



भारतीय दिवाला और रोचन अक्षमता बोर्ड  
Insolvency and Bankruptcy Board of India



# THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set up by an Act of Parliament)

Presents



## RESOLVE-2025

1st - 2nd DECEMBER, MUMBAI

ENABLING RESOLUTION, MAXIMIZING VALUE

### 3<sup>rd</sup> EDITION OF INTERNATIONAL CONVENTION ON INSOLVENCY RESOLUTION & VALUATION

**1<sup>st</sup> - 2<sup>nd</sup> DECEMBER 2025**

**Hotel Aurika, Mumbai International Airport**



**Organised by**  
Insolvency & Valuation  
Standards Board of ICAI

**In Association with**  
Insolvency and Bankruptcy Board of India  
Indian Institute of Corporate Affairs  
Indian Institute of Insolvency Professionals of ICAI  
ICAI Registered Valuers Organisation

**Hosted by**  
Western India Regional  
Council of ICAI



# About the Convention: RESOLVE-2025

RESOLVE-2025, the 3rd edition of the International Convention on Insolvency Resolution and Valuation, organized by the Institute of Chartered Accountants of India (ICAI), is scheduled to be held in Mumbai, India. With the theme “Enabling Resolution, Maximizing Value,” this global convention will bring together regulators, policymakers, insolvency professionals, valuers and domain experts from across various jurisdictions to deliberate on evolving best practices and forward-looking strategies.

The enactment of the Insolvency and Bankruptcy Code (IBC) in 2016 has indeed been a landmark reform in the economic history of India. For financial creditors, especially banks and other lending institutions, the IBC has provided a much-needed legal framework to address the longstanding issue of non-performing assets (NPAs) that had plagued balance sheets and constrained credit growth for years. Rooted in the recommendations of the Bankruptcy Law Reforms Committee (BLRC), the Code reoriented insolvency as a business decision, empowering creditors to drive the process through the Committee of Creditors (CoC).

In this nine years journey, the IBC has also fostered a behavioral shift among debtors, encouraging them to take prompt action when facing financial distress. The frequency of loans moving from ‘Overdue’ to ‘Normal’ status has increased and

the average duration loans remain overdue before being regularized has decreased sharply from 248-344 days to 30-87 days. This indicates a growing commitment from both debtors and creditors to resolve delinquencies swiftly.

The journey of RESOLVE began in 2023 with its inaugural edition in Singapore, which laid the foundation for structured global dialogue in insolvency and valuation. This was followed by the second edition in 2024 at Bharat Mandapam, New Delhi, which drew participation from global thought leaders and offered deep insights into sectoral and policy issues. Each edition has significantly contributed to building capacity and enhancing awareness in the profession. RESOLVE-2025 seeks to carry this legacy forward by deepening international perspectives and equipping professionals for emerging challenges.

With participation from diverse economies and institutions, “RESOLVE 2025” promises to serve as an exceptionally impactful platform featuring distinguished speakers and thought leaders and is designed to spark innovation across the professional landscape. It encourages participants to break away from transcend conventional boundaries, embrace forward-thinking strategies and proactively equip themselves for the evolving complexities of the future.

# CONTENTS

S. No.	Particulars	Pg. No.
1.	Message from Hon'ble Justice Ashok Bhushan (Chairperson, National Company Law Appellate Tribunal Former Judge, Supreme Court of India)	2
2.	Message from Shri Ravi Mital (Chairperson, Insolvency and Bankruptcy Board of India)	4
3.	Message from Shri T. K. Viswanathan (Chairman, Bankruptcy Law Reforms Committee)	5
4.	Message from CA. Charanjot Singh Nanda (President, The Institute of Chartered Accountants of India)	7
5.	Message from CA. Prasanna Kumar D (Vice-President, The Institute of Chartered Accountants of India)	9
6.	Message from CA. Gyan Chandra Misra (Chairman, Insolvency & Valuation Standards Board, ICAI)	11
7.	Message from CA. Rajesh Sharma (Vice-Chairman, Insolvency & Valuation Standards Board, ICAI)	12
8.	Message from CA. Ketan Damji Saiya (Chairman, Western India Regional Council, ICAI) & CA. Piyush Premeekh Chandak (Vice-Chairman, Western India Regional Council, ICAI)	14
9.	Hon'ble Guests & Speakers: Resolve 2025	
10.	About ICAI	19
11.	About Insolvency & Valuation Standards Board (I&VSB) of ICAI, IBBI, IICA, IIPI & ICAI RVO	23
12.	Evolution of the Insolvency and Bankruptcy Code, 2016	26
13.	IBC: The Embodiment of Living Law	28
14.	Evolution of Regularisation of Valuation Profession in India	32
15.	Evolution of the Valuation Standards	34
16.	Strengthening the Framework for Revival, Rehabilitation, and Credit Support to MSMEs	36
17.	Insolvency and Bankruptcy Code (Amendment) Bill, 2025	38
18.	Beyond the Code: Emerging Opportunities for Insolvency Professionals	39
19.	Key Takeaways of the Decisions taken by Hon'ble Court under IBC	40
20.	Tariff Shocks and Indian Firm Valuations: A 2025 Scenario Analysis – CA. Parag Kulkarni	48
21.	Corporate Governance through the lens of the Insolvency and Bankruptcy Code –Ms. Gargi Misra	52
22.	Our Sponsors	56
23.	List of Publications brought out by Insolvency & Valuation Standards Board of ICAI	59

Note: The views and opinions expressed or implied in Souvenir are those of the authors and do not necessarily reflect those of ICAI.

<https://resolve.icai.org/>



# RESOLVE-2025

1st - 2nd DECEMBER, MUMBAI

ENABLING RESOLUTION, MAXIMIZING VALUE

## Message



**Hon'ble Justice Ashok Bhushan**  
Former Judge, Supreme Court of India  
Chairperson, National Company Law Appellate Tribunal

*Justice Ashok Bhushan*  
Former Judge, Supreme Court of India  
Chairperson  
National Company Law Appellate Tribunal  
New Delhi



2<sup>nd</sup> and 3<sup>rd</sup> Floor, M.D.S.  
(MTNL Building), 9 C.G.O. Complex,  
Lodhi Road, New Delhi - 110003.  
Tel. No. : 011-24306801  
Website : [www.nclat.nic.in](http://www.nclat.nic.in)

## Message

I would like to extend my sincere thanks to CA. Shri Gyan Chandra Misra, Central Council Member, and Chairman, Insolvency and Valuation Standards Board (I&VSB), ICAI, for inviting me to the 3<sup>rd</sup> edition of the International Convention on Insolvency Resolution and Valuation “RESOLVE-2025” to be held on 1<sup>st</sup> and 2<sup>nd</sup> December, 2025, in Mumbai.

I wish to convey my warm congratulations to the Institute of Chartered Accountants of India (ICAI), the I&VSB, and the Western India Regional Council of ICAI for conceptualizing and organizing this eminent convention. It gives me great pleasure to note that ICAI continues to serve as a pillar of professional excellence, fostering thought leadership and innovation across the domains of finance, valuation, and insolvency resolution—areas that are of profound national significance.

It is particularly heartening to observe the manner in which the ICAI, through the I&VSB, has consistently worked to build best practices in the domain of insolvency resolution and valuation. The effort to deliberate upon contemporary issues—ranging from valuation of digital and AI-driven businesses

to emerging trends in debt resolution and regulatory dynamics—reflects ICAI’s foresight and its commitment to the ever-evolving professional ecosystem. Such discussions are crucial in ensuring that our insolvency and valuation systems

It would have indeed been a privilege for me to attend this significant gathering and to share thoughts with the distinguished participants from India and abroad. However, I regret to inform you that due to prior and unavoidable commitments coinciding with the dates of the convention, I shall be unable to be present in person at the event.

Nevertheless, please be assured that I hold the objectives and initiatives of the ICAI and the I&VSB in the highest regard. I extend my best wishes for the grand success of RESOLVE-2025. I am confident that under your able leadership, the convention will achieve its intended purpose of advancing dialogue, fostering innovation, and deepening collaboration among all stakeholders in the insolvency and valuation ecosystem. May this edition of RESOLVE further reinforce India’s position as a thought leader and catalyst for global best practices in the field.

I once again thank you for your kind invitation and for considering me for this honour. I convey my warm greetings and felicitations to all members of the organizing committee, the distinguished speakers, and participants. I wish the deliberations of the convention all success and look forward to learning about its outcomes in due course.

With best wishes,

6<sup>th</sup> of November, 2025



**Justice Ashok Bhushan**

**(Former Judge, Supreme Court of India)**



## Message



**Shri Ravi Mital**

Chairperson

Insolvency and Bankruptcy Board of India

I am pleased to learn that the Institute of Chartered Accountants of India (ICAI) is organizing the 3rd edition of the International Convention on Insolvency Resolution, titled “RESOLVE-2025” on the theme “Enabling Resolution, Maximizing Value.” on 1st and 2nd December, 2025 at Hotel Aurika, Mumbai International Airport, India. This event reaffirms the pivotal role of insolvency and valuation in sustaining the fiscal health of the country and underscores ICAI’s steadfast commitment to advancing global thought leadership in this domain.

The Insolvency and Bankruptcy Code (IBC), 2016 has truly transformed India’s corporate and financial ecosystem, providing a time-bound and transparent framework for resolution. Its success has not only revitalized distressed enterprises but also enhanced investor confidence, contributing significantly to India’s economic resilience. In this journey, valuation continues to be the fulcrum of effective resolution ensuring fairness, fostering trust, and maximizing outcomes for all stakeholders. With increasing complexities such as cross-border insolvency, sector-specific challenges, and the integration of technology in valuations, the profession must continuously adapt to safeguard value and efficiency.

The Institute of Chartered Accountants of India has played a defining role in shaping this ecosystem. As a key contributor to policy formulation and standard setting, ICAI has strengthened India’s insolvency framework through knowledge, research, and guidance. The issuance of Valuation Standards and active contribution to international dialogues has further reinforced ICAI’s leadership in aligning Indian practices with global benchmarks.

I appreciate ICAI’s initiative in curating discussions that go beyond routine deliberations and instead focus on shaping the future of insolvency and valuation. By addressing themes such as cross-border cooperation, technological integration in valuations, sector-specific complexities, and evolving investor expectations, this Convention will not only deepen professional expertise but also chart new directions for policy and practice. Such forward-looking engagements strengthen institutional capacity and ensure that India remains at the forefront of global insolvency and valuation discourse.

I extend my greetings and good wishes to ICAI in their endeavour to host this prestigious International Convention and wish RESOLVE-2025 grand success.

With Best Regards,

**Shri Ravi Mital**

Chairperson

Insolvency and Bankruptcy Board of India

## Message



**Shri T. K. Viswanathan**

Chairman, Bankruptcy Law Reforms Committee  
Padma Shri Awardee

Formerly Consultant to President of India | Secretary General, Lok Sabha Parliament of India | Adviser to Minister for Law & Justice  
Union Law Secretary and Secretary General of the Lok Sabha | Member-Secretary, Law Commission of India | Professor Madras Law College

It gives me great pleasure to know that Institute of Chartered Accountants of India (ICAI) and the Insolvency & Valuation Standards Board (I&VSB) of ICAI is organizing the **3<sup>rd</sup> Edition of International Convention on Insolvency Resolution & Valuation “RESOLVE-2025”** on the theme **“Enabling Resolution, Value Maximisation”** scheduled to be held on **1<sup>st</sup> - 2<sup>nd</sup> December 2025 in Mumbai**. This convention reaffirms the critical role of insolvency resolution and valuation in strengthening the fiscal and financial architecture of the country and reflects ICAI’s continued commitment to ensuring that these disciplines remain integral to India’s evolving economic landscape.

As per **IBBI July-September 2025 Newsletter**, the 1300 CIRPs, which have yielded resolution plans by the end of September 2025 took on average 603 days (after excluding the time excluded by the AA) for conclusion of process, while incurring an average cost of 1.11% of liquidation value and 0.63% of resolution value. Similarly, the 2896 CIRPs, which ended up in orders for liquidation, took on average 518 days for conclusion. Further, 1529 liquidation processes, which have closed by submission of final reports took on average 668 days for closure. Similarly, 1867 voluntary liquidation processes, which have closed by submission of final reports, took on average 397 days for closure.

Further, The **Insolvency and Bankruptcy Code (Amendment) Bill, 2025** as recently introduced in Lok Sabha marks a significant advancement in India’s insolvency framework. Its progressive measures such as enabling faster admission processes, strengthening creditor protection, enhancing transparency in valuations, introducing structured pre-pack enhancements, and streamlining cross-border insolvency mechanisms demonstrate the Government’s resolve to further reinforce the effectiveness of the IBC.

The Institute of Chartered Accountants of India continues to play a pivotal role in advancing the insolvency and valuation ecosystem. ICAI’s contributions as a knowledge partner in policy development, as a member of key committees including the Insolvency Law Committee, and as a standard-setter for valuation practices through its Valuation Standards have significantly shaped the integrity, maturity, and global alignment of India’s insolvency regime. Its sustained efforts have ensured that professionals across the value chain uphold the highest levels of competence and ethical conduct.

I applaud ICAI for bringing together distinguished national and international experts, policymakers, regulators, and thought leaders to deliberate on contemporary issues such as group insolvency, valuation transparency, cross-border cooperation, pre-pack optimisation, emerging jurisprudence,



and the implications of the IBC Amendment Bill 2025. **RESOLVE-2025** will undoubtedly offer an enriching platform for insolvency and valuation professionals to gain deep insights, exchange global best practices, and strengthen the collaborative networks essential for navigating the evolving landscape.

I convey my warm wishes to ICAI for convening this distinguished international convention and am confident that RESOLVE-2025 will meaningfully contribute to advancing and deepening India's insolvency and valuation landscape.

With Best Regards,

**Shri T. K. Viswanathan**  
Chairman, Bankruptcy Law Reforms Committee

## Message



**CA. Charanjot Singh Nanda**  
President

The Institute of Chartered Accountants of India

As economies grow increasingly interconnected and capital markets become more sophisticated, the convergence of insolvency and valuation disciplines has become essential for fostering sustainable growth and long-term economic resilience. India's journey in this domain has been truly transformative. The Insolvency and Bankruptcy Code, 2016 (IBC) has been a landmark reform, providing a structured, time-bound and equitable mechanism for addressing financial distress. Over the past decade, it has matured into a robust framework strengthened by continuous regulatory refinement, enhanced professional capacity and growing judicial clarity firmly establishing India as a key player in the global landscape of insolvency and restructuring best practices.

As per IBBI July-September 2025 Newsletter, the 1300 CIRPs, which have yielded resolution plans by the end of September 2025 took on average 603 days (after excluding the time excluded by the AA) for conclusion of process, while incurring an average cost of 1.11% of liquidation value and 0.63% of resolution value. Similarly, the 2896 CIRPs, which ended up in orders for liquidation, took on average 518 days for conclusion. Further, 1529 liquidation processes, which have closed by submission of final reports took on average 668 days for closure. Similarly, 1867 voluntary liquidation processes, which have closed by submission of final reports, took on average 397 days for closure.

ICAI has consistently been at the forefront of shaping and strengthening the insolvency and valuation ecosystem through the development of standards, capacity building of professionals and promotion of ethical and globally aligned practices. Our efforts reflect a steadfast commitment to enhancing transparency, accountability and cross-border alignment in the domains of insolvency and valuation.

It is with immense pride that the Institute of Chartered Accountants of India (ICAI), through its Insolvency & Valuation Standards Board (I&VSB), is organizing "RESOLVE-2025", the 3rd edition of the International Convention on Insolvency Resolution and Valuation, hosted by WIRC of ICAI. This landmark convention is scheduled on 1st and 2nd December 2025 at Hotel Aurika, Mumbai International Airport. Building on the successful legacy of the first two editions, "RESOLVE-2023" in Singapore and "RESOLVE-2024" in New Delhi, the convention has established itself as a premier platform for global thought leadership, cross-border collaboration and dialogue on insolvency resolution and valuation. Both earlier editions witnessed the participation of eminent regulators, policymakers, jurists, practitioners and valuation experts, who enriched the discourse with their insights and experiences, setting high benchmarks for professional excellence.

Anchored on the theme “Enabling Resolution, Maximizing Value”, RESOLVE-2025 is designed to be a premier international platform that facilitates dialogue, thought leadership and exchange of best practices. The convention will bring together a distinguished cohort of global experts, regulators, policymakers, practitioners and valuation professionals to discuss emerging trends, evolving regulatory frameworks, cross-border insolvency mechanisms.

This third edition reaffirms ICAI’s ongoing commitment to global engagement and professional excellence. It will serve as a dynamic space to learn, collaborate and shape the future of insolvency and valuation practices.

I extend a warm invitation to all professionals, institutional stakeholders and international partners to be part of RESOLVE-2025. Let us come together to drive meaningful impact, unlock value and contribute to a more agile and resilient insolvency framework worldwide.

With Best Regards

**CA. Charanjot Singh Nanda**  
President, ICAI

## Message



**CA. Prasanna Kumar D**

Vice-President

The Institute of Chartered Accountants of India

India's insolvency and valuation ecosystem has witnessed notable transformation in recent years, driven by policy refinements, judicial developments and evolving stakeholder expectations. The Insolvency and Bankruptcy Code (IBC) continues to serve as a cornerstone for corporate debt resolution, with enhanced focus on transparency, timeliness and value maximisation. In FY 2025, despite a 28% drop in the number of admitted CIRP cases, creditor recoveries touched a record high of ₹67,000 crore indicating better outcomes in high-value resolutions and an increasingly mature framework. The introduction of simplified processes and digital platforms is further improving accessibility and efficiency in resolution procedures, while new valuation norms are strengthening due diligence and asset assessment across sectors.

Amid ongoing reforms, the valuation profession is also evolving rapidly, with increasing emphasis on global best practices, fair value standards and sector-specific expertise. Regulatory bodies like the IBBI and ICAI are playing a key role in capacity building and standard setting to align valuation practices with international benchmarks. As India looks ahead, the focus remains on reducing resolution timelines currently averaging over 700 days and expanding the ecosystem to include group insolvency, cross-border frameworks and pre-packaged solutions for MSMEs. These forward-looking initiatives are set to reinforce investor confidence, ensure equitable stakeholder outcomes and position India as a resilient and investor-friendly insolvency and valuation jurisdiction.

India's insolvency landscape witnessed mixed developments in FY 2025, with a marginal decline in the number of approved resolution plans and a sharp drop in cases admitted under the Corporate Insolvency Resolution Process. As per an analysis report by ICRA, the number of resolution plans approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code showed a marginal dip to 259 cases from 263 cases approved in FY 2024. At the same time, it added, the number of cases admitted in the Corporate Insolvency Resolution Process dipped sharply to 724 from 1,003, reporting a decline of nearly 28 per cent.

While Q4 FY 2025 has seen peak realisations of approximately 70 per cent against admitted claims, ICRA maintained that a sustained momentum would be needed to minimise haircuts for lenders, which remain high at 67 per cent.

In line with its unwavering commitment to advancing excellence in the fields of insolvency and valuation, The Institute of Chartered Accountants of India (ICAI) has taken significant strides in strengthening the institutional framework through the development and promotion of

robust valuation standards. These standards, particularly in the domain of Securities or Financial Assets, have brought greater consistency, objectivity and reliability to valuation practices, thereby reinforcing stakeholder confidence and supporting the broader goals of the insolvency regime. Recognizing the critical role that skilled professionals play in driving economic recovery and corporate turnaround, ICAI continues to invest in capacity building and global knowledge exchange to equip Insolvency and Valuation Professionals with the tools necessary to address evolving challenges.

To further this vision, **Institute of Chartered Accountants of India (ICAI)** is proud to host **RESOLVE-2025**, the **3<sup>rd</sup> edition of International Convention on Insolvency Resolution and Valuation** and hosted by WIRC of ICAI. This landmark convention is **scheduled on 1st and 2nd December 2025 at Hotel Aurika, Mumbai International Airport.**

This premier platform will convene leading voices from across jurisdictions to deliberate on emerging trends, regulatory developments and global best practices shaping the future of insolvency and valuation. The convention aims to foster cross-border collaboration, promote thought leadership and reinforce India's growing influence in the international insolvency and valuation ecosystem.

Join us at "RESOLVE-2025" for an immersive international convention that brings together leading minds in insolvency, valuation and economic revitalization.

Regards,

**CA. Prasanna Kumar D**  
Vice-President, ICAI

## Message



**CA. Gyan Chandra Misra**  
Chairman

Insolvency & Valuation Standards Board, ICAI

The Insolvency and Bankruptcy Code (IBC), enacted in 2016, has firmly established itself as a transformative pillar of India's economic and financial architecture. Over the years, with six comprehensive amendments and over 120 regulatory updates, the IBC has evolved into a dynamic and responsive framework capable of addressing the complexities of modern insolvency scenarios. This adaptability has not only strengthened creditor rights and enhanced recovery mechanisms but has also positioned India as a progressive jurisdiction in the global insolvency and restructuring landscape. Recent improvements in large-case recoveries and institutional reforms underscore the growing maturity of the ecosystem.

In today's volatile economic landscape, the significance of accurate, independent valuations has become more pronounced than ever. Valuation reports by valuers now serve as critical decision-making tools in insolvency proceedings ensuring fair asset assessments, transparency in resolution plans and optimal recovery outcomes. As valuation standards continue to align with international benchmarks, their role in defining fair market value, supporting strategic debt resolution and guiding liquidation priorities has become indispensable. The intrinsic link between valuation and insolvency reinforces the need for qualified professionals and robust practices to ensure that stakeholder interests are protected and economic value is preserved throughout the resolution lifecycle.

In an era marked by the continuous evolution of insolvency frameworks and increasing global collaboration, it is vital for professionals to remain informed about international best practices, regulatory developments and modern valuation techniques. In this journey, The Institute of Chartered Accountants of India (ICAI) has been at the forefront, championing professional excellence and fostering global dialogue in insolvency and valuation.

Further, taking forward the legacy of two tremendous successful international editions held in Singapore (2023) and New Delhi (2024), **Insolvency & Valuation Standards Board (I&VSB) of ICAI** is again coming up with "RESOLVE-2025", the 3rd edition of the International Convention on Insolvency Resolution and Valuation, hosted by WIRC of ICAI. This landmark convention is **scheduled on 1st and 2nd December 2025** at Hotel Aurika, Mumbai International Airport. The Convention has emerged as a premier global forum where professionals across jurisdictions converge to exchange insights, share best practices and collectively shape the future of insolvency resolution and valuation frameworks.

"RESOLVE-2025" is envisioned as a unique confluence of ideas, insights and innovations, reinforcing India's leadership role in shaping globally harmonised insolvency and valuation standards while fostering cross-border cooperation and professional excellence.

Embark on the journey to "RESOLVE-2025", where global experts, changemakers and industry professionals come together to redefine the future of insolvency and valuation. Be a catalyst in shaping innovative solutions that drive economic strength and sustainable recovery.

Regards,

**CA. Gyan Chandra Misra**  
Chairman, I&VSB, ICAI



## Message



**CA. Rajesh Sharma**

Vice-Chairman

Insolvency & Valuation Standards Board, ICAI

It is with profound honour and great pleasure that I extend a cordial invitation to distinguished professionals, thought leaders and key stakeholders to participate in the 3rd edition of the International Convention on Insolvency Resolution and Valuation “RESOLVE – 2025” organised by the Insolvency & Valuation Standards Board and hosted by WIRC of ICAI.

Under the theme “**Enabling Resolution, Maximising Value**”, **RESOLVE-2025** aims to bring together global experts and practitioners to deliberate on innovative approaches, evolving regulatory frameworks and emerging trends in insolvency resolution and valuation. The convention aspires to serve as a premier platform for dialogue, knowledge exchange and strategic collaboration to enhance value creation and economic resilience. The convention is **scheduled on 1st and 2nd December 2025 at Hotel Aurika, Mumbai International Airport.**

As Vice-Chairman of the Insolvency & Valuation Standards Board (I&VSB) of the ICAI, I am deeply conscious of the complex and interrelated challenges that insolvency and valuation pose in today’s dynamic and uncertain business environment. From unforeseen global disruptions to rapidly changing market conditions, the repercussions of insolvency are wide-ranging, impacting organisations of every scale and maturity and often reshaping the economic fabric itself. In such a context, the role of valuation becomes even more critical, as fair and transparent assessments not only underpin creditor recoveries but also build confidence in the integrity of the resolution process.

RESOLVE-2025 builds on the impactful legacy of RESOLVE-2023 and RESOLVE-2024 and continues to evolve as a vital platform for knowledge exchange and collaborative engagement in the fields of insolvency resolution and valuation. With its focus on forward-looking dialogue and the sharing of global best practices, this year’s convention is designed to deepen our collective understanding of emerging resolution frameworks, innovative valuation methodologies and strategies for maximising stakeholder value. By fostering inclusive participation, encouraging strategic discussions and exploring cutting-edge legal, regulatory and operational approaches, RESOLVE-2025 aspires to shape insolvency processes that are not only more efficient and equitable, but also future-ready to meet the challenges of a fast-changing global economy. It is our firm belief that through such sustained collaboration, we can collectively drive reforms, strengthen institutions and ensure that insolvency and valuation systems continue to serve as cornerstones of economic resilience and growth.



# RESOLVE-2025

1st - 2nd DECEMBER, MUMBAI

ENABLING RESOLUTION, MAXIMIZING VALUE

By fostering an environment of active participation and knowledge exchange, we have the opportunity to shape a more resilient global economy. Through our collaborative efforts, we can empower businesses to flourish and effectively manage challenges such as insolvencies with strategic foresight.

I am confident that “RESOLVE-2025” will drive the future of insolvency resolution and valuation frameworks by offering valuable insights. This initiative will enhance our understanding of the mechanisms that ensure global economic stability and provide practical solutions for fostering sustainable growth in an ever-evolving financial landscape.

I look forward to your contribution and the insightful conversations that will arise at RESOLVE-2025.

Regards,

**CA. Rajesh Sharma**  
Vice-Chairman, I&VSB, ICAI

## Message

**CA. Ketan Damji Saiya**

Chairman

Western India Regional Council, ICAI



**CA. Piyush Premsukh Chandak**

Vice-Chairman

Western India Regional Council, ICAI

As the proud hosts of RESOLVE-2025, the Western India Regional Council (WIRC) of ICAI is delighted to welcome you to this prestigious International Convention on Insolvency Resolution and Valuation, scheduled to be held at the distinguished Hotel Aurika, Mumbai International Airport.

After the resounding success of the first edition of RESOLVE-2023 held in Singapore and the second edition, RESOLVE-2024 in New Delhi, we are proud to continue this legacy by hosting the third edition in Mumbai, the financial capital of India. With each edition, RESOLVE has grown in stature as a global platform for thought leadership, knowledge exchange and professional collaboration in insolvency and valuation and we are privileged to carry this tradition forward.

The theme, *“Enabling Resolution, Maximising Value,”* highlights our dedication to strengthening the evolving ecosystem of insolvency and business resolution. With the proposed IBC 2.0 and its forward-looking framework, the convention seeks to deliberate on emerging trends, challenges and opportunities that shape the future of insolvency law and practice in India.

The discussions at RESOLVE-2025 will encompass a wide spectrum of issues ranging from recent judicial developments and cross-border insolvency to valuation dynamics, creditor-debtor rights and policy reforms. As an emerging field with growing global relevance, these deliberations are expected to provide deep insights and practical takeaways for all professionals.

We believe that RESOLVE-2025 will not only enrich knowledge but also foster meaningful interactions among regulators, practitioners, policymakers and professionals from across the world. We trust that this convention will be a stimulating and rewarding experience for every participant.

***“Resolution is not the end of a journey, but the beginning of strategic renewal and value creation.”***



भारतीय दिवाला और शोधन अक्षमता बोर्ड  
Insolvency and Bankruptcy Board of India



## ICAI Presents INTERNATIONAL CONVENTION ON INSOLVENCY RESOLUTION



### Our Torchbearers



**CA. Charanjot Singh Nanda**  
President, ICAI



**CA. Prasanna Kumar D**  
Vice- President, ICAI



**Shri. T. K. Viswanathan**  
Chairman, Bankruptcy Law  
Reforms Committee



**Shri Ravi Mital**  
Chairperson, IBBI

### At the Helm



**CA. Gyan Chandra Misra**  
Chairman, I&VSB



**CA. Rajesh Sharma**  
Vice- Chairman, I&VSB



**CA. Ketan Damji Saiya**  
Chairman, WIRC of ICAI

### Eminent Speakers



**Shri Venkata Ramakrishna  
Badarinath Nandula**  
Former Judicial Member, NCLT, Hyderabad



**Shri Nilesh Sharma**  
Judicial Member, NCLT, Mumbai



**Shri Ashish Kalia**  
Judicial Member, NCLT, Mumbai



**Shri Sameer Kakar**  
Technical Member, NCLT, Mumbai CA.



भारतीय दिवाला और शोधन अक्षमता बोर्ड  
Insolvency and Bankruptcy Board of India



## ICAI Presents INTERNATIONAL CONVENTION ON INSOLVENCY RESOLUTION



**CA. Abizer Diwanji**  
Founder, NeoStrat Advisors LLP



**CA. Abhay Manudhane**  
Director, Waterfall Insolvency  
Professionals Private Limited



**Shri Shardul S. Shroff**  
Founder and Executive Chairman, Shardul  
Amarchand Mangaldas & Co.



**Shri Sumant Batra**  
President, Insolvency Law Academy



**CA. Atul Kumar Goel**  
Chief Executive Officer  
Indian Banks' Association



**Shri Bahram N. Vakil**  
Co-founder, AZB & Partners



**Ms. Beena Vaheed**  
Executive Director, Bank of Baroda



**Mr. Debanshu Mukherjee**  
Co-founder, Vidhi Centre for Legal Policy



**CA. Drushti R. Desai**  
Registered Valuer



**CA. Durgesh Pandey**



**CA. Hemant J Mehta**  
Insolvency Professional



**CA. Jayesh Sanghrajka**  
Managing Partner, Incorp  
Restructuring Services LLP



**Shri Karan Pratap Singh**  
Advocate



**Shri Kshitij Mohan**  
DMD (SARG), State Bank of India



**CA. Manoj Fadnis**  
Past President, ICAI



**CA. Manoj Kumar Anand**  
Insolvency Professional



भारतीय दिवाला और शोधन अक्षमता बोर्ड  
Insolvency and Bankruptcy Board of India



## ICAI Presents INTERNATIONAL CONVENTION ON INSOLVENCY RESOLUTION



**Shri Mohit Arora**  
Managing Director, Real Estate  
Group, Blackstone



**Shri NPS Chawla**  
Co-Founder & Joint Managing Partner,  
Aekom Legal



**CA. P. N. Anklesaria**



**CA. Pankaj Tyagee**  
Member, Appellate Authority



**CA. Parag Kulkarni**  
Registered Valuer



**CA. Paras Savla**  
Registered Value



**Shri Pradeep Goel**  
Managing Director Prudent  
ARC Limited



**Shri Pradip Kumar Das**  
Chairman & Managing Director,  
Indian Renewable Energy  
Development Agency Ltd.



**CA. Pratik Parekh**  
Director, Kotak Strategic  
Situations Funds



**CA. Pravin R. Navandar,**  
Insolvency Professional



**Shri Pulkrit Deora,**  
Advocate, Enterprise Chambers,  
Door tenant



**Shri Sudhaker Shukla**  
Course Director, Centre for Insolvency  
& Bankruptcy, IICA



**CA. S. Badri Narayanan**



**Shri Sanjeev Gemawat**  
Managing Director & Group General  
Counsel at Essar Group



**Shri Sanjeev Pandey**  
Ex-DGM of, National Company  
Law Tribunal



**Shri Santosh Kumar Shukla**  
Chief General Manager, SEBI



भारतीय दिवाला और शोधन अक्षमता बोर्ड  
Insolvency and Bankruptcy Board of India



ICAI *Presents*  
INTERNATIