLAT.

The appellant submitted the following before NCLAT-

HUDCO in Joint Venture with Shristi Infrastructure Development Corporation Limited (SIDCL) has incorporated Srishti Urban Infrastructure Development Ltd. (SUIDL). In SUIDL, SIDCL has 60% shareholding and HUDCO has 40% shareholding.

- The SUIDL has promoted the Corporate Debtor, hence, HUDCO has control over the Corporate Debtor through SUIDL. HUDCO has a Nominee Director in the Board of the Corporate Debtor to exercise influences.
- While hearing the application filed by the HUDCO being I.A. No.514/KB/2022, HUDCO did not disclose the Annual Report of the HUDCO which has described the Corporate Debtor as its subsidiary company.
- The Annual Report of the HUDCO being suppressed from the Adjudicating Authority, order dated 30.08.2023 was obtained by playing fraud on the Court, hence, said order deserve to be recalled.
- The Adjudicating Authority committed error in rejecting I.A. filed by the Appellant for recall of the order. HUDCO submitted the following before the NCLAT-

- The issue as to whether HUDCO is a related party of the Corporate Debtor or not has been examined threadbare by the Adjudicating Authority in I.A. No.514/KB/2022 in detail.
- The Adjudicating Authority had after considering all submissions made on behalf of the IRP for treating the HUDCO as related party has rejected the submission and had held that HUDCO is not a related party of the Corporate Debtor.
- The application filed by the appellant, who is promoter of the corporate debtor is nothing but an application to review the judgment dated 30.08.2023 which order was passed after considering all submission and all materials on the record.
- No grounds have been made out to recall order dated 30.08.2023 and the Adjudicating Authority has rightly rejected the application.
- The Annual Report of HUDCO on which reliance has been placed by the appellant has also been extracted by the Adjudicating Authority in the impugned order which in no manner indicate that HUDCO has accepted the Corporate Debtor as related party.

The NCLAT heard the submissions of the parties to the present appeal. The NCLAT considered the entire facts of the case and analysed the documents on record. The NCLAT observed that the Adjudicating Authority in the impugned order has noted the grounds for recall of judgment passed by Tribunal and has referred to the judgment of NCLAT in 'Union Bank of India v. Dinkar T. Venkatasubramanian and others', the NCLAT discussed in detail the review of power and review of recall. The NCLAT considered the submissions of the appellant that HUDCO obtained the impugned order by suppression of fact. The Adjudicating Authority, after considering the contentions of the appellant and the resolution professional, rejected the contentions of the IRP that HUDCO is a related party to the corporate debtor. The appellant being aware of the limited scope of recall has pleaded that the order was obtained by HUDCO by suppressing relevant facts including Annual Report which reflect the Corporate Debtor as related party.

In respect of the suppression of relevant documents, NCLAT was of the view that the same cannot be accepted since all the documents which were relevant for determination of issues raised in I.A. No.514/KB/2022 were filed and relied by both the parties i.e., HUDCO and IRP. The Adjudicating Authority also examined the 51st Annual Report of HUDCO. In the said Annual Report 'Related Party Disclosure' in Item 32 Clause (a) does not contain name of corporate debtor whereas name of SUIDL is mentioned at Serial No.1. The name of 'Sarga Udaipur Hotel & Resorts Private Limited.' is mentioned as subsidiary of Associate Company which action cannot lead to any admission that Corporate Debtor is related party of HUDCO.

The NCLAT fully concurred with the views expressed by the Adjudicating Authority while rejecting I.A. No.693/KB/2024. There is no merit in the appeal. Since there is no merit in the appeal the NCLAT dismissed the appeal.

TIME IS MONEY: EXAMINING DELAYS IN CIRP AND THE PATH TO A QUICKER RESOLUTION

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Abstract

The Corporate Insolvency Resolution Process (CIRP), established under the Insolvency and Bankruptcy Code (IBC) of 2016, was designed as a time-sensitive framework to rehabilitate financially troubled enterprises and optimize stakeholder value. Nonetheless, in practice, significant delays have emerged as a persistent problem, compromising the fundamental aims of the Code. This paper statistically overviews the CIRP process, examines the reasons for delay in CIRP, and provides suggestions from national and international jurisdictions to facilitate the timely resolution of distressed companies.

The Perspective

The earlier Indian Insolvency and bankruptcy framework was significantly fragmented, arising from various legal forums, which led to ambiguity and uncertainty in terms of jurisdiction and process. The Insolvency and Bankruptcy Code (IBC), 2016 provides a systematic and timely procedure for addressing insolvency and bankruptcy matters. The IBC was implemented to optimize the insolvency procedure facilitating expedited resolutions of distressed companies. The principal objectives of the IBC are to maximize asset value, foster entrepreneurship, safeguard creditors' rights, and enhance credit accessibility within the economy while balancing the interest of all stakeholders.

The Corporate Insolvency Resolution Process (CIRP)

Addressing insolvency has been termed the Chakravyuha challenge for the Indian economy. The CIRP is a legal procedure commenced under the IBC to break that Chakravyuha to address corporate insolvency matters. It is a systematic process that facilitates resolution of financially troubled organizations within the stipulated timelines

The Corporate Insolvency Resolution Process (CIRP) commences upon a corporate debtor's default, permitting a financial creditor, operational creditor to initiate insolvency proceedings. The Adjudicating Authority on admission of the application designates an Interim Resolution Professional (IRP) to oversee the debtor's operations and establish a Committee of Creditors (CoC) consisting of financial creditors. The Committee of Creditors (CoC) may either affirm the Insolvency Resolution Professional (IRP) as the Resolution Professional (RP) or designate a different individual. The RP acts as the process manager and supervises the CIRP, during which resolution applicants submit resolution proposals. The CoC assesses and approves a feasible and appropriate resolution plan. If a feasible resolution plan is not received / submitted within the stipulated timeframe, the Adjudicating Authority mandates the liquidation of the corporate debtor.

During the CIRP the Resolution Professional has to follow a robust compliance process and to ensure adherence to Code and Regulations with the objective of promoting transparency and accountability during the resolution process.

Corporate Insolvency Resolution Process (CIRP): A Statistical Overview

Analysis of the CIRP data as per the latest statistics, as shown in the IBBI Quarterly Newsletter for the period of October to December 2024 reveals that the overall number of admitted CIRPs has risen to 8,175, with 1,983 cases now active, representing 24.25% of the total. The percentage of delayed resolutions beyond the designated resolution timeframe accounts for over 74% of concluded cases.

Examining Delays in CIRP

The delays observed in a substantial number of resolved CIRPs are due to procedural intricacies, litigation-driven extensions, and the capacity limitations of adjudicatory bodies defeating the objectives of the IBC. Some key reasons leading to delays in completion of CIRP are as under:

- Inadequate or Lack of proper perspective and understanding with regard to the intent, objectives, Provisions of the IBC amongst the Resolution professionals and member of the committee of creditors often add to such delays
- Multiple objections to the resolution plan filed by the various stakeholders lead to delays in CIRP
- Sometimes Multiple objections are filed by the various stakeholders even before resolution plan is approved by the creditors
- Due to non-cooperation from the Corporate Debtor the process of corporate insolvency resolution gets derailed
- It is also observed that often multiple stakeholders approach the adjudicating authority with similar objections.
- The CIRP also gets delayed due to inadequate number of NCLT members, Lack of expertise of members in IBC matters
- It has also been observed that rejection of claims by resolution professional based on technicalities and delays without giving reasons often leads to protracted litigation by the creditors.

Path to a Quicker Resolution

The essence of IBC is time bound resolution while balancing the interest of all stakeholders. There is an imperative need for reducing delays in CIRP. Following suggestions would facilitate timely resolution of distressed companies.

- A Screening Mechanism should be implemented to scan out frivolous interim applications which lead to

avoidable delays. Penalties should be prescribed for filing frivolous or vexatious applications to discourage such practices and streamline the process.

- The Adjudicating authority should hear all objections only at the stage of consideration of the resolution plan before passing order for approval of resolution plan. This will save judicial time by avoiding multiple indulgences in the same matter without affecting the rights of stakeholders
- For routine matters such as extensions of time, replacement of resolution professionals, and applications under Section 19 of the Code etc. Fast-track procedures should be introduced so that these matters do not cause unnecessary delays.
- Section 96 of the Code may be amended to prevent avoidable misuse of the interim moratorium by guarantors to delay recovery actions.
- Data analytics tools should be used to facilitate identification of changes, trends, patterns and discrepancies in asset declarations, while detecting potential fraudulent transfers or hidden assets.
- Mandatory training in practical aspects of Insolvency law through case studies of Insolvency and Bankruptcy law practices prevailing in other jurisdictions should be mandated for Members of NCLT and NCLAT
- A dedicated bench of the Supreme Court should be constituted to hear IBC matters on priority.
- NCLT's should also have IBC dedicated benches which should take up admission cases on priority. These changes will increase transparency and efficiency,
- The resolution professionals should be mandated to provide sufficient reasons for rejection of any claim. This will help the creditors to understand the reasoning and reduce litigation
- The minutes of the meeting of the committee of creditors in which feasibility and viability of the resolution plan has been discussed should form part of Form H (form in which resolution professional presents resolution plan for approval of the adjudicating authority) for helping the adjudicating authority to better understand the underlying thought process and reasoning behind approval of the resolution plan by the COC and expedite the approval process.
- RP should make Strategic use of artificial intelligence for monitoring of compliance and identification of preferential transactions making the process more efficient.
- Using and leveraging mediation and arbitration during CIRP has the potential to resolve disputes faster and reduce court burden.
- Hearings at a stretch would expedite the CIRP decision making process. Multiple adjournments lead to delays in approval of resolution plans.

- RP should use Electronic Case Management Systems which can facilitate real-time updates and efficient handling of cases
- IBBI should consider auto-populate fields from existing data and revise some of the forms for reducing data duplication thus reducing compliance burden of RP
- Response of the corporate debtor to the issues raised in CIRP application should be mandated by stipulating a timeline failing which the AA would be authorized to assume the occurrence of the default and initiate the CIRP proceedings accordingly.
- Introduction of a pre-packaged insolvency resolution process (PPIRP) for large corporates also can help reduce the delays. This will motivate and incentivize the promoters to constructively engage with creditors, discuss restructuring / resolution plan possibly even before occurrence of any default.
- There are many large corporates having a complex group structure. There is an imperative need for operationalizing a workable framework for group insolvency.
- Appointment of an additional Insolvency Professional (AIP) to handle compliance-related tasks for large insolvency cases (i.e. debt size exceeding a certain amount) in addition to the RP would facilitate more efficient corporate insolvency resolution process with better outcomes.

Learning from International Jurisdictions

Valuable lessons can be learned from the measures to address delays in their insolvency processes implemented by several countries:

- United States (Chapter 11 Bankruptcy): The U.S. system emphasizes pre-packaged bankruptcy plans where debtors and creditors negotiate terms before filing, significantly reducing court involvement and time taken for resolution. Debtor-in-possession insolvency resolution structure helps the companies maintain operations during the insolvency process leading to expedited resolutions.
- United Kingdom (Administration): UK has a streamlined administration process wherein an Administrator is expeditiously appointed to manage the company's affairs, helping to expedite the resolution.
- Singapore (Insolvency, Restructuring, and Dissolution Act): Singapore's framework offers mechanisms for expedited debt restructuring once a restructuring application is filed. The Act encourages mediation and arbitration as alternative dispute resolution mechanisms to speed up the process.

Conclusion

The IBC seeks to redress distress of the companies in a time bound manner while balancing the interest of all the stakeholders. However, the data and experience over the last 8 years of IBC reflects unrequited delays in the resolution process, which were the primary reason for failure of the earlier insolvency laws. The delays in CIRP result in undesired implications in terms of huge haircuts, commercial uncertainty, and the erosion of the value of assets bringing about changes as suggested could help in realizing the Objectives of the Code.

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DUAL COMPLIANCE MANDATE UNDER REGULATION 31A(10) OF THE IBBI LIQUIDATION REGULATIONS: A LEGAL ANALYSIS OF LIQUIDATOR'S REPORTING OBLIGATIONS

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INTRODUCTION:

The Evolving Paradigm of Liquidator Accountability

Insolvency law in India has undergone transformative changes since the introduction of the Insolvency and Bankruptcy Code, 2016. The Code redefined the landscape of corporate resolution and liquidation by emphasizing time-bound processes, stakeholder protection, and professional accountability. Within the liquidation regime, the role of the liquidator is not only crucial but also legally complex, requiring a delicate balance between commercial discretion and stringent regulatory discipline. A core area that frequently invites interpretational queries is the extent and nature of reporting obligations when a liquidator chooses to act contrary to the advice of the Stakeholders' Consultation Committee (in short 'SCC'). Regulation 31A(10) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter, "Liquidation Regulations"), specifically addresses this situation and imposes compliance mandates that merit close examination.

The SCC, established under Regulation 31A, plays an advisory role by offering guidance to the liquidator on a range of critical matters, including the mode of sale, valuation methodology, distribution strategy, and the pursuit of legal proceedings. Although its advice is not binding on the liquidator, the Liquidation Regulations recognize the imperative of robust stakeholder engagement by requiring that any deviation from such advice must be formally recorded and reported. This is codified under the proviso to Regulation 31A(10), which mandates that when a liquidator takes a decision divergent from the SCC's recommendation, the liquidator must record the reasons in writing and submit the records to both the Adjudicating Authority (AA) and the Insolvency and Bankruptcy Board of India (IBBI) within five days of the said decision. Additionally, the same information must be incorporated in the next quarterly progress report filed under Regulation 15.

This article undertakes a comprehensive legal analysis to clarify the precise scope and nature of these dual reporting obligations, drawing upon principles of statutory interpretation, regulatory circulars, and the broader jurisprudence emanating from the National Company Law Tribunal (NCLT) and the National Company Law Appellate Tribunal (NCLAT).

The "Within Five Days" Mandate: A Dual and Simultaneous Obligation

The interpretation of the phrase in Regulation 31A(10) "*submit the records... to the Adjudicating Authority and to the Board within five days*" has been the subject of considerable discussion among practitioners. The

pivotal element in this phrase is the use of the conjunction “and.” In the canons of statutory construction, “and” is generally understood to indicate a cumulative obligation, meaning that all conditions connected by it must be fulfilled, unless the context unequivocally suggests a disjunctive intent. Hence, the requirement to submit the records within five days is equally applicable to both designated recipients—the Adjudicating Authority and the IBBI.

This interpretation is not merely predicated on grammatical construction but is definitively substantiated by regulatory guidance issued by the IBBI itself. IBBI Circular No. IBBI/LIQ/57/2022, dated December 21, 2022, explicitly directs insolvency professionals to utilize a prescribed electronic proforma for reporting to “the Board **and Adjudicating Authority**, under proviso to sub-regulation (10) of regulation 31A”. This circular leaves no ambiguity about the dual and simultaneous nature of the submission, reinforcing that the electronic platform established by the IBBI facilitates a single, consolidated submission to both regulatory bodies.

The rationale underpinning this immediate reporting obligation is rooted in the principle of real-time oversight. The five-day timeframe commences from the date on which the liquidator makes the decision contrary to the SCC’s advice. The objective is to provide prompt notification to both judicial and regulatory authorities, enabling timely review and potential intervention if deemed necessary. This mechanism serves as an early warning system, ensuring that significant deviations from stakeholder advice are brought to the immediate attention of oversight bodies, thereby upholding transparency and accountability in the liquidation process.

Cumulative Compliance: Separate Submission vs. Inclusion in Progress Report

The second critical aspect of the liquidator’s reporting obligations concerns whether merely mentioning a divergent decision in the quarterly Progress Report (Regulation 15) suffices, or if a separate, immediate submission is also mandatory.

The cumulative reading of Regulation 31A(10) makes it unequivocally evident that these two reporting obligations are not mutually exclusive; rather, they are distinct and cumulative. The proviso states: *“...submit the records relating to the said decision, to the Adjudicating Authority and to the Board within five days of the said decision; and include it in the next progress report”*. The persistent use of “and” connecting these two clauses signifies that both actions are mandatory and must be independently discharged.

These two reporting mechanisms serve complementary, yet distinct, objectives:

The Five-Day Event-Driven Report - This report, submitted within five days, serves the purpose of immediate transparency and enables swift scrutiny of a specific, high-impact decision. Its focus is narrow, concentrating solely on the divergent decision, the reasons for it, and the SCC's original advice. The IBBI's proforma for this report mandates detailed inputs, including the agenda of the SCC meeting, the advice given, voting outcomes, and a cogent rationale for deviation, ensuring that the regulatory and judicial stakeholders are fully apprised of the factual and legal context.

The Quarterly Progress Report (Regulation 15) - In contrast, the Progress Report is a comprehensive, retrospective summary of the entire liquidation process. It encompasses a wide array of information, including the progress in asset realization, distributions made to stakeholders, details regarding the appointment of professionals, updates on material litigations, and overall expenses incurred. The inclusion of the divergent decision within this report serves to embed the event into the ongoing documentary trail of the liquidation process, providing a periodic summary for ongoing monitoring and record-keeping purposes. Liquidators are also obligated to share these progress reports with the members of the SCC, provided a confidential undertaking is received from them.

The principle of effective statutory interpretation dictates that no part of a regulation should be rendered redundant. Were the quarterly report sufficient in itself, the five-day requirement would become otiose - a conclusion not supported by the structure or legislative intent of the regulation. The deliberate drafting by the IBBI, including the introduction of Regulation 31A(6B) to ensure SCC is presented with liquidation costs and legal proceedings status at every meeting, further reinforces the intent for multiple layers of information dissemination and oversight, rather than a single, all-encompassing report.

Judicial Trends and Compliance Imperatives

While direct judicial pronouncements specifically interpreting the precise interplay of the "within five days" submission and the "inclusion in the next progress report" under Regulation 31A(10) may not be extensively documented in the provided materials, the broader jurisprudence from the NCLT and NCLAT consistently underscores the paramount importance of strict adherence to the procedural timelines and reporting obligations stipulated under the IBC.

Judgments from the NCLT and NCLAT frequently emphasize the mandatory nature of consultation with the SCC, even though its advice is not binding on the liquidator. For instance, the NCLT has denied post-facto litigation approval to a liquidator, mandating prior SCC consultation and presentation of an economic rationale, thereby highlighting the pivotal role of the SCC in decision-making and the necessity for transparency and justification for the liquidator's actions. The NCLT has also upheld the advisory role of the SCC while simultaneously scrutinizing the liquidator's diligence and actions, particularly when an application for replacement of the liquidator is filed. This implies that while the liquidator has autonomy, this autonomy is subject to rigorous review, and proper reporting forms a crucial part of demonstrating diligent conduct.

Additionally, the NCLT routinely takes quarterly Progress Reports filed by liquidators under Regulation 15 on record. This practice signifies the formal importance of these reports as a record of the liquidation proceedings and a mechanism for the Adjudicating Authority to monitor the overall progress. The general principle that timelines under the IBC are to be adhered to strictly, unless specifically provided otherwise for condonation of delay, is a recurring theme in NCLT/NCLAT judgments. This reinforces the interpretation that the "*within five days*" requirement in Regulation 31A(10) is a critical, mandatory obligation designed to ensure prompt oversight and accountability. Any non-compliance or delay without proper justification could attract adverse observations or actions from the adjudicating or regulatory authorities.

Practical Implications and Recommendations for Liquidators

The practical implication of non-compliance with either of these dual obligations is significant. Failure to submit the five-day report may be construed as dereliction of statutory duty and may expose the liquidator to disciplinary proceedings by the IBBI or adverse orders from the NCLT. Furthermore, such lapses may erode stakeholder confidence and affect the credibility, reputation, or even continuation in the assignment of the liquidator. In a regime where the speed and integrity of resolution are paramount, such reporting mechanisms are not optional - they are legal imperatives.

Accordingly, it is recommended that liquidators institutionalize robust internal processes to ensure seamless compliance :-

1. **Immediate Documentation** - Upon taking any decision that deviates from SCC advice, meticulously record the reasons in writing.
2. **Timely Electronic Submission** - Within **five days** of such a decision, submit the records, including the detailed reasons, to **both** the Adjudicating Authority and the IBBI through the designated electronic platform and prescribed proforma.
3. **Mandatory Inclusion in Progress Report** - Ensure that the details of the divergent decision and its rationale are also incorporated into the **next quarterly Progress Report** filed under Regulation 15.
4. **Comprehensive Record Keeping** - Diligently maintain particulars of all consultations with stakeholders as specified in Form A of Schedule II (Regulation 8(2)).
5. **Objective Justification** - Ensure that every decision taken contrary to SCC advice is objectively justified, well-reasoned, and capable of withstanding regulatory and judicial scrutiny.

Conclusion

In conclusion, Regulation 31A(10) stands as a critical pillar of the IBBI's endeavor to enhance fiduciary standards and ensure robust stakeholder governance during liquidation. The five-day reporting requirement to both the Adjudicating Authority and the IBBI is not a mere procedural formality; **it is a substantive legal duty**, designed to provide **immediate, event-driven transparency**. Likewise, the inclusion of such decisions in the **quarterly progress report is not a substitute but a supplement**, serving to integrate these specific events into the comprehensive periodic overview of the liquidation process.

Together, these obligations reinforce the broader ethos of the IBC - transparency, accountability, and efficiency. For insolvency professionals functioning as liquidators, a precise and prompt execution of these dual duties is not merely a matter of regulatory compliance - it is fundamental to upholding the trust reposed in them under the law and ensuring the integrity and efficacy of India's insolvency regime.

BANK PARTICIPATION IN IBC PROCEEDINGS AND THE NEED FOR A MORE REALISTIC SUCCESS METRIC

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1. Introduction

The Insolvency and Bankruptcy Code, 2016 (IBC) was enacted to streamline the resolution of corporate distress in India by providing a time-bound and creditor- controlled process. While Section 7 of the Code provides financial creditors (including banks) with a direct mechanism to initiate the Corporate Insolvency Resolution Process (CIRP), actual practice reveals that banks are often not the real drivers of CIRPs, especially in recent times. Rather, Operational Creditors (OCs) are increasingly initiating insolvency applications, particularly against companies where banks have already exhausted recovery through other mechanisms.

2. Current Patterns: When and How Banks Approach IBC

Initially, banks were among the primary initiators under Section 7, especially after the Reserve Bank of India's February 2018 circular mandating the resolution of stressed assets under IBC. However, this trend has shifted due to several factors:

- **Pre-IBC Recovery Tools:** Most banks resort first to the SARFAESI Act, DRT proceedings, or One-Time Settlements (OTS), which are relatively quicker, less litigation-prone, and often result in faster recoveries.
- **Asset Realization Before IBC:** By the time a CIRP is triggered (mostly by OCs or even ex-employees & or including financial institutions, in particular PSBs & Private sector Banks), the primary security of banks has already been enforced. Assets like real estate, machinery, or receivables are often already sold or appropriated, rendering the corporate debtor asset-light or even defunct.
- **IBC as a Last Resort:** Banks turn to IBC only when other avenues fail or when they intend to pressurize promoters through the threat of loss of control.
- **Limited Role in Defunct Firms:** In cases where companies are already non- operational or defunct, banks are reluctant to file Section 7 petitions due to low or nil realisable value.

3. The Flawed Measure of IBC Success

The standard metric of IBC's success—recovery as a percentage of admitted claims—is increasingly misleading. The IBBI and RBI often present resolution statistics showing that financial creditors recover approximately 30-40% of admitted claims, but these figures are problematic for two reasons:

- **NPA-Date Disconnection:** Many of these accounts have been classified as Non- Performing Assets (NPA) years before CIRP, with interest and penal charges continuing to accrue. By the time CIRP is admitted, the admitted claim (especially for banks) may be 3-5 times the actual debt outstanding as of the NPA date.
- **Exclusion of Prior Recoveries:** The statistics ignore recoveries already made by banks through SARFAESI auctions, OTS, or DRT orders before CIRP. Hence, if a bank recovered ₹50 crore pre-IBC (Post NPA) and only ₹10 crore in CIRP, the recovery rate reported will be shown as ₹ 10 crore out of ₹ 150 crore (admitted claim), which understates the total effectiveness of the enforcement ecosystem. It should have been Rs 60 Crs. Here again, readers or the Analyst, or the Regulator, may question, IBC talks about Resolution, not Recovery, True . You will agree, we should talk about both, not any issue in Isolation, as this undermines

the performance of IBC.

- Recovery is looking Low, because assets have already been sold, the industry is closed, and action is taken post lot many years of NPA. Only cases which are difficult, like ED / CBI / I tax Attachments, Nil Tangible assets, then what the stakeholders will get, one can just guess.

Example:

A company with a ₹40 crore loan defaulted in 2016 and was classified as NPA. Interest and charges accrued till 2022, making the claim amount ₹120 crore. The bank recovered ₹30 crore under SARFAESI by 2020 and finally received ₹10 crore in the 2023 CIRP resolution. Total recovery = ₹40 crore, actual exposure = ₹40 crore, but the reported IBC recovery rate would be $10/120 = 8.33\%$, which grossly misrepresents the Success of the IBC Code.

4. Defunct Companies and Asset-less Insolvency

Many CIRPs today involve companies that are already asset-less, struck-off, or without operations, leading to liquidation with no recoveries. Banks avoid filing for such cases as the cost of insolvency proceedings (public announcements, RP fees, valuers, etc.) far exceeds expected returns. However, operational creditors, who lack alternate remedies like SARFAESI, still trigger CIRPs in such cases, often resulting in zombie proceedings. But yes, if there are GST & other Statutory dues, CD gets rid of this by offering a minimal amount (Things which are settled between OC & CD). I do have a live example, also True, the community is aware, if anyone wants can ask me. Now, the recent Judgement of the Honourable Tribunal makes this process easier, as the IRP proposed by OC cannot be changed.

5. Reimagining the Success of IBC

Instead of using admitted claims vs. realised amount as a success metric, a better approach would be:

- Measure from NPA Date: Evaluate recovery from the time of NPA declaration(say 2016), aggregating all recoveries (SARFAESI, OTS, DRT, IBC) and comparing to principal dues.
- Cost vs. Time Efficiency: Consider reduction in average recovery time and enforcement cost as metrics.
- Business Continuity or Employment Retention: Success can also be gauged by how many companies were kept as going concerns or how many jobs were preserved.
- Institutional Confidence and Legal Certainty: IBC's contribution in restoring discipline among promoters and deterrence against wilful default should also be factored.

6. Conclusion

While IBC remains the strongest legal framework for the resolution of large corporate defaults, its success should not be judged in isolation or only from resolution values during CIRP. For banks, IBC is often the final act, with the bulk of asset recovery occurring before its invocation. Policymakers must recognize this and shift focus on system-wide recovery analysis from the date of default, not just from admission under IBC.

DECONSTRUCTING THE SUPREME COURT'S VISION FOR A NATIONAL REVIVAL FUND TO RESCUE INDIA'S STUCK HOUSING PROJECTS

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In what may well be remembered as a watershed moment for India's real estate sector, the Supreme Court of India has issued a clarion call for the establishment of a dedicated 'Revival Fund' or 'Stress Fund' aimed at breaking the deadlock that has left lakhs of housing projects incomplete and millions of homebuyers in financial and emotional limbo. This landmark observation, emerging from a hearing centered on the rights of beleaguered homebuyers, represents more than just judicial concern; it is a structured proposal for a collective, national effort to resolve one of the country's most persistent economic and social challenges. The Court's intervention underscores a stark reality: the plight of stuck housing is not merely a market failure—it is a humanitarian crisis demanding urgent, multi-stakeholder action.

The Anatomy of a Crisis: How India's Housing Dream Stalled

To appreciate the significance of the Supreme Court's proposal, one must first understand the depth and origins of the crisis. The Indian real estate sector, once a roaring engine of economic growth and employment, began facing severe headwinds post-2016. A combination of transformative policy reforms and external shocks created a perfect storm:

- **Policy Shocks:** The sudden demonetization move, followed by the arduous but necessary implementation of the Goods and Services Tax (GST), disrupted the sector's cash-dependent ecosystem. Shortly thereafter, the Real Estate (Regulation and Development) Act (RERA) fundamentally altered developer-buyer dynamics, increasing accountability but also tightening compliance costs and timelines.
- **The NBFC Liquidity Crunch:** The collapse of Infrastructure Leasing & Financial Services (IL&FS) in 2018 sent shockwaves through the non-banking financial company (NBFC) sector. NBFCs had been the primary source of funding for many developers after traditional banks turned cautious. This liquidity vacuum left numerous projects stranded without access to crucial capital.

The Pandemic: COVID-19 was the final blow. Nationwide lockdowns halted construction, disrupted supply chains, and led to massive migrant labor exodus. While demand eventually recovered, the financial damage to developers was irreparable.

The result is a landscape littered with unfinished towers. According to various industry estimates, over **4.12 lakh crore rupees** worth of projects are stalled or significantly delayed across top Indian cities. This isn't just a statistic; it represents the life savings of hundreds of thousands of ordinary Indians—doctors, engineers, teachers, and retirees—who invested in the promise of a home.

Beyond SWAMIH: The Supreme Court's Nuanced Proposal

The government's **Special Window for Affordable and Mid-Income Housing (SWAMIH)** Investment Fund has been a success story in its own right, completing numerous projects. However, the Supreme Court's observation suggests a need for a broader, more institutionalized solution. The bench's proposal is nuanced and built on the principle of shared responsibility:

1. **A Consortium-Based Funding Model:** The Court's vision is not for a purely government-funded bailout. Instead, it explicitly called for contributions from all stakeholders who profited from the real estate boom. This includes:

- **The Government:** Acting as a catalyst and anchor investor to instill confidence.
 - **Banks and Financial Institutions (Lenders):** These entities have significant non-performing asset (NPA) exposure to these stalled projects. Their participation is crucial, as completing a project allows them to recover their stuck loans, converting NPAs into performing assets.
 - **Developers:** The Court specifically mentioned contributions from the developer community, particularly those who are solvent and have successfully delivered projects. This creates a peer-driven accountability mechanism.
2. **Strategic Last-Mile Financing:** The fund's objective would be highly specific: to provide last-mile funding. It would not be used to bail out terminally insolvent companies or wipe out debt. Instead, it would target projects that are **physically near completion (e.g., 70-90%)** but have stalled purely due to a lack of working capital. This ensures maximum impact—a relatively small infusion of capital can deliver a disproportionately large number of homes, providing immediate relief to a maximum number of buyers.
 3. **Robust Oversight and Transparency Mechanism:** Acknowledging the historical misuse of funds in the sector, the Court suggested the fund be managed under the vigilant oversight of the **Real Estate Regulatory Authority (RERA)**. This would ensure that every rupee disbursed from the fund is strictly monitored and used solely for construction-related expenses—cement, steel, labor, and other completion costs—preventing any further diversion.

Why This Intervention is a Game-Changer

The Supreme Court's role transcends that of a passive adjudicator; it has actively proposed policy. This carries immense weight for several reasons:

- **Moral Suasion and Top-Down Pressure:** The Court's stature forces a collective reckoning. It places immense moral and administrative pressure on banks and developers to participate in a solution. It reframes the narrative from a financial problem for banks to a social obligation for all profitable entities in the ecosystem.
- **Addressing the Collective Action Problem:** One of the biggest hurdles in resolving stalled projects is the fragmented nature of creditors and the lack of a unified approach. The Court's proposal for a collective fund directly addresses this "collective action problem," providing a single platform for coordinated action.
- **Complementing the IBC Process:** For projects where the developer is insolvent, but the asset is viable, the fund could work in tandem with the Insolvency and Bankruptcy Code (IBC) process. It could provide the necessary financing to a new resolution applicant to complete the project, making the assets more attractive and ensuring a higher recovery value for all creditors.

Navigating the Implementation Minefield: Challenges Ahead

While the vision is compelling, its execution is fraught with challenges:

- **Stakeholder Buy-in:** Securing voluntary, significant financial commitments from private banks and developers will be difficult. It may require a mandated contribution formula or regulatory incentives, which would need careful design to avoid legal challenges.
- **Viability Assessment:** Creating a technically sound and impartial committee to assess which projects are viable for funding is critical. The fund must avoid becoming a sinkhole for doomed projects. Parameters for selection—percentage of completion, number of homebuyers affected, financial health of the developer, and legal clearances—must be transparent and objective.

- **Legal Complexities:** Many stalled projects are entangled in complex litigation across various courts and the National Company Law Tribunal (NCLT). Deploying funds from a new entity into these projects will require navigating a web of judicial approvals and creditor hierarchies.
- **Coordination with SWAMIH:** The proposal must clearly define how this new fund would coexist or integrate with the existing SWAMIH fund to avoid duplication of effort and bureaucracy.

A Ray of Hope for a Decade-Long Nightmare

For countless homebuyers, the Supreme Court's words are a potent symbol of hope. After years of paying EMIs for a non-existent home while simultaneously paying rent, their desperate petitions have been met with a response that is both empathetic and action oriented. The Court has effectively stated that the resolution cannot be left to market forces alone and requires a structured, collective, and morally conscious effort.

The upcoming hearings, where stakeholders are expected to present concrete blueprints, will be closely watched. The journey from a judicial observation to a functional, well-capitalized fund is long and complex. Yet, the Supreme Court has ignited a crucial conversation, challenging the government, the financial sector, and the real estate industry to collaborate as never before. If this vision is realized, it could finally provide the keys to not just new homes, but also to restoring faith in the system itself. The nation awaits the next chapter, hoping for a decisive turn towards resolution.

IMPACT OF INSOLVENCY PROCEEDINGS ON REAL ESTATE MARKETS

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Abstract

Real estate is one of the most asset-intensive sectors of any economy and often forms the backbone of corporate balance sheets. When companies enter insolvency proceedings, these immovable assets become central to creditor recovery and restructuring strategies. Insolvency, however, affects more than individual firms; it reshapes market dynamics, impacts liquidity, alters investor confidence, and drives long-term reforms in valuation and policy frameworks. This paper examines the multifaceted impact of insolvency on real estate markets, analyzing both disruptions and opportunities, with a particular focus on the role of valuers, regulators, and investors in ensuring sustainable market resilience.

Introduction

Real estate markets represent a crucial intersection of finance, infrastructure, and social development. Land and property assets often account for a substantial share of corporate borrowing, functioning as collateral for loans and as income-generating resources. Yet, in times of financial distress, the very immobility and regulatory rigidity of real estate become liabilities. Insolvency proceedings subject such assets to forced sales, prolonged litigation, or repurposing, all of which reverberate across broader property markets.

The Insolvency and Bankruptcy Code (IBC) in India and similar frameworks worldwide were designed to accelerate resolution and maximize value recovery. Nonetheless, the translation of legal mechanisms into market practice remains complex. Real estate is uniquely sensitive because its valuation depends not only on market cycles but also on regulatory clearances, construction progress, and investor sentiment. This article explores how insolvency shapes real estate outcomes in both the short and long term and considers strategies for stakeholders to mitigate risks while unlocking opportunities.

The Nexus Between Insolvency and Real Estate

Insolvency arises when firms cannot service financial obligations. For real estate-heavy businesses—such as developers, hospitality groups, or logistics firms—the consequences are pronounced because land and property underpin both operations and borrowing. Several structural linkages define this nexus:

- **Collateralized Financing:** Corporate loans are often backed by immovable assets, and defaults trigger enforcement proceedings that place real estate in the spotlight of creditor recovery (Sharma & Thomas, 2020).
- **Capital Intensity:** Real estate projects demand large upfront investments, exposing firms to high leverage and vulnerability to market downturns (Royal Institution of Chartered Surveyors (RICS), 2019).
- **Regulatory Dependencies:** Permissions, environmental approvals, and zoning restrictions complicate asset transfers during insolvency (WorldBank, 2020).
- **Spillover Effects:** Distressed sales in one segment can depress valuations and investor sentiment across the market, amplifying systemic risk.

Thus, real estate is not merely an asset in insolvency—it is the stage on which creditor recoveries, investor strategies, and policy interventions unfold.

Market Impacts Across Time Horizons

The influence of insolvency proceedings on real estate can be mapped across temporal phases. Instead of compartmentalizing, these impacts are best understood as an evolving continuum.

Immediate Disruptions:

At the onset of insolvency, liquidity pressures force quick asset disposals. Distressed sales typically fetch prices significantly below fair market value. Studies have shown that commercial properties under insolvency in India may trade at 20–40% markdowns compared to pre-distress valuations (Insolvency and Bankruptcy Board of India [IBBI], 2022) ((2022), Annual report 2022-23). Investor sentiment weakens, financing institutions tighten credit, and rumors of contagion can trigger market-wide volatility. Procedural delays—whether due to court approvals or title disputes—further freeze development pipelines.

Medium-Term Adjustments: As cases progress, markets recalibrate. Lenders impose stricter credit norms, limiting speculative projects while favoring established zones. Developers struggle to refinance, but new investors—especially private equity and distressed-asset funds—emerge to acquire undervalued assets. This reallocation shifts capital toward logistics hubs, affordable housing, or co-working spaces, reflecting demand trends. While stabilizing, such portfolio rebalancing can exacerbate regional imbalances or stall innovative projects.

Long-Term Transformation: Over time, insolvency can catalyze structural reforms. Assets stranded in stalled developments may be reallocated to capable players, reviving projects or repurposing them for more viable uses. Improved valuation practices, bolstered by technology such as GIS and predictive analytics, strengthen market transparency. Regulatory refinements, including amendments to the IBC and global equivalents, reduce litigation timelines and enhance investor protection (Organisation for Economic Co-operation and Development [OECD], ((2021)). Thus, insolvency evolves from a source of disruption into a driver of systemic resilience.

Challenges and the Role of Valuers

Despite potential benefits, real estate during insolvency presents formidable challenges:

- **Distressed Valuation vs. Fair Value:** Determining whether assets should be sold at liquidation value or longer-term fair potential creates tensions between creditors and buyers.
- **Stakeholder Coordination:** Multiple actors—banks, resolution professionals, regulators, and investors—must align, but divergent interests often slow proceedings.
- **Data Deficiencies:** Insolvent firms frequently lack reliable records of ownership, approvals, or construction progress, complicating due diligence.
- **ESG Considerations:** Contemporary investors demand compliance with environmental, social, and governance norms, adding new filters for distressed asset acquisition.

In this context, the role of registered valuers is pivotal. By conducting **enhanced due diligence**, leveraging **advanced valuation tools**, and integrating **ESG risk assessments**, valuers provide the transparency needed for investor confidence. Scenario-based modeling—offering distressed sale, fair market, and income-based valuations—enables stakeholders to make informed choices. Ultimately, valuers bridge the gap between distressed realities and long-term potential.

Global and Indian Illustrations

The Indian real estate market has witnessed high-profile insolvency cases under the IBC, from large developers whose stalled projects left homebuyers stranded to infrastructure firms whose land banks became central to creditor recovery. Resolution outcomes have been mixed: while some assets attracted institutional investors at discounted valuations, others languished due to legal disputes.

Internationally, similar patterns are evident. In the aftermath of the 2008 global financial crisis, distressed real estate sales in the United States created opportunities for private equity funds, which acquired undervalued portfolios and later exited profitably (PIMCO, 2010). In Europe, insolvency frameworks were refined to accelerate real estate workouts, fostering investor trust. These global experiences highlight that

while insolvency depresses valuations in the short run, it can stimulate market renewal if supported by effective legal and valuation ecosystems.

Policy Pathways for Resilient Real Estate

Building resilience in real estate markets amid insolvency requires multi-pronged strategies:

- **Strengthening Legal Timelines:** Expedited court approvals and streamlined dispute resolution can reduce value erosion from delays.
- **Enhancing Valuation Standards:** Broader adoption of international best practices and technology-driven methodologies ensures credibility.
- **Facilitating Secondary Markets:** Creating transparent platforms for trading distressed real estate can improve liquidity and price discovery.
- **Incorporating ESG into Resolution:** Policies encouraging sustainable redevelopment of distressed assets align with global capital preferences.
- **Stakeholder Education:** Training for lenders, valuers, and investors enhances awareness of insolvency complexities and potential opportunities.

Conclusion

Insolvency proceedings have a profound impact on real estate markets, oscillating between immediate distress and long-term transformation. Short-term effects include liquidity crunches, suppressed valuations, and shaken investor confidence. Yet, insolvency also triggers structural reforms, revitalizes stalled projects, and encourages more rigorous valuation practices. The role of valuers is central, offering not just technical expertise but also trust-building in uncertain times.

As economic volatility and corporate defaults continue to test resilience, real estate markets must evolve through robust legal frameworks, transparent valuation, and adaptive investor strategies. Insolvency is not merely a challenge—it is a catalyst for reimagining the allocation, valuation, and governance of real estate assets.

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REFRAMING LIQUIDATION UNDER IBC: TRANSITIONING FROM SALE AS A GOING CONCERN TO ASSET BASED REALISATION

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ABSTRACT

The Insolvency and Bankruptcy Code, 2016 (IBC) aimed to balance value maximisation with timely resolution of distressed assets. A key feature facilitating business revival was the option of liquidation 'sale as a going concern'. The recent omission of this provision under the IBBI (Liquidation Process) Regulations, 2016, however, signals a shift from business continuity to asset realisation. This article analyses the legal and policy rationale behind this change and its implications for stakeholders. It traces the evolution of 'going concern' sales, evaluates their impact on creditor recoveries and employment, and examines the alignment of the amendment with the IBC's objectives and judicial interpretations. The article argues that while the reform enhances liquidation efficiency, it may also dilute the Code's rehabilitative ethos. It concludes by suggesting a calibrated approach to reconcile value preservation with procedural finality in liquidation.

Keywords: Insolvency and Bankruptcy Code (IBC); Sale as a Going Concern; IBBI (Liquidation Process) Regulations; Asset Realisation; Business Continuity; Value Maximisation; Insolvency Framework.

INTRODUCTION

The IBC was enacted to consolidate and amend India's insolvency laws, establishing a unified mechanism for time bound resolution of corporate debtor while ensuring maximisation for stakeholders.¹ A key innovation under the IBC framework was allowing for Liquidation as a going concern, a mechanism that enabled sale of the corporate debtor's business as an operating entity even in Liquidation, thereby preserving business value, employment and stakeholder confidence. However, through a notification dated 14th October, 2025, the Insolvency and Bankruptcy Board of India (IBBI), through its recent amendment to the IBBI (Liquidation Process) Regulations, 2016, omitted 'sale of corporate debtor as a going concern as a permissible mode of liquidation. This development marks a significant shift in the liquidation regime under the IBC, from prioritising continuity of business operations to focusing purely on asset realisation.

RATIONALE BEHIND 'SALE AS A GOING CONCERN'

The concept of 'sale as a going concern' was introduced by the IBBI through the Liquidation Process (Amendment) Regulations, 2018², allowing the Liquidator to sell the corporate debtor's business or assets in such a way that its operations continue seamlessly. This provision emerged as a pragmatic middle ground, enabling recovery of higher value for creditors while protecting jobs and preserving economic activity.

Under **Regulation 32 of the IBBI (Liquidation Process) Regulations, 2016**³, provided a set of modes of sale of assets in liquidation which included sale of an asset on a standalone basis, sale by slump sale, sale of a set of assets collectively, sale of assets in parcels, sale of the corporate debtor as a going concern and sale of the business of the corporate debtor as a going concern. Liquidators were permitted to sell the corporate debtor or its business as a 'going concern,' in order to align with the broader objectives of the IBC, emphasizing value maximisation over mere liquidation. It also offered a chance for revival when resolution under CIRP had failed. **Regulation 32A⁴ of the IBBI**

(Liquidation Process) Regulations, 2016, introduced a specific mechanism: if the Committee of Creditors recommended liquidator opined that such a sale would maximise value, the liquidator must first endeavor to sell the corporate debtor business as a going concern. This preserved employment and business relationships, reinforcing the economic and objectives of the IBC.

In *Swiss Ribbons Pvt. Ltd. v. Union of India*,⁵ the Supreme Court acknowledged the IBC's fundamental emphasis on resolution over Liquidation. Similarly, in *S.C. Sekaran v. Amit Gupta*⁶ and *Y. Shivram Prasad v. S. Dhanpal*,⁷ the NCLAT endorsed the sale of the corporate debtor as a going concern during Liquidation as consistent with the objectives of the IBC.

RECENT IBBI CIRCULAR: A PARADIGM SHIFT

On 14 October 2025, the IBBI notified a Circular/ amendment which is the *IBBI (Liquidation Process) (Second Amendment) Regulations, 2025*⁸, omitting the 'sale as a going concern' under *Regulation 32A*⁹ of *the Liquidation Process Regulations* and omitted corresponding *clauses (e) and (f) of Regulation 32*¹⁰. For liquidation cases where the sale-as-going-concern has not yet begun, the new regime applies. Going forward, under the liquidation process, the only sales envisaged would appear to be asset-based (standalone assets, parcels, slump sale) but not the corporate debtor as an entire going concern.

The permissible modes of sale are now limited to:

- Sale of Assets on a standalone basis
- Sale of assets in a slump sale
- Sale of assets in parcels, and
- Sale of the business of the corporate debtor as a going concern

According to the IBBI, the move was intended to streamline liquidation, reduce ambiguity about post-sale liabilities, and ensure that liquidation served its intended purpose which is asset realisation rather than corporate revival. The IBBI has cited several reasons prompting the amendment:

- **Complexity and delay**: The going-concern sale framework in liquidation was leading to elongated processes, protracted litigation, and increased cost of liquidation.
- **Value erosion risk**: Concerns about poor outcomes, increased costs and delays when opting for going concern sales in liquidation.
- **Streamlining of liquidation framework**: By removing a route that was under-utilised and often contested, the regulator aims to simplify the liquidation process and make asset realisation more predictable.
- **Policy emphasis shift**: Though the concept of going concern sale is well-recognised in global insolvency law, in the IBC world there were practical hurdles, especially around transfer of liabilities, employee rights, security interests, and the regulatory approvals required. The policy is now more oriented towards timely liquidation and asset-realisation rather than business-continuation in the liquidation stage.

The Amendment is prospective in nature; it shall apply to the cases where liquidation by sale as going concern has not commenced. The notification is effective from the date of publication which is 14th October, 2025. In effect, this regulatory change removes the mandatory first-attempt route of sale as a going concern in the liquidation process under IBC, defaulting instead to the other asset-sale modes (standalone assets, slump sale, assets in parcels). This deletion marks a decisive policy departure. The liquidation process will now focus on asset-by-asset realisation rather than continuity of the debtor's business. The change may prompt stakeholders to prefer earlier resolution rather than wait for liquidation; perhaps emphasising the importance of earlier invocation of resolution (CIRP) rather than liquidation.

POLICY RATIONALE AND CONCERNS

1. **ADMINISTRATIVE AND LEGAL AMBIGUITIES**- While conceptually sound, going-concern sales posed practical challenges. Liquidators encountered uncertainty regarding transfer of licenses, statutory dues, and treatment of employees.⁹ Ambiguities also persisted over whether the buyer inherited contingent liabilities and pending litigations associated with the corporate debtor.

2. **REASSERTION OF LIQUIDATION'S PURPOSE**- The amendment underscores a policy distinction between resolution and liquidation. The earlier overlap allowed quasi-revival during liquidation. The omission redefines liquidation strictly as a process of asset monetisation and distribution under Section 53 of the IBC.¹¹
3. **STAKEHOLDER IMPACT**- Critics argue that this approach undermines value maximisation, particularly where a business retains going-concern value despite insolvency.¹² It may also reduce employment preservation and discourage investors seeking acquisition of operational entities.

IMPACT ON STAKEHOLDERS

1. CREDITORS

The new framework may expedite liquidation and improve predictability in recoveries. Yet, empirical data suggests that sales as going concerns historically yielded higher recoveries than asset-wise disposals¹³. The amendment could therefore reduce overall creditor value

2. EMPLOYEES

A major collateral impact will be on the workforce. Sale as a going concern allowed retention of employment through continuity of business. The omission of this could lead to immediate cessation of operations, adversely affecting employment and supply chains.¹⁴

3. BUYERS AND INVESTORS

Potential buyers who look for acquiring a distressed business as a going concern may now face reduced regulatory clarity or possibility in liquidation settings under IBC. Investors may prefer resolution-stage acquisitions, reducing participation in liquidation auctions. This narrows the market and could depress asset prices.

4. LIQUIDATORS

Liquidators will have clearer but less operational discretion. The omission will most likely mean more focus on sale of assets. The simplification of sale methods may expedite liquidation timelines but at the cost of reduced flexibility to maximise value.

CRITIQUE AND CONSIDERATIONS

One of the key benefits of going concern sales under distress is value-preservation: transferring intangible assets, contracts, branding, operating workforce, etc. By eliminating that route, there is a risk of value being destroyed through piecemeal asset sales. On the other hand, the practical difficulties of going concern sales,

complex liability transfers, employee issues, regulatory approvals, and timing delays were real and may have prevented it from being used efficiently.

The amendment says “where sale as going concern has not commenced” but the boundary of “commenced” may raise disputes. It remains to be seen whether the IBBI will provide further guidance (or carve-out) for complex businesses which may still be viable and would realise higher value if transferred intact, rather than broken up. There may be a future need for legislative amendment (rather than regulatory) if the policy aim is to continue going concern transfers but with safeguards because many of the foundational issues

(liabilities, employee rights, security interests) point to statutory rather than purely regulatory solutions.

JUDICIAL PERSPECTIVES

Indian courts have repeatedly underscored that liquidation should be the last resort. In *Arun Kumar Jagatramka v. Jindal Steel and Power Ltd.*,¹⁵ the Supreme Court reiterated that the IBC's design is resolution oriented. Earlier, in *S.C. Sekaran v. Amit Gupta*¹⁶, the NCLAT directed liquidators to explore sale of the corporate debtor as a going concern before resorting to asset breakup. Nevertheless, judicial discourse also recognises the need for finality in liquidation. Prolonged processes frustrate the Code's time-bound mandate under Section 33¹⁷. The IBBI's amendment, therefore, aligns with the judiciary's growing emphasis on procedural efficiency.

CONCLUSION

The IBBI's amendment to omit "sale as a going concern" provisions under the liquidation framework reflects a shift in emphasis from trying to rescue or carry forward distressed businesses under liquidation, to more direct asset realisation. While this may streamline the process and reduce legal and procedural complexity, it leaves open risks relating to value destruction, job losses, and piecemeal disposal outcomes. Stakeholders will need to adapt their strategies accordingly, and for cases where business continuity is desirable, emphasis on early resolution (CIRP) remains critical. It will also be interesting to see if further refinements or policy tweaks follow, especially to deal with the tension between liquidation efficiency and business value preservation.

To balance efficiency with value preservation, regulatory reforms could be considered:

- a. Reintroducing limited-going-concern sales with clear liability demarcation;
 - b. Establishing safe-harbour provisions for buyers to avoid inherited liabilities; and
 - c. Facilitating hybrid sales models combining asset transfer with continued business operation.
- Such measures would harmonise liquidation finality with the IBC's founding ethos of maximising value of assets of the corporate debtor

1Insolvency and Bankruptcy Code, No. 31 of 2016, Statement of Objects and Reasons, § 5, Acts of Parliament, 2016 (India)

2Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2018, Gazette Notification No. IBBI/2018-19/GN/REG040 (Mar. 27, 2018).

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GROUP CAPTAIN RAJENDRA KUMAR JOSHI (RETD.) INSOLVENCY PROFESSIONAL & VALUER

Executive Summary:

The Supreme Court, in the *Kalyani Transco v. Bhushan Power & Steel Ltd. (BPSL)* case, approved the resolution plan but intentionally avoided deciding one major question: who owns the Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) generated while the company is being restructured (the Corporate Insolvency Resolution Process or CIRP)? The huge profit of ₹11,800 crore made by BPSL during its CIRP put this gap in the law under the spotlight. Because the Insolvency and Bankruptcy Code, 2016 (IBC), is silent on this point, it creates confusion that threatens the main goals of the process which is getting the best value for the company and finishing the resolution quickly, as evidenced by the long court battles in cases like BPSL. Most international systems, like the US (Chapter 11) and UK (Administration), generally treat these interim profits as part of the total money available for creditors. To fix this, a regulatory solution is proposed: the Committee of Creditors (CoC) should be required to clearly state how they will handle EBITDA in the Request for Resolution Plan (RFRP), perhaps by holding the funds in a special trust or using them as temporary financing and then ensuring a fair distribution formula that benefits both the creditors and the Successful Resolution Applicant (SRA).

Analysis of the Supreme Court's Stance on EBITDA during CIRP

1. Introduction: Brief about Judgement

The challenge IBC ecosystem is facing for EBITDA during CIRP is a major sticking point in insolvency law means who gets to keep the operating profits of a company while it's being restructured? This may be called the EBITDA Conundrum (the 'EBITDA' is just a term for the company's operating profit before accounting for big expenses like taxes, depreciation and writing off intangibles). The Supreme Court's judgment in the BPSL matter, while sanctioning JSW Steel's resolution plan, chose not to adjudicate on the allocation of the significant EBITDA generated by the Corporate Debtor (CD) during the CIRP period. This strategic silence, as noted in the analysis, preserves a significant area of legal uncertainty. The confusion caused by this legal gap threatens the main goals of the IBC, 2016, which is fundamentally to achieve the maximization of the value of the assets of the Corporate Debtor and to ensure resolution (revival) over liquidation. The magnitude of the amount involved in BPSL (₹11,800 crore) underscores the importance of this legal vacuum. The judgment ultimately supported the resolution plan, which, due to the silence of the Request for Resolution Plan (RFRP), effectively meant the operating profits accrued to the company and, consequently, the SRA. By not determining the general principle, the Court has invited case-by-case litigation, which is antithetical to the IBC's goal of swift finality.

2. The Issue: The Right to Interim Profits

The core issue remains the legal ownership of interim EBITDA. The central question is still the legal ownership of profits (EBITDA) made after the insolvency process begins. These funds come from the Corporate Debtor (CD)'s operations while it is being run as a 'going concern,' using assets that were originally funded by the pre-CIRP creditors' debt.

- **Claim by Creditors:** The creditors argue that this operating value is generated from their collateral and their risk, and therefore, it should be used either to reduce their losses or to cover CIRP costs, especially since they funded (or managed to fund) the interim operations.

- **Claim by SRA:** The SRA (the Successful Resolution Applicant -the successful buyer) argues that since they are purchasing the company as a 'going concern' a whole business all the assets, including accumulated cash reserves and EBITDA, should be transferred to them.

The absence of a specific provision creates the potential for a windfall (or *vice versa*) for the SRA (if they acquire significant accumulated profits without factoring them into the bid value (or *otherwise*)) or a financial shortfall for the creditors.

3. What Law Says and How it is Justified from Commercial Wisdom or Vice Versa

The Legal Gap and Precedence

The Insolvency and Bankruptcy Code (IBC) and IBBI regulations are silent on the EBITDA generated during the CIRP. The confusion caused by this legal gap threatens the main goals of the IBC, 2016, which is fundamentally to achieve the maximization of the value of the assets of the Corporate Debtor and to ensure resolution (revival) over liquidation. The most relevant Supreme Court precedent is **Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta & Ors. (2020)**. In *Essar Steel*, the Court established two foundational pillars

Supremacy of Commercial Wisdom: The CoC's business decision regarding the resolution plan's distribution is non-justiciable (cannot be questioned by courts unless illegal).

The "Clean Slate" Principle: The SRA takes over the CD free from all claims *not* specified in the resolution plan. Critically, in the *Essar Steel* case, where the RFRP was also silent on interim profits, the court held that in the absence of a provision entitling creditors to the profits, there is no creditor entitlement. The *Kalyani Transco* judgment, in effect, upholds this approach by letting the status quo (profits remaining with the company/SRA) stand when the process document is silent. This reinforces the need for the CoC to proactively include this clause.

Justification and Counter-Justification

- **Commercial Justification (Pro-SRA/Going Concern):** The argument is that the SRA is purchasing the *entire* business enterprise, including its operational balance sheet at the time of takeover. Forcing the SRA to lose the cash flows generated by the business they are buying could discourage resolution applicants and reduce the overall resolution value, undermining the IBC's intent of revival over liquidation (affirmed in *Swiss Ribbons Pvt. Ltd. v. Union of India*).
- **Ethical/Fairness Justification (Pro-Creditor):** Conversely, retaining significant profits within the CD provides a financial safety net for the SRA, which was not part of the negotiated deal. This windfall is financed by creditors who are taking the haircut.

4. Comparing Law from Other Important Insolvency Regimes

Most mature insolvency regimes treat post-commencement profits as part of the 'insolvency estate' to be dealt with under the restructuring plan, ensuring transparency and fairness.

Regime	Procedure	Treatment of Interim Profits/EBITDA
United States (Chapter 11)	Debtor-in-Possession (DIP)	Post-petition earnings are part of the bankruptcy estate. They are used to fund operations and are ultimately accounted for in the Reorganization Plan, ensuring they benefit the creditor body.
United Kingdom (Administration)	Administrator manages CD	Trading profits are held for the benefit of creditors and are distributed according to the statutory order of priority after meeting the costs of administration.
Singapore (Judicial Management)	Judicial Manager appointed	Under the Insolvency, Restructuring and Dissolution Act (IRDA), the Judicial Manager takes control to rehabilitate the company. Similar to the UK, the company's property, including profits made during the moratorium, is managed to achieve the statutory objective of company survival or creditor arrangement, meaning the profits are part of the value available for the restructuring plan.

In each system, there is an explicit mechanism to ensure post-commencement value is managed by the court-appointed officer (RP/Administrator/Judicial Manager) and allocated under a court-approved plan, preventing a surprise windfall.

5. Implications for Stake Holders (Corporate Debtors and Resolution Applicants) & Proposed Solution

The current uncertainty in IBC leads to:

Protracted Litigation: Delays implementation, as seen in the BPSL case, where the issue was litigated across multiple forums.

Sub-Optimal Bids: Resolution applicants must bid blind, assuming they may or may not retain the profits, leading to conservative offers and reduced recoveries for creditors.

Proposed Solution in the Spirit of IBC, 2016

To bring clarity and strengthen the IBC's framework, regulatory intervention by the IBBI is the most effective and time-bound solution, based on the following principles:

Mandatory Clause in RFRP: Regulation 36B and 38 of the CIRP Regulations should be amended to require the CoC to specify in the RFRP whether EBITDA (cash surpluses) generated during the CIRP will be:

- Used to meet CIRP costs, or
- Applied to repay Interim Finance (treating it as an operational receipt), or
- Ring-fenced in a Trust/Escrow Account for final distribution according to the approved Resolution Plan.

(Note -This method segregates the operational profits from the ongoing CIRP balance sheet, ensuring the amount is available for fair distribution without distorting the initial valuation on which the resolution applicants' bids are based).

Incentivizing Formula: The approved plan should include a distribution formula for the ring-fenced amount that serves to incentivize the SRA for timely implementation while compensating the creditors for their interim exposure. This upholds the principle of maintaining the 'going concern' while maximising value.

Example of a Suggested RFRP Clause:

To implement this, the RFRP document could include a mandatory clause, for instance:

Clause 1.4: Treatment of Interim Cash Surpluses (EBITDA) 'All net cash surpluses generated by the CD during the CIRP shall be credited to an Escrow Account managed by the RP. The Resolution Applicant must include in their Resolution Plan a specific, quantified proposal for the utilisation and distribution of this Escrow Balance. The distribution formula must allocate at least [X]% of the Escrow Balance to the Creditors (to be distributed as per the approved waterfall) and the remainder, if any, shall vest with the SRA upon plan implementation.'

Conclusion

The core issue is **fairness and predictability**. When a company starts making money during a crisis, that money is critical. By not having a simple, mandatory rule for how to handle that profit (EBITDA), the Indian legal system is essentially inviting people to sue, which slows down the entire process. The consensus is that a clear regulation is needed to require the lenders (CoC) to explicitly decide who gets the profit right at the start, making the process faster, fairer, and less likely to end up in a lengthy, expensive court fight.

The Supreme Court, by consciously leaving the question of EBITDA distribution open in *Kalyani Transco*, has issued a clear call for legislative or regulatory clarity. While previous rulings rightly respect the commercial wisdom of the CoC, that wisdom can only work effectively when applied within a clear and complete legal framework. The lack of a specific rule on interim profits invites unnecessary litigation, delays the resolution process, and puts the goal of maximizing value at risk. Adopting mandatory regulations that force the CoC to address and transparently allocate post-commencement profits, similar to international best practices, is the essential next step to strengthen the Indian insolvency regime and ensure timely, equitable, and final resolution.

References

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3. *Swiss Ribbons Pvt. Ltd. v. Union of India* (2019) 4 SCC 17.
4. Insolvency and Bankruptcy Code, 2016 (Sections 30, 31).
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SUCCESS STORIES



REVIVAL OF UNITED NEWS OF INDIA: A DEFINING SUCCESS STORY UNDER THE INSOLVENCY AND BANKRUPTCY CODE



MS. POOJA BAHRY INSOLVENCY PROFESSIONAL

The revival of United News of India (UNI) marks the conclusion of a complex, demanding, and deeply instructive journey—one defined by perseverance, diligence, and invaluable learning. It was a journey that could only have been undertaken with an institution as distinguished and resilient as UNI, and with the unwavering support of its committed employees.

The Resolution Plan for UNI was approved by the Hon'ble National Company Law Tribunal (NCLT) and, after a detailed and hard-fought appeal, was upheld by the Hon'ble National Company Law Appellate Tribunal (NCLAT). The NCLAT judgment is particularly significant, as it comprehensively addressed the treatment of claims filed after the approval of the Resolution Plan by the Committee of Creditors (CoC)—a matter of far-reaching relevance for the Insolvency and Bankruptcy Code (IBC) ecosystem.

UNI: An Institution of National Importance

Founded in 1961, United News of India grew to become one of India's largest news agencies, serving several hundred subscribers across the country. Its reach extended to newspapers published in 14 languages, All India Radio, Doordarshan, the Prime Minister's Office, Union Ministers' offices, Central and State Governments, corporate houses, and electronic and web-based media platforms.

UNI has played a vital role in strengthening one of the core pillars of democracy—the media—by providing news to more than 400 small and regional newspapers across the nation.

A Historic Revival under IBC

After decades of struggle, UNI achieved something truly unprecedented: it became the first non-profit company and the first news agency to be successfully revived under the Insolvency and Bankruptcy Code. This achievement stands as a compelling demonstration of the true strength and intent of the IBC—the power to revive even a 60-year-old institution that had been fighting for survival for decades.

The Hon'ble NCLAT upheld the Resolution Plan submitted by The Statesman Ltd. for UNI, reinforcing confidence in the IBC framework and clarifying critical jurisprudence on late-filed claims. This case has set an important benchmark for future CIRP processes.

A Unique and Unprecedented CIRP

The CIRP of UNI was unlike any other. As a Section 25/Section 8 non-profit company, UNI presented unique challenges far beyond those encountered in conventional manufacturing or operational industries. Additionally, restrictive clauses applicable to media entities raised a fundamental question: Can the IBC override such restrictions to enable value maximization and fair price discovery? The answer, affirmed through this process, was yes. UNI also faced the absence of a board of directors for over a year prior to CIRP initiation. There was no management, no decision-making authority—only employees striving to keep the organization alive against all odds.

Ethical Responsibility Beyond Commercial Revival

Managing UNI during CIRP involved not just operational responsibility, but also a heightened ethical duty. The media sector is uniquely sensitive, and the process was marked by daily unique challenges. Extensive engagement, transparency, and repeated dialogue were essential to align stakeholders with the objective of revival.

The Human Side of Resolution

When I was appointed as the Resolution Professional, I had little prior knowledge of UNI's legacy. However, within days, through countless interactions with employees, unions, editors, and nearly 700–800 claimants who met me personally, I gained a profound understanding of UNI's history and soul.

Being present on the ground—listening to stories, understanding emotions, and sharing the collective hope of revival—created a deep emotional connection with the institution. That attachment, that genuine belief in the outcome, became the driving force behind achieving resolution.

Revival under IBC is not merely about legal compliance or financial restructuring; it is about trust, intent, ethics, and human connection.

Proof That IBC Is Here to Stay

There is often skepticism that the IBC may fade like previous legislations. However, I firmly believe that as long as institutions like UNI exist—institutions that showcase the transformative power of this Code—the IBC will remain relevant and robust.

More than 100 families depended directly on the successful revival of UNI. Thousands of lives will be positively impacted not just today, but for decades to come. This is not just a legal success—it is a social and institutional revival.

Conclusion: The True Spirit of the IBC

It has been a profound honour to play a role in reviving an institution of such historical and national significance. The successful resolution of UNI reinforces faith in the principles on which the Insolvency and Bankruptcy Code was founded.

With values, ethics, moral clarity, and genuine intent, even the most insurmountable challenges can be overcome.

With heartfelt blessings, I wish United News of India an inspiring journey ahead—one marked by renewed purpose, enduring success, and continued contribution to the nation's pride

HBS AUTO RESOLUTION



MR. AVINASH AMBIKAPRASAD SHUKLA INSOLVENCY PROFESSIONAL

An application u/s.7 filed by M/s. SREI Equipment Finance Limited (Financial Creditor) against M/s. HBS Auto ANC & SEZ Pvt. Ltd. (Corporate Debtor) was admitted by Hon'ble NCLT, Mumbai bench vide Order dated 2nd January 2024. Mr. Avinash Ambikaprasad Shukla was appointed as Interim Resolution Professional (IRP) who was later appointed as the Resolution Professional by the Committee of Creditors (CoC).

During the first phase of CIRP two Resolution Applicants (RAs) viz.

1. Consortium of M/s. Balaji Infra Projects Limited & M/s. Mahansaria Enterprises Pvt. Ltd. and
2. M/s. Lotus Ornaments Limited submitted the Resolution plans.

M/s. Balaji Infra Projects Pvt. Ltd. failed the Section 29-A eligibility criteria and the CoC felt that the resolution plan submitted by either of the RAs was not attractive enough.

The CoC therefore decided to re-run the process in order to get better offers. For this purpose, the CoC also passed a resolution to make an application to Hon'ble NCLT seeking appropriate extension of CIRP which was eventually granted.

In the second phase, two RAs viz.

1. Consortium of M/s. Mahansaria Tyres Pvt. Ltd. & M/s. Lotus Ornaments Limited and
2. M/s. Alpha Alternatives Holdings Pvt. Ltd. submitted the resolution plan.

This time, the plan was submitted by the consortium (which was higher than the plan value received during the first phase) and after a detailed deliberation CoC approved the resolution plan submitted by the consortium of M/s. Mahansaria Tyres Pvt. Ltd. & M/s. Lotus Ornaments Pvt. Limited with 100% vote in favour. After the CoC approval the necessary application was filed by the RP with Hon'ble NCLT on 1st February 2025. After hearings the resolution plan was approved by NCLT on 12th March 2025. The approved resolution plan was to be executed within 90 days' of NCLT approval. Accordingly, the Successful Resolution Applicant (SRA) remitted the entire sum between 5th June 2025 and 9th June 2025. The SRA completed their obligation of making full payment as per the approved resolution plan. As regards the obligations of the Financial Creditor a meeting was organized at their Kolkata office on 11th July, 2025 wherein the original title deeds, No dues Certificate and relevant documents were handed over to the SRA. Physical possession of the underlying asset (comprising of land admeasuring about 312 acres located at GIDC, Ankleshwar and buildings thereon) was handed over to SRA on 25th September, 2025 in the presence of the representative of the RP. In all, 16 meetings of the CoC and 7 meetings of the Monitoring Committee were conducted during the entire process. All the documents received from the Corporate Debtor (CD) were handed over to the SRA in the last MC meeting held on 7th October, 2025.

The final progress report was filed with Hon'ble NCLT on 15th October, 2025 vide IA No. 4832/2025 which was taken on record by the bench vide order dated 28th October, 2025.

The entire resolution process was completed in 644 days (no. of days from the admission order upto the date of dissolution of MC to be mentioned)

TIMEBOUND RESOLUTION AND IMPLEMENTATION –PURULIA METAL CASTING PRIVATE LIMITED (PMCP)



MR. PRATIM BAYAL INSOLVENCY PROFESSIONAL

That Corporate Insolvency Resolution Process (CIRP) was initiated against Purulia Metal Casting Private Limited (PMCP) i.e. Corporate Debtor(CD) by an order dated 18.10.2023 of the Hon'ble National Company Law Tribunal, Kolkata on a section 9 application. The COC resolved to replace the Interim Resolution Professional and filed an appropriate resolution before the Hon'ble NCLT, Kolkata Bench which was allowed on 22.02.2024 appointing the author as the resolution professional. In this CIRP process a total claim of Rs 450.38 Crore were admitted consisting of Rs 79.79 Crores of secured financial creditor, Rs 170.77 Crores statutory dues and Rs 178.40 Crores from operational creditors and balance was from other creditors.

On 19.02.2024 Form G was published by IRP, inviting for expression of interest. The RP re published the Form G on 05.03.2024 with extended time line. RP had received 15 EOI's within the timeline. Thereafter, 7 Resolution Plans came into the matter. Thereafter, the RP conducted the 8th CoC Meeting on 06.07.2024, wherein the price discovery among the 7 PRA's was held. Each PRA presented their plan and gave an insight on the distribution of amount proposed towards each class of creditors. That at the end of the bidding process, H1 and H2 bidders were declared and all other 5 PRAs had withdrawn themselves from the Resolution Process of the Corporate Debtor.

An exceptional issue in the negotiation process was that one of the financial creditors was also a prospective resolution applicant who submitted their expression of interest and being eligible, submitted a resolution plan. The challenge was to have a successful competition through Swiss Challenge mechanism without reducing the competitiveness of the challenge mechanism for the presence of the financial creditor as a prospective resolution applicant. To start with, the resolution plans were opened in the 6th COC meeting on 5th June 2024. However, no data was revealed. The resolution Professional initiated Process of checking Legal compliances of the resolution plans submitted and after Couple of weeks revised bids were invited from resolution applicants with a request to all the applicants to increase the offer amount. After the first Set of revised bids were receipt, the Swiss Challenge mechanism taken up in the 8th CoC Meeting on 06.07.2024 held physically where all the financial creditors were present. There the highest financial bid was taken as the floor price. Then at first, the financial creditor cum prospective resolution applicant was requested to present their financial figure before this CoC. After that they were requested to go out of the COC and the other prospective resolution applicants were invited to present their financial figures and brief about the resolution plans. Thus, the financial creditor who also was a prospective resolution applicant was not allowed to Know the other financial offers. Then the challenge mechanism was conducted taking the High Bid in the revised financial offer as the best price. After that in each round, the L1 was eliminated as an elimination process of challenge mechanism was taken up. After the end the H1 and H2 was declared. After couple of weeks The COC wanted to have a renegotiation with both the H1 and H2 bidder as they both wanted to increase their offer. The RFRP was already suitably drafted so that this re negotiation post the challenge process is accommodated. Thereafter CoC meetings were convened by the RP wherein the negotiations were held between the H1 and H2 bidders and the CoC Members on the revised financial proposals offered by them. After the final round of negotiations, both the bidders submitted their Final Resolution Plan on 01.09.2024. Both the plans were verified and checked by

RP as compliant to the provisions of the IBC, 2016 and allied regulations and subsequently circulated to all the members of the CoC. Thereafter, the RP convened the 12th CoC Meeting on 03.09.2024 and again on 04.09.2024 to consider the plans for voting by the members of the CoC. After the discussions in the 12th CoC meeting, both the plans were put for e-voting. DD International Private Limited was declared as the successful resolution applicant with 87.16% of voting in their favour.

One of the critical challenges in this CIRP was identification of the assets and determining the status thereof. The factory was situated on a land that was not wholly owned by the corporate debtor. To understand the exact position, we employed one land surveyor who with the help of the land deeds and the BLRO records, provided a complete site map of the plant area. It was revealed that the recorded ownership of the corporate debtor was on scattered land and many critical parts of furnace and rolling mills was installed on land not owned by corporate debtor. On a further inspection and checking of the records, it was revealed that the corporate debtor might have paid for those lands but the land was not ultimately transferred to the CD. Part of the land was owned the promoter; part of the land was owned by one of the ex-founding directors and some part was owned by third parties. The ex-founding director intervened in the process with an interlocutory application with a plea that his part of the land should not be included in the CIRP process. From the survey it was figured out that that part of the land does not interfere with machines of the plant. So that IA was accepted. There was an absolute understanding of the land position in detail, necessary disclosures were made in the Information memorandum and situation based legal steps were taken to accommodate this critical land position.

Post approval of COC through voting, the successful resolution applicant requested the RP and the CoC to take part in the maintenance of the corporate debtor's assets specially the induction and blast furnaces and repair of some of the critical machineries as they wanted to start operating the Factory immediately after the NCLT approval was available. The proposal was discussed in the COC. The resolution applicant was allowed to make the necessary repairment at their own cost and the condition was that nothing will go out of the factory premises only inward entry was allowed as some new parts were purchased and used to make the required repairs. The fundamental concept in allowing the SRA to arrange for repair and maintenance even if the plan was awaiting final approval from the Honourable Bench, was that those repairments would increase the value of the assets and in a worst case scenario if the resolution plan of the successful resolution applicant is not implemented, then at any point of time the value of the corporate debtors would be better than they were before this repairment had been taken up. Thus, a concept of valued maximisation was applied in allowing these repairs by the Successful Resolution Applicant even before the approval of the resolution plan by the Honourable NCLT. The successful resolution applicant was also apprehensive of Security of the plant during this intermediate period. Thus, additional manpower was deployed from the security agency, additional CCTV arrangements were made as well, all with a condition that these additional costs will be added over the estimated CIRP cost that was Initially communicated to the resolution applicants. If The CIRP cost exceeded because of these additional facilities, that that needs to be separately provided by the successful resolution applicant. Thus, the COC was protected from any escalation of CRP cost for putting additional security measure taking into account of the genuine concern of Successful resolution applicant.

Post the approval of the resolution plan by Honourable NCLT, during the implementation phase, the monitoring committee allowed the maintenance of factory plant machineries and enhanced

security at the factory site, all at the cost of the SRA only. The condition was same that no outward movement from the factory would be allowed till the full payment under the resolution plan was made and the handover of the factory was made by the chairman of the monitoring committee to the Resolution applicant. The successful resolution applicant made the full payment before the expiration of 90 days thus the plan was implemented absolutely within the time.

The additional comfort to the SRA, within the legal framework and without any relaxation on the possession of the asset before full payment, helped to the SRA to implement the resolution plan well within timeline, one of the main objectives of IBC.

Couple of high value vehicles which were not in the physical possession of the CD, were later traced back from the government motor vehicle registration record. There was proper disclosure in the information memorandum and proper steps were initiated with the police authority for taking over those vehicles. The right disclosure in the IM helped the handover of the company to the SRA without any dispute and afterwards the SRA continued the follow up for getting back those vehicles in control of the company.

During the CIRP, Right assessment of the assets of the company extensive marketing of the corporate debtor , an open and transparent communication to the CoC and all prospective resolution applicants, a well-designed challenge mechanism for negotiations and a regulated help to the SRA made this CIRP a success with 66% recovery for the secured creditor in a very short span of time.

SUCCESSFUL INSOLVENCY RESOLUTION OF ASSOCIATED COMPOSITE MATERIALS PRIVATE LIMITED



MR. SHAMSHER BAHADUR SINGH
INSOLVENCY PROFESSIONAL

1) INTRODUCTION

This case study examines the Corporate Insolvency Resolution Process (CIRP) of Associated Composite Materials Private Limited, which faced financial stress primarily due to severe financial distress primarily due to an acute cash flow crisis within its group entities, namely VNM Components Private Limited and Associated Lighting Service Private Limited. leading to the initiation of insolvency proceedings under the Insolvency and Bankruptcy Code (IBC) 2016. The case highlights the complexities of CIRP in India, and financial irregularity leads to financial crisis of the Corporate Debtor (CD).

2) BACKGORUND OF THE COMPANY

Associated Composite Materials Private Limited (“ACM” or “the Company”) is a non-government private company incorporated on 25 April 2008 under the Companies Act and registered with the Registrar of Companies, Delhi (CIN: U51494DL2008PTC177238). The Company is classified as a private company limited by shares, with an authorised share capital of ₹8.50 crore and a paid-up share capital of ₹7.999 crore. Its registered office is located at 17, Community Centre, New Friends Colony, New Delhi – 110065.

ACM forms part of the Associated Group of Companies, a diversified business group with over two decades of operational history, having interests across advanced composites and glass manufacturing, engineering solutions for industrial applications including railways and power sectors, as well as real estate and infrastructure development. The Company was formerly ISO 9001:2000 certified, reflecting its commitment to quality systems and manufacturing standards.

The Company was engaged in the manufacture of high-value glass and composite products, including toughened glass, laminated glass, bullet-resistant glass, and insulated glass, in both flat and bent configurations, catering to industrial and infrastructure requirements. ACM has been led since its incorporation by experienced Board of Directors, comprising Mr. Ashok Raj Nath (DIN: 01638037) and Mr. Arjun Nath (DIN: 01638049), who have played a key role in shaping the Company’s strategic and operational framework. Due to financial and operational constraints, ACM ceased its manufacturing activities at the end of FY 2016-17, followed by discontinuation of trading operations in FY 2017-18. As on date, the Company is non-operational. As per records available with the Ministry of Corporate Affairs (MCA), the latest financial statements pertain to FY 2022-23, and the last Annual General Meeting was held on 30 September

2023. Corporate Debtor falls within the category of Micro, Small, and Medium Enterprises (MSMEs) and is exempted from the restrictions stipulated in Section 29A, whereby the promoter, director, or related party of the CD is permitted to file a Resolution Plan. The status of MSME was obtained on 30 May 2023. The Resolution Applicant, Mr. Arjun Nath, who is also an existing shareholder and director of the CD, emerges as the proponent of the Resolution Plan and is eligible to submit a Resolution Plan under Section 240A of IBC, 2016.

3) REASONS THAT LEAD TO INITIATION OF CIRP

Associated Composite Materials Private Limited encountered severe financial distress primarily due to an acute cash flow crisis within its group entities, namely VNM Components Private Limited and Associated Lighting Service Private Limited. The initiation of Corporate Insolvency Resolution Process (CIRP) against the said group companies adversely affected the operational and managerial stability of the Corporate Debtor, leading to significant financial losses.

The situation was further exacerbated by internal management challenges, including issues relating to employee and vendor misconduct, which resulted in additional financial strain. Consequently, the Corporate Debtor was compelled to suspend its manufacturing operations. In relation to the losses arising from such acts, the Corporate Debtor has initiated legal proceedings, which were pending adjudication before the Hon'ble District Court, Saket.

In view of the prevailing financial distress, Alchemist Asset Reconstruction Company Limited initiated the Corporate Insolvency Resolution Process (CIRP) against Associated Composite Materials Private Limited (ACM) on 06 December 2023, in respect of a financial default amounting to ₹16,76,80,767/- (as on 20 July 2021).

The Hon'ble National Company Law Tribunal, Delhi Bench, Court III, vide its order in CP No. (IB)-683/(ND)/2023, admitted the application and appointed Mr. Shamsher Bahadur Singh (IBBI Registration No. IBBI/IPA-003/0341/2021-2022/13623) as the Interim Resolution Professional (IRP). Subsequently, the Committee of Creditors (CoC) confirmed the appointment of Mr. Shamsher Bahadur Singh as the Resolution Professional (RP).

4) RESOLUTION PROCESS AND KEY ACTIONS

In accordance with Section 25(2)(h) of the Insolvency and Bankruptcy Code, 2016, read with Regulation 36A of the CIRP Regulations, 2016, the Resolution Professional issued an Invitation for Expression of Interest (EOI) in Form-G on 22 January 2024, which was published in Financial Express (English) and Jansatta (Hindi). The last date for submission of EOIs was 06 February 2024, and the last date for submission of Resolution Plans was 06 April 2024.

By the stipulated deadline of 06 February 2024, four (4) Prospective Resolution Applicants (PRAs) submitted their EOIs. Thereafter, the Resolution Professional conducted a detailed due diligence process to determine the eligibility of the PRAs in terms of Section 29A of the

Insolvency and Bankruptcy Code, 2016, read with the applicable CIRP Regulations and the eligibility criteria approved by the Committee of Creditors. Based on the said due diligence and verification of eligibility criteria, two (2) out of the four PRAs were found to be ineligible under Section 29A of the Code and, accordingly, were not permitted to submit Resolution Plans.

Thereafter, upon publication of the provisional and final list of Prospective Resolution Applicants and issuance of the Request for Resolution Plan (RFRP), Evaluation Matrix (EM/BEM), and Information Memorandum (IM), the Resolution Professional received Resolution Plans from both eligible PRAs, namely Mr. Arjun Nath and Real Value Infotech Projects Private Limited.

Upon preliminary scrutiny for compliance with the mandatory requirements under the Insolvency and Bankruptcy Code, 2016, the CIRP Regulations, and the RFRP, certain discrepancies were observed in the submitted Resolution Plans. Accordingly, clarifications were sought from the PRAs via email, with an initial response deadline of 19 April 2024, which was subsequently extended at the request of the Resolution Applicants. During this process, the Resolution Professional informed the Committee of Creditors (CoC) that Real Value Infotech Projects Private Limited had sought withdrawal of its Resolution Plan. After due deliberation, the CoC approved the withdrawal, leaving the Resolution Plan submitted by Mr. Arjun Nath for further consideration.

The 10th meeting of the Committee of Creditors (CoC) was held on 07 May 2024, during which the Resolution Plan submitted by Mr. Arjun Nath was deliberated. The CoC members raised queries relating to CIRP cost payments and treatment of secured financial creditors, which were duly clarified by the Resolution Applicant. Following detailed discussions, the CoC sought one week's time to internally evaluate the financial proposal. Accordingly, the Resolution Applicant was requested to revise and resubmit the Resolution Plan in line with the deliberations of the CoC.

5) COMMITTEE OF CREDITORS APPROVAL

The revised Resolution Plan submitted by Mr. Arjun Nath (submitted by the promoter, as the Corporate Debtor is MSME), along with the addendum dated 20 May 2024, before the Committee of Creditors (CoC) for deliberation and approval. The CoC conducted a thorough evaluation of the plan, considering its financial implications, timelines, and potential recovery outcomes for all stakeholders, in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

The Resolution Plan submitted by Mr. Arjun Nath was evaluated against the liquidation value of the Corporate Debtor, which stood at ₹3,35,87,140.50. The proposed plan value of ₹4,45,30,000 was found to be approximately 32.6% higher than the liquidation value, highlighting a clear value-maximising outcome. This demonstrates the plan's ability to deliver enhanced returns for creditors while safeguarding the interests of all stakeholders

After detailed discussions on the plan's feasibility, viability, and value-maximising potential, the CoC concluded that the proposed plan exceeds the fair value of the Corporate Debtor. Exercising their commercial wisdom, the CoC members unanimously approved the Resolution Plan with a

majority vote of 100%, ensuring an efficient resolution that maximises value for creditors and safeguards the interests of all stakeholders.

6) NCLT APPROVAL

The Hon'ble National Company Law Tribunal, Delhi Bench, vide its order dated 16 January 2025 passed in IA No. 59/2024 in CP No. 683/ND/2023, approved the Resolution Plan submitted by Mr. Arjun Nath under Section 30(6) of the Insolvency and Bankruptcy Code, 2016. With the approval of the Hon'ble Tribunal, the Corporate Insolvency Resolution Process of Associated Composite Materials Private Limited stood successfully concluded, reaffirming the effectiveness of the Insolvency and Bankruptcy Code in achieving a time-bound and value-maximising resolution for the stakeholders.

7) PERFORMANCE-LINKED INCENTIVE FEE FOR TIMELY RESOLUTION AND VALUE MAXIMISATION

Pursuant to Regulation 34B read with Schedule II of the CIRP Regulations, the Committee of Creditors approved a performance-linked incentive structure for the Resolution Professional in the CIRP of Associated Composite Materials Private Limited. The resolution plan was submitted within the prescribed timeline, enabling eligibility for incentive linked to timely resolution. Further, value maximisation was achieved as the realisable value under the approved resolution plan exceeded the liquidation value.

In recognition of timely completion and enhanced creditor recovery, the CoC approved performance-linked incentive fees in accordance with statutory provisions. The incentive became payable post approval of the resolution plan by the Adjudicating Authority and upon commencement of payments to creditors. This CIRP stands as a successful example of efficient resolution and value maximisation under the Insolvency and Bankruptcy Code.

8) CONCLUSION

The successful resolution of Associated Composite Materials Private Limited underscores the effectiveness of the Insolvency and Bankruptcy Code, 2016 in facilitating a structured, time-bound, and value-maximising resolution process. Despite the complexities arising from group company distress, management challenges, and stakeholder concerns, the Resolution Professional, in coordination with the Committee of Creditors, successfully navigated the CIRP, ensuring compliance with statutory provisions and transparency throughout the process.

The approval of the Resolution Plan submitted by Mr. Arjun Nath by the Hon'ble NCLT marks a significant milestone, enabling the revival of the Corporate Debtor and safeguarding the interests of creditors and other stakeholders. This case exemplifies the potential of the IBC framework to resolve stressed corporate entities efficiently, restore operational stability, and preserve value in a manner that balances the interests of all parties involved.

CASE LAWS



SECTION 32A - CORPORATE INSOLVENCY RESOLUTION PROCESS - LIABILITY FOR PRIOR OFFENCES, ETC.

Kalyani Transco vs. Bhushan Power and Steel Ltd. [2025] 178 taxmann.com 647 (SC)

Where neither RFRP nor Resolution Plan dealt with distribution of EBITDA generated during CIRP, permitting erstwhile promoters or CoC to raise an argument in that regard at such a belated stage would amount to doing violence to very intention with which IBC was enacted.

CIRP was initiated against the corporate debtor. Resolution plan submitted by JSW was approved by CoC and Adjudicating Authority with certain conditions. NCLT directed distribution of Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) generated during CIRP amongst creditors of the corporate debtor. NCLAT set aside direction of NCLT and held that since Request for Resolution Plan (RfRP) was silent on treatment of EBITDA generated during CIRP, EBITDA would remain with the corporate debtor. Meanwhile, CBI and ED initiated proceedings against the corporate debtor and its erstwhile management for large scale siphoning and diversion of funds. ED also provisionally attached assets of the corporate debtor. CoC and SRA-JSW were of view that unless assets of the corporate debtor were released and issue of criminal proceedings clarified, implementation of Resolution Plan would not be possible.

Held that ex-promoters of the corporate debtor had locus to maintain appeal as 'persons aggrieved' under section 62. Contention of appellants that there was inordinate and deliberate delay in implementing Resolution Plan by SRA-JSW was without substance. Where plan was ultimately implemented with CoC's approval and both CoC and SRA had made consistent efforts, delay was not a ground to set aside plan. Since neither RfRP nor Resolution Plan dealt with distribution of EBITDA, permitting erstwhile promoters or CoC to raise an argument in that regard at such a belated stage would amount to doing violence to very intention with which IBC was enacted. Contention of either ex-promoters-cum-directors of the corporate debtor or CoC in that regard was not sustainable.

Case Review: JSW Steel Ltd. v. Mahender Kumar Khandelwal [2020] 114 taxmann.com 428 (NCL-AT) (para 191) affirmed.

I. SECTION 5(8) - CORPORATE INSOLVENCY RESOLUTION PROCESS - FINANCIAL DEBT

II. SECTION 238A - CORPORATE INSOLVENCY RESOLUTION PROCESS - LIMITATION PERIOD

Saurabh Jhunjunwala vs. Pegasus Assets Reconstruction Company (P.) Ltd. [2025] 177 taxmann.com 202 (SC)/ [2025] 258 COMP CASE 88 (SC)

I. Where assignment agreement qua immovable property, i.e., land in Tamil Nadu was void as it was hit by section 28(b) of Registration Act, 1908, however, there were large number of other accounts and other financial assets which were dealt in assignment agreement and, thus, entire assignment could not be declared as null and void.

II. Where corporate debtor had acknowledged its default in its financial statements for several years, since debt was continuously acknowledged in balance sheets of corporate debtor, it was relevant for extension of limitation and mere fact that balance sheet did not mention name of financial creditor, it would not deny benefit of section 18 of Limitation Act.

I. The corporate debtor had obtained financial facilities from Allahabad Bank to purchase a property at Coimbatore, Tamil Nadu. Bank declared account of the corporate debtor NPA and assigned its debt to the respondent, financial creditor by a registered assignment deed. The financial creditor filed an application under section 7 against the corporate debtor. Adjudicating Authority by impugned order admitted section 7 application. The appellant suspended director of the corporate debtor filed appeal contending that assignment agreement was claimed to be executed in Mumbai, Maharashtra and had been registered in Kolkata, which was in contravention of provisions of section 28 of Registration Act, 1908 as applicable in State of Tamil Nadu, hence, was void and, therefore, application under section 7 filed by the financial creditor on basis of such assignment agreement was not maintainable. However, as per provisions of section 28 of Registration Act, 1908 as applicable in State of Tamil Nadu, every document affecting immovable property shall be presented for registration in office of Sub-Registrar within whose sub-district whole or some portion of property to which such document relates is situated in State of Tamil Nadu and any document registered outside State of Tamil Nadu in contravention of provisions of clause (a) shall be deemed to be null and void. It was noted that assignment agreement qua immovable property, i.e., land situated in Coimbatore was void and no right could be claimed by the financial creditor with respect to said land. However, there were large number of other accounts and other financial assets which were dealt in assignment agreement and, thus, entire assignment could not be declared as null and void. NCLAT held that assignment deed could be held to be void insofar as creating any mortgage in land situated in Coimbatore and no rights in said land by virtue of assignment could be claimed by the financial creditor, but that itself was not sufficient to hold entire assignment void so as to make CIRP application as not maintainable and appeal against order of Adjudicating Authority was to be dismissed. Appeal was filed against said order.

Held that there was no good reason to interfere with impugned order passed by NCLAT and thus, appeal was to be dismissed.

II. The respondent filed section 7 application to initiate CIRP against the corporate debtor. The corporate debtor pleaded that application was barred by limitation as account had been declared as Non-Performing Asset (NPA) on 30-9-2011 and application was filed on 18-8-2022. It was noted that the corporate debtor had continuously admitted and acknowledged its default in its financial statements for financial years 2013-14 to 2019-20. NCLAT held that since debt was continuously acknowledged in balance sheets of the corporate debtor, it was relevant for extension of limitation and mere fact that balance sheet did not mention name of the financial creditor, it would not deny benefit of section 18 of Limitation Act and therefore, application filed by the financial creditor was not barred by time. Appeal was filed against said order.

Held that there was no good reason to interfere with impugned order passed by NCLAT and thus, appeal was to be dismissed.

Case Review: Saurabh Jhunjhunwala v. Pegasus Assets Reconstruction Company (P.) Ltd. [2025] 176 taxmann.com 739 (NCLAT- New Delhi) (Para 2) – Affirmed.

SECTION 5(8) - CORPORATE INSOLVENCY RESOLUTION PROCESS - FINANCIAL DEBT

Hemant Sharma, Resolution Professional Today Homes and Infrastructure (P.) Ltd. vs. Indian Renewable Energy Development Agency Ltd. [2025] 177 taxmann.com 674 (NCLAT-New Delhi)

Decision of RP to verify or not verify claim of creditor may be erroneous, but that cannot be said to be adjudication of claim by RP.

CIRP was initiated against the corporate debtor. Respondent financial creditor submitted claim based on corporate guarantee extended by the corporate debtor in favour of the financial creditor in respect of credit facilities availed from the financial creditor by three companies. Resolution Professional (RP) sent an email to the financial creditor informing that claim could not be accepted as financial debt. Aggrieved by rejection of claim of financial creditor, the financial creditor filed an application before NCLT. NCLT by impugned order held that RP had no adjudicatory function and directed RP to reconsider claim of financial creditor.

Held that RP under regulation 13 of CIRP Regulations has a duty to verify every claim as on insolvency commencement date and thus, for verification of claim, RP has to look into nature of claim, basis of claim, fact that whether RP has verified claim or not, it cannot be said to be adjudication of claim. Decision of RP to verify or not verify a claim, may be erroneous, but that cannot be said to be adjudication of claim by RP. Therefore, act of not verifying claim by RP and communicating email giving reason for non-verification, could not be said to be in excess and abuse of duties of RP. Therefore, adverse observations made against RP in impugned order were to be deleted and further directions issued forwarding copy of order to IBBI was to be deleted. However, directions issued by NCLT to reconsider claim could not be faulted in facts of present case and law as noticed above and RP had to carry out reconsideration of claim of the financial creditor and take a decision.

SECTION 5(8) - CORPORATE INSOLVENCY RESOLUTION PROCESS - FINANCIAL DEBT

Amit Nehra vs. Pawan Kumar Garg [2025] 178 taxmann.com 254 (SC)/ [2025] 190 SCL 209 (SC)

Where appellants/homebuyers had paid nearly entire sale consideration for apartment in a project of corporate debtor and submitted their claim, which was duly verified and admitted by Resolution Professional, they could not be treated as belated claimants entitled only to refund of 50 per cent of their principal deposit under resolution plan, but were entitled to possession of their allotted apartment.

Appellants booked an apartment in a project of the corporate debtor and paid almost entire sale consideration. However, the corporate debtor failed to deliver possession within agreed period. Meanwhile, CIRP was initiated against the corporate debtor and appellants submitted their claim before Resolution Professional. Resolution Professional published list of financial creditors, wherein appellants' name was reflected, with their claim duly admitted. Resolution

plan submitted by successful resolution applicant was approved by NCLT. As per resolution plan, treatment of homebuyer claims was governed by clause 18.4, with distinct provisions for timely claims and belated claims. Despite admitted inclusion of appellants' claim in list of financial creditors, possession of allotted apartment was not delivered. Appellants approached Adjudicating Authority seeking directions to Resolution Professional and Successful Resolution Applicant for execution of conveyance deed and handover of possession. NCLT held that appellants claim was to be dealt with strictly in accordance with clause 18.4(xi) of resolution plan, entitling them only to refund of 50 per cent of principal sum. NCLAT affirmed decision of NCLT.

Held that since appellants had paid nearly entire sale consideration, submitted their claim, and had it duly verified and admitted by Resolution Professional, they could not be treated as belated claimants entitled only to refund of 50 per cent of their principal deposit under clause 18.4(xi) of resolution plan but were entitled to possession. Therefore, judgment of NCLAT as well as order of NCLT were to be set aside and respondents were to execute conveyance deed and hand over possession of apartment to appellants.

Case review: Order of NCLAT, New Delhi in Amit Nehra v. Pawan Kumar Garg [CAAT(I)-1365-2023, dated 10-01-2025] (para 39) set aside.

SECTION 5(8) - CORPORATE INSOLVENCY RESOLUTION PROCESS - FINANCIAL DEBT

Mansi Brar Fernandes vs. Shubha Sharma [2025] 178 taxmann.com 359 (SC)/ [2025] 190 SCL 230 (SC)

Where appellant entered into a Memorandum of Understanding (MoU) with corporate debtor for purchase/buy-back of four apartments in its project and paid a sum as part consideration, since MoU was in substance a buy-back contract, not an agreement to sell flats, appellant was a speculative investor, disentitling her from invoking section 7.

The appellant entered into a Memorandum of Understanding (MoU) with the corporate debtor for purchase/buy-back of four apartments in its project and paid a sum of Rs. 35 lakhs through cheque as part consideration. MoU contained a buy-back clause that was entirely at option of the corporate debtor. If buy-back option was not exercised, the appellant was entitled to receive possession of flats without payment of any additional amount. Despite MoU having been extended twice, neither flats were delivered, nor payment was made. The appellant thereafter initiated section 7 proceedings in capacity as an allottee/financial creditor. NCLT admitted application. On appeal, NCLAT reversed admission of application by holding that the appellant was a speculative investor and not a genuine homebuyer/financial creditor.

Held that If agreement substitutes possession with a buyback or refund option, or any other special arrangement, allottee is likely a speculative investor. Since agreement stipulated a buyback whereby amount invested by the appellant would be returned with an additional amount as premium within 12 months, the appellant's true interest lay in assured returns, not possession and, therefore, the appellant was a speculative investor, disentitling her from invoking section 7. Since MoU was in substance a buy-back contract, not an agreement to sell flats thus, finding of NCLAT treating the appellant as a speculative investor warranted no interference.

Case Review: Ankit Goyat v. Sunita Agarwal [2021] 131 taxmann.com 219/168 SCL 829 (NCL-AT) and Shubha Sharma v. Mansi Brar Fernandes [Company Appeal (AT) (Insolvency) No. 83 of 2020, dated 17-11-2020] (Para 18.8) affirmed.

SECTION 5(6) - CORPORATE INSOLVENCY RESOLUTION PROCESS - DISPUTE

Rajjath Goel vs. Maxworth Infrastructure (P.) Ltd. [2025] 178 taxmann.com 600 (NCLAT-New Delhi)

Where a Civil Suit had already been filed by operational creditor where same amount was treated to be due on corporate debtor, there was a pre-existing dispute between parties and, therefore, application under section 9 could not have been admitted.

The operational creditor launched a residential project "Aashray". A Term Sheet was executed between the operational creditor and the corporate debtor, where entire project along with land and license was agreed to be purchased by the corporate debtor. Amount of Rs.12.76 crores was claimed as debt outstanding amount on the corporate debtor. The operational creditor thus, filed an application under Section 9, which was admitted by NCLT by impugned order. NCLT noticed contention of the corporate debtor regarding pendency of Civil Court, however, it had brushed aside said argument observing that Suit could not be come in way of prosecuting Section 9 petition. It was noted that instant was a case where pre-existing dispute between parties was writ large, more so Civil Suit had already been filed by the operational creditor where same amount was treated to be due on the corporate debtor for which demand notice had been subsequently issued. Suit was filed more than one and a half year before issuance of demand notice under section 8 of IBC in which Suit written statement was also filed, disputing claim set up in plaint.

Held that instant was a clear case of pre-existing dispute between parties, accordingly, impugned order passed by NCLT was unsustainable and thus, same was to be set aside.

Case Review: NCLT's order dated 21.08.2024 in CP No.224/(PB)/2024 (Para 44) reversed.

SECTION 5(6) - CORPORATE INSOLVENCY RESOLUTION PROCESS - DISPUTE

Union Roadways Ltd. vs. ICE Steel 1 (P.) Ltd. [2025] 179 taxmann.com 506 (NCLAT- New Delhi)

Where there was a manifest dispute between parties over invoices against which payments made by corporate debtor were appropriated, NCLT had not committed any error in dismissing section 9 application filed by operational creditor.

The operational creditor was engaged in business of providing transportation and trucking services to the corporate debtor. The operational creditor raised 247 invoices for period 24-6-2019 to 24-2-2020 for a total amount of Rs. 3.57 crore against which only Rs. 10.08 lakh had been paid by the corporate debtor. The operational creditor sent a section 8 demand notice to the corporate debtor claiming Rs. 3.47 crore as principal component of operational debt along with Rs. 1.24 crore towards interest component amounting to a total operational debt of Rs. 4.72 crore including interest. The corporate debtor failed to respond to section 8 demand notice following which the

operational creditor filed section 9 petition. The corporate Debtor filed a detailed reply denying liability and disputing claimed outstanding and interest claim for want of agreement/debit notes. Adjudicating Authority dismissed Section 9 application, noting disputes over validity and accuracy of invoices, appropriation of payments, and interest component, and observing that claim amount was not crystallised and proceeding could not be used as a recovery mechanism.

Held that there was a manifest dispute between parties over invoices against which payments made by the corporate debtor were appropriated. Mere mention of interest claim in invoice without any mutually acceptable agreement between parties did not constitute sufficient basis for including interest component in computation of outstanding operational debt and that created a shadow of dispute in respect of operational debt. Since there were clear differences between parties on crystallised amount of operational debt, Adjudicating Authority had rightly adverted attention to issue of validity and accuracy of invoices which had led to a situation of non-crystallization of claim amount leading to spectre of disputed debt. Since defence raised by the corporate debtor in their reply filed in section 9 application was not illusory or moonshine, Adjudicating Authority had not committed any error in dismissing section 9 application filed by operational creditor.

Case Review: Order of National Company Law Tribunal, Mumbai Bench-V in Company Petition (IB) No. 603/MB/2021 dated 04.09.2024, affirmed.

SECTION 5(7) - CORPORATE INSOLVENCY RESOLUTION PROCESS – FINANCIAL CREDITOR

Korea Trade Insurance Corporation (Ksure) vs. Amrit Polychem (P.) Ltd. [2025] 179 taxmann.com 510 (NCLAT- New Delhi)/ [2025] 190 SCL 785 (NCLAT- New Delhi)

Where prior to assignment of debt by supplier of goods to appellant/insurance company, appellant had already been informed by corporate debtor about existing dispute between parties with regard to third proforma invoice, since appellant was well aware of fact before stepping into shoes of supplier, impugned order passed by Adjudicating Authority dismissing section 9 application on grounds of pre-existing dispute was justified.

The respondent/corporate debtor had placed three purchase orders on JTC/supplier for supply of certain goods. The appellant was an insurance company for supplier of goods-JTC. Due to non-receipt of payment by JTC, the appellant being insurer company reimbursed JTC as insured entity. Following this reimbursement, debt due from the respondent was assigned by JTC to the appellant. A demand notice was issued by the appellant to the corporate debtor. The corporate debtor replied to demand notice in which they denied claims raised by the appellant following which the appellant filed section 9 petition before Adjudicating Authority. Adjudicating Authority however dismissed section 9 application on grounds of pre-existing dispute. It was noted that prior to signing of Letter of Assignment (LoA) between JTC and the appellant, the respondent-corporate debtor had already notified the appellant about existing dispute between them and JTC with regard to third proforma invoice (PI).

Held that since notice of dispute was served upon the appellant though beyond stipulated ten days' period, nevertheless it was well before filing of Section 9 application. Since the appellant was well aware of fact before stepping into shoes of JTC that there was a pre-existing dispute between the corporate debtor and JTC, impugned order passed by Adjudicating Authority dismissing section 9 application on grounds of pre-existing dispute was justified.

Case Review: Order of National Company Law Tribunal, Mumbai Bench-IV in Company Petition (IB) No. 903/MB-IV/2022 dated 02.08.2023, affirmed.

SECTION 5(20) - CORPORATE INSOLVENCY RESOLUTION PROCESS – OPERATIONAL CREDITOR

EPC Constructions India Ltd. vs. Matix Fertilizers and Chemicals Ltd. [2025] 179 taxmann.com 650 (SC)

Where appellant's claim for redemption of cumulative redeemable preference shares arose from a contractual conversion of dues into share capital, appellant as a preference shareholder was not a creditor and thus not entitled to maintain an application under section 7, and classification in accounts or expiry of redemption period did not alter this legal position.

The appellant/EPCC had entered into engineering and construction contracts with the respondent for setting up a fertilizer complex. About Rs. 572.7 crores became due to the appellant under these contracts. Parties discussed converting a portion of receivables into a subordinate debt. The Respondent proposed converting up to Rs. 400 crores of outstanding dues into preference shares, the appellant's board approved conversion into 8% Cumulative Redeemable Preference Shares (CRPS), and the respondent thereafter allotted 25 crore CRPS of Rs. 10 each aggregating to Rs. 250 crores, on terms including cumulative 8% dividend and redemption at par at end of three years (with issuer's discretion to redeem earlier). The appellant accepted and CRPS were issued accordingly. The appellant filed a petition under section 7 against the respondent for failure to pay redemption amount of about Rs. 310 crores claimed as payable on maturity of CRPS. NCLT dismissed section 7 application. NCLAT by impugned order dismissed appeal.

Held that CRPS were at a stage when redemption period had expired would not lend greater weight to case of the appellant. The appellant being a preference shareholder, was not a creditor and an application by it under section 7 was not maintainable. Treatment in accounts due to prescription of accounting standards will not be determinative of nature of relationship between parties as reflected in documents executed by them. Paid up money on shares being 'share capital' they do not constitute debt. Since shares could be redeemed only out of profits or with any amount kept apart for dividends which was not situation in instant case, further argument that redemption was due, was also not meritorious. Thus, appeal against impugned order was to be dismissed.

Case Review: Order of National Company Law Appellate Tribunal in Company Appeal (AT) (Insolvency) No. 1424 of 2023 dated 09.04.2025 (para 50) affirmed.

SECTION 5(8) - CORPORATE INSOLVENCY RESOLUTION PROCESS - FINANCIAL DEBT

Meck Pharmaceuticals and Chemicals (P.) Ltd. vs. Accurate Infrabuild (P.) Ltd. [2025] 179 taxmann.com 684 (NCLAT- New Delhi)

Where financial creditor had failed to muster clinching proof and evidence in terms of financial records to show that sum advanced by them to corporate debtor was indisputably interest-bearing and that interest had continued to accrue and was being realized as consideration for time value of money, sum advanced by financial creditor to corporate debtor did not satisfy ingredients of financial debt of disbursal, time value of money and commercial effect of borrowing, and thus, instant section 7 petition by financial creditor was to be dismissed,

The appellant-financial creditor advanced loan of Rs. 1 crore to the respondent, a real estate company for construction of a project 'Madina Heights'. The respondent assured to repay loan with interest @ 18 per cent per annum besides offering 15 per cent share in profit of project. However, the respondent failed to repay loan. The appellant issued demand notice. Since payments were still not forthcoming from the respondent, the appellant filed a section 7 petition seeking admission of the respondent into corporate insolvency resolution process which was rejected by the Adjudicating Authority as non-maintainable. It was an admitted fact that there was no written contract or agreement between the appellant and the respondent governing terms and conditions by which sum was advanced by appellant and disbursed to account of the respondent.

Held that since the appellant had failed to muster clinching proof and evidence in terms of financial records to show that sum advanced by them was indisputably interest-bearing and that interest had continued to accrue and was being realized as consideration for time value of money, sum advanced by the appellant to the respondent did not satisfy ingredients of financial debt of disbursal, time value of money and commercial effect of borrowing. Further, said project was still in progress and compliances, both procedural and regulatory were still pending and hence no occasion for default could be said to have occurred as debt was not due or payable. Thus, debt and default not having been clearly established, there was no infirmity in impugned order rejecting Section 7 application.

Case Review: Order dated 17.01.2024 passed by the Adjudicating Authority (National Company Law Tribunal, Ahmedabad Bench-II) in Company Petition (IB) No. 122 of 2022, affirmed

RESIDENTIAL PROGRAM

SHILLONG

**"UNLOCKING THE SECRETS OF INSOLVENCY"
IN THE SCOTLAND OF EAST INDIA - SHILLONG**



FEBURUARY 5TH TO 8TH, 2026

COURTYARD BY MARRIOTT SHILLONG



**INSOLVENCY PROFESSIONAL AGENCY OF
INSTITUTE OF COST ACCOUNTANTS OF INDIA**

SECTION 8 COMPANY REGISTERED UNDER COMPANIES ACT 2013
PROMOTED BY THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

ABOUT US

Insolvency Professional Agency of Institute of Cost Accountants of India (IPA-ICMAI) is a frontline regulator registered with the Insolvency and Bankruptcy Board of India.

IPA-ICMAI has professional members enrolled with it from versatile disciplines, which include CMA, CS, CA, Bankers, Lawyers, Management Experts, etc. IPA-ICMAI ensures continuous growth of the professional members as a part of the continuous learning process.

Activities of IPA-ICMAI to facilitate continuous professional development of the entire professional community across India, to develop the profession and advocacy of the young profession of Insolvency and Bankruptcy, include -

PUBLICATIONS

- IBC Au-Courant (Daily Newsletter)
- Annual Publication
- Quarterly Digest
- IBC Dossier (Bulletin on landmark judgments)
- Monthly E-Journal
- IBC Case Books

PROGRAMS

- Webinars, Roundtables, Conferences, and Workshops.
- Preparatory Education Course for the Limited Insolvency Examination.
- Training programs, and certificate courses related to insolvency and bankruptcy for professionals and stakeholders of the IBC domain.
- Annual Residential Event for professionals and stakeholders.

RECENT INITIATIVES

- Podcast engaging experienced professionals sharing their insights and experiences.
- Research Projects by professionals and research scholars in relevant topics in the domain of Insolvency and Liquidation.

Pursuant to provisions of the Insolvency & Bankruptcy Code, IPA-ICMAI performs the following functions, namely:

1. Grant membership to persons who fulfil all requirements.
2. Lay down standards of professional conduct for its members.
3. Monitor the performance of its members.
4. Safeguard the rights, privileges, and interests of its members.
5. Suspend or cancel the membership of insolvency professionals who are its members on the grounds set out in its byelaws.
6. Redress the grievances of consumers against insolvency professionals who are its members.
7. Publish information about its functions, list of its members, performance of its members, and such other information as may be specified by regulations.
8. Professional Development of its members
9. Development of the Profession of Insolvency & Bankruptcy

IPA-ICMAI has demonstrated a strong record of conducting maximum inspections of its professional members nationwide, aiming to enhance their performance in line with best practices.

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A Journey of Insight and Renewal

Amidst the serene landscapes of Shillong, this residential program under the Insolvency and Bankruptcy Code (IBC) offers stakeholders a rare blend of learning and reflection. Far from the bustle of board rooms and Court halls, participants will engage with the evolving IBC framework through curated sessions, interactive case studies, and collaborative dialogue.

Set against nature’s quiet wisdom, the program fosters clarity, resilience, and strategic thinking—qualities essential for insolvency professionals, company secretaries, legal officers, financial stakeholders and corporate leaders. Shillong’s tranquil environment complements the program’s goal: to inspire ethical practice, strengthen regulatory understanding, and build synergy among stakeholders.

Beyond technical learning, the program emphasizes community and connection. Shared experiences—whether in workshops, cultural exchanges, or informal discussions—will deepen professional bonds and encourage collective responsibility in shaping India’s insolvency ecosystem.

Here, nature becomes a silent mentor, reminding us that reform is not just procedural—it is personal, purposeful, and deeply human.

ABOUT THE PROGRAM

The Residential Program in Shillong is designed to provide participants with an immersive environment to advance professional skills, expand strategic thinking, and build meaningful peer networks.

Set against the serene hills of Meghalaya, the program combines experiential sessions, expert-led workshops, and interactive learning, allowing participants to reflect, learn, and collaborate away from routine pressures.

This program brings together thought leaders, industry practitioners, and emerging professionals seeking structured growth and a deeper understanding of contemporary issues and future-ready leadership.

Program Highlights

- ✓ Three-day curated learning experience
- ✓ Limited cohort for impactful interaction
- ✓ Case-based sessions and simulations
- ✓ Fireside conversations with industry experts
- ✓ Guided reflective exercises
- ✓ Peer group learning circles
- ✓ Evening networking & cultural experiences

Who Should Attend

This program is ideal for:

- Insolvency Professionals
- Senior executives looking to refresh leadership perspective
- Mid-career professionals seeking strategic capability enhancement
- Founders, entrepreneurs & decision-makers
- Practitioners in finance, consulting, policy, and governance
- Professionals preparing for leadership transition

SCHEDULE OF THE PROGRAM

THURSDAY, 5TH FEBRUARY 2026

1400 - 1600 Hours	Inaugural Session
1600 - 1700 Hours	IBC 2.0 - Expectation of stakeholders - Met and Awaited
1700 - 1800 Hours	Pole position of financial creditors in IBC process - A SWOT Analysis
1900 - 2000 Hours	Fireside Chat

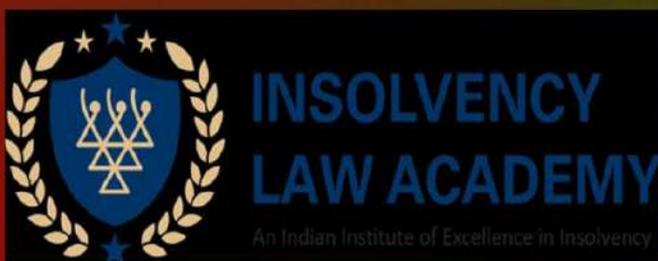
FRIDAY, 6TH FEBRUARY 2026

0700 - 0800 Hours	Yoga & Spiritual Session
0800 - 0930 Hours	Breakfast
0930 - 1100 Hours	Role of Insolvency Professional in Pre- CIRP Settlements- 30,000+ cases Pre- IBC
1100 - 1200 Hours	Market Place for IBC Assets/Securities
1200 - 1300 Hours	Research Project Presentations
1300 - 1400 Hours	Lunch
1400 -1530 Hours	Stalemates in IBC - Creative Solutions
1530 - 1630 Hours	Interim Finance in Insolvency-Fresh Look

SATURDAY, 7TH FEBRUARY 2026

0700 - 0800 Hours	Yoga Session
0800 - 1000 Hours	Breakfast
1000 - 1130 Hours	Resolving Complex Corporate Structures - Handling Inter-Group Loans and Guarantees
1130 - 1300 Hours	Domain Specific Challenges in IBC - Real Estate and Services Sector
1300-1400 Hours	Lunch
1400-1530 Hours	Valuation Conundrum of Assets in Insolvency and Liquidation
1530-1700 Hours	Valedictory Session
1900 Hours onwards	Gala Dinner and Musical Night

KNOWLEDGE PARTNERS/ ASSOCIATES



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

Resolution Plan Drafting & Implementation

Compliance Support

Practice Highlights

15+
Partners

INR 35k Cr+
Debt Resolved

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

Empowering the nation's Maritime Capabilities



Naval Platforms



- Destroyers
- Conventional submarines
- Frigates
- Corvettes
- Missile Boat
- Offshore Patrol Vessels
- Floating Border Outposts

Oil Sector



- Offshore Platforms
- Jack-up Rigs

Merchant Ships



- General Cargo Vessel
- Multipurpose Support Vessel
- Offshore Supply Vessel
- Tugs
- Dredgers
- Passenger cum Cargo Vessel
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- Trawlers
- Windmill Towers Pontoons



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एनएचपीसी का हरित ऊर्जा नेतृत्व

⚡ 180 मेगावाट से 8582 मेगावाट तक की यात्रा

अनेक चुनौतियों का सामना करते हुए 31 नवीकरणीय ऊर्जा पावर स्टेशनों के माध्यम से उल्लेखनीय प्रगति।

⚡ सुदृढ़ वित्तीय प्रदर्शन

अपनी स्थापना के बाद से निरंतर सुदृढ़ परिणाम प्रदर्शित कर रही हैं।

⚡ 14 सक्रिय परियोजनाएं

संधारणीय भविष्य के लिए, लगभग 10,000 मेगावाट क्षमता का निर्माण कर रही हैं।

⚡ एनर्जी ट्रांजिशन को बढ़ावा देना

वर्ष 2032 तक 23,000 मेगावाट और वर्ष 2047 तक 50,000 मेगावाट नवीकरणीय ऊर्जा का लक्ष्य।

⚡ भारत की दो सबसे बड़ी जलविद्युत परियोजनाओं का निर्माण

सुबनसिटी लोअर परियोजना: 2,000 मेगावाट अरुणाचल प्रदेश और असम में।

दिबांग बहुउद्देशीय परियोजना: 2,880 मेगावाट अरुणाचल प्रदेश में।

⚡ नवतन्त्र का दर्जा

कार्यनीतिक महत्व को मान्यता देते हुए 30 अगस्त, 2024 को प्रदान किया गया।

⚡ भविष्य के लिए विजन

एनएचपीसी संधारणीय ऊर्जा और वर्ष 2047 तक विकसित भारत के विजन के प्रति समर्पित हैं।

आइए,

हम सब मिलकर हरित ऊर्जा में नेतृत्व की विरासत का उत्सव मनाएं !

एन एच पी सी लिमिटेड

(भारत सरकार का एक नवतन्त्र उद्यम)

हमसे जुड़ें : [f](#) [X](#) [i](#) [v](#) [in](#)



RRR Insolvency Service Experts LLP

Providing support services to

INSOLVENCY PROFESSIONALS

Expertise in Legal, Financial and Commercial Advisory.



Reconstruction



Recovery



Resolution

OUR SERVICES

- Professional Services as IRP, RP, Liquidator, or Bankruptcy Trustees in the CIRP, Liquidation, Pre-packaged IRP, Personal Insolvency, and Bankruptcy
- Support services to the Insolvency Professionals under IBC
- Resolution advisory to the prospective acquirers,
- Services for identification of PRAs
- Expertise in real estate matters under IBC
- Expert Legal, Financial and Commercial Advisory
- Representation before NCLT, NCLAT, and other courts including High Court and SC
- Financial and corporate Restructuring,
- Commercial Litigation

RRR Insolvency Service Experts LLP (RRRISE) is a well-established service provider recognised as an Insolvency Professional Entity (IPE) by Insolvency and Bankruptcy Board of India (IBBI) under Regulation 12 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

RRRISE, being an IPE, provides support services to Insolvency Professionals (IP), enrolled as members of one of the Insolvency Professional Agencies (IPA), Indian Institute of Insolvency Professionals of ICAI (IIIP-ICAI), ICSI Institute of Insolvency Professionals (ICSI-IIP), and Insolvency Professional Agency of Institute of Cost Accountants of India (IPA-ICMAI), appointed or to be appointed in various assignments, to both- the partners of the firm and other IPs.

It operates as multi-disciplinary firm where expertise of chartered accountants, cost accountants, lawyers and company secretaries are brought under one roof focussing specifically on the services required in the support of Insolvency Professionals.

With the help of our skilled team of Twenty insolvency professionals and professionals from various disciplines, individuals who continue to evolve and draw wisdom from all constituents of Insolvency and Bankruptcy practice, we provide long-lasting, viable solutions to help clients make smooth transitions, via consultancy and last-mile executions.

At RRR group, the primary objective is to optimize the value of assets. With the unparalleled support of its partners, RRR group testifies as the emblem for excellence in the field of Insolvency resolution and legal consultancy and advocacy and comprehensive professional services restructuring and resolution. Our endeavor is to nurture relationship with clients



RRR Legal Advisors LLP



RRR Restructuring & Resolution Advisory LLP



+91 11424 40071 74



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C-10, LGF, Lajpat Nagar III, Delhi-110024



Insolvency Law Academy is an institute of excellence in insolvency. An independent think tank and research institution, ILA contributes to robust and evidence-based policy making and enhancement of professional and ethical standards in the insolvency industry through cutting-edge research, innovation and development of best practices.

Insolvency Law Academy – an emerging soft infrastructure which has the potential to propel it into becoming the fifth pillar of Indian insolvency ecosystem, and a research institution with global footprint.

Fuelled by market support and stakeholders' encouragement, ILA has taken long strides over a period of three years, creating impressionable footprints through its contributions. We have forged collaborations with many global and Indian institutions of eminence, and together with them, taken thought leadership in many futuristic areas.

Thanks to ILA leadership and team, its institutional architecture is shaping rapidly giving wings to its vision. ILA projects are taking flights, many even beyond our borders. In a very short span of time, ILA has successfully created the soft infrastructure for a world class institute of excellence.

Know more ILA can be found on www.insolvencylawacademy.com

ABOUT INSOLVENCY SCHOLARS FORUM



Academic knowledge, evidence and expertise can help inform, design, improve and test policy, and ultimately make government policy better. Deep research can bring together evidence to support policymakers in achieving real-world outcomes. This includes the development and use of a sound evidence base such as peer-reviewed literatures or even better, systematic reviews. Scholars and think tanks are uniquely placed to broker links between different sectors and assist with cross-cutting approaches to achieving the sustainable development goals of insolvency industry and finding innovative solutions. Research based analysis bridges the gap between policy and practice, which can also lead to strong, inclusive and thorough implementation of the insolvency regime. This creates a need for building a specialist cadre of scholars of insolvency in the country.

ILA's Insolvency Scholars Forum brings together the community of academics in pursuit of education, research, and scholarship in the field of insolvency, and together, build a formidable cadre of insolvency scholars in the country. The members of the Forum serve as a credible resource for ILA in its research initiatives and to mentor the young researchers.

Know more ISF can be found on www.insolvencylawacademy.com/insolvency-scholars-forum

ABOUT EMERGING SCHOLARS FORUM



As part of the initiative to systematically develop and mentor young scholars in insolvency, ILA has set up Emerging Scholars Group, a platform to bring together early career academics and young professionals from around the world, and offer them opportunities to research and participate in discourse relating to insolvency laws to improve approaches to national and international practice, promote professional excellence, collegiality and scholarship. ILA aims to employ the talents, resources and goodwill of ESG members in its various projects and programmes.

Know more ESG can be found on www.insolvencylawacademy.com/emerging-scholars-group

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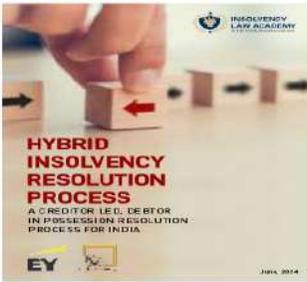
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Hybrid Insolvency Resolution Process – A Creditor Led, Debtor in Possession Resolution Process for India

The research paper proposes a hybrid model customized for the Indian eco-system. The model proposed in this paper is in line with the objectives of IBC and broadly aligned with the Report of IBCI Expert Committee on Creditor Led Resolution Approach.



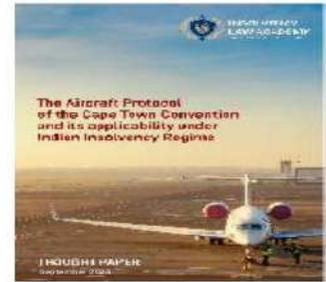
Committee of Creditors' Statement of Standards in Conduct and Performance for Creditors

The Code of Conduct comprises of best processes and standards to guide an ideal CoC behavior and enhance the standards of its functioning during the CIRP. It also complements the code of conduct prescribed for insolvency professionals.



Co-relation between Indian Maritime and Insolvency Laws

This thought paper on inter-face between maritime and insolvency laws is expected to assist the policy makers and the market in addressing the issues brought out by the study.



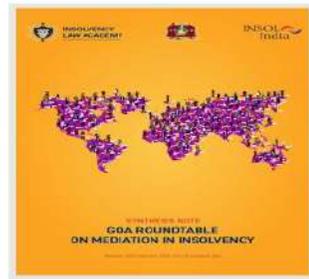
The Aircraft Protocol of the Cape Town Convention and its applicability under Indian Insolvency Regime

A thought Paper on the Aircraft Protocol of the Cape Town Convention and its applicability under the Indian Insolvency Regime, for the benefit of policy makers and stakeholders.



A Study of Fresh Start Process

The research is intended as a methodological contribution through which the impact of the IBC across borrower groups can be measured. Through this paper, an attempt has been made to estimate the potential consequences of the Fresh Start Process defined under the Part III of the Insolvency and Bankruptcy Code, 2016.



Goa Roundtable on Mediation in Insolvency

The synthesis note outlines the deliberations of international experts on the use of mediation in India.



Paving Way for Asset Reconstruction Companies to Submit Resolution Plans Under the Insolvency and Bankruptcy Code, 2016

The synthesis discusses the October 11 2022 circular issued by the Reserve Bank of India, background to the issuance and the key features of the circular.



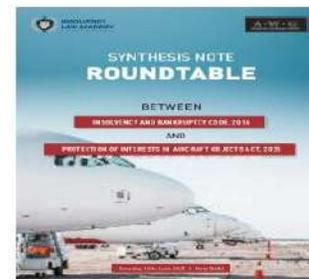
Climate Change and Insolvency in India

A Thought Paper that argues - there is a stark juxtaposition between the goals of insolvency law and climate change risks mitigation and adaption, and advocates that India can use the Insolvency and Bankruptcy Code 2016 (IBC) to effectively address many risks arising for businesses from climate change.



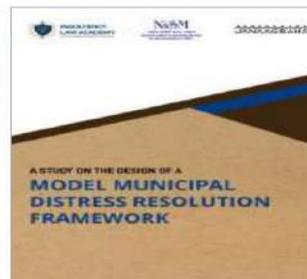
Joint Study on Price Discovery in Distressed Assets, Third party funding in Insolvency

The third-party funding has a significant nexus with price discovery and can have many strategic benefits. Some of these are outlined in this report. This report is prepared by ILA in collaboration with Burford Capital.



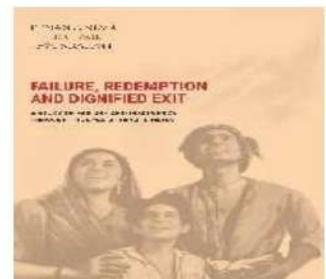
Roundtable on Synergies between Insolvency and Bankruptcy Code, 2016 & Protection of Interests in Aircrafts Objects Act, 2025

Insolvency Law Academy (ILA) and AWG hosted a roundtable on Tuesday 10 June 2025 in New Delhi (Roundtable) to discuss the issues arising from enactment of CTC Act, which became effective from 1 May 2025, and its impact on aviation cases under the Insolvency and Bankruptcy Code 2016 (IBC).



A Study on the Design of a Model Municipal Distress Resolution Framework

ILA in collaboration with SEBI NISM & Janaagraha has undertaken a study that will address the pressing need for a structured approach to handling municipal distress and explore the potential impact of introducing an insolvency law in this domain. Additionally, it will examine how such a law could bring about transparency, define principles governing public interest and creditor rights, and signal to lenders regarding the management of municipal distress. This study aims to boost the municipal bond investors' confidence and to promote the municipal bond market.



A Study of Failure and Insolvency Through the Eyes of Hindi Cinema

A work-in-progress paper by Mr. Pavan Jha, co-authored by Mr. Sumant Batra, studies insolvency through the eyes of Indian Cinema.

GUIDELINES FOR ARTICLE

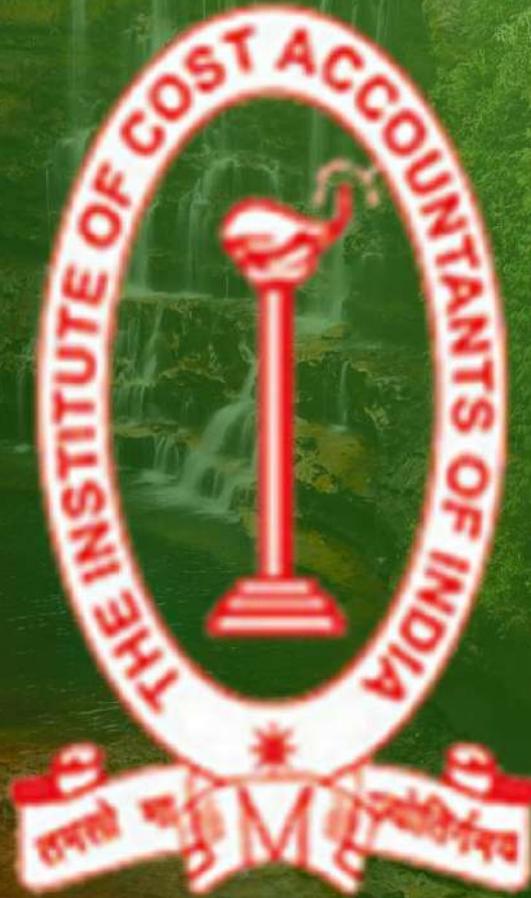
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- ✓ The article should be original, i.e., not published/broadcasted/hosted elsewhere including any website. A declaration in this regard should be submitted to IPA ICMAI in writing at the time of submission of article.
- ✓ The article should be topical and should discuss a matter of current interest to the professionals/readers.
- ✓ It should preferably expose the readers to new knowledge area and discuss a new or innovative idea that the professionals/readers should be aware of.
- ✓ The length of the article should be 2500-3000 words.
- ✓ The article should also have an executive summary of around 100 words.
- ✓ The article should contain headings, which should be clear, short, catchy, and interesting.
- ✓ The authors must provide the list of references if any at the end of article.
- ✓ A brief profile of the author, e-mail ID, postal address and contact numbers and declaration regarding the originality of the article as mentioned above should be enclosed along with the article.
- ✓ In case the article is found not suitable for publication, the same shall not be published.
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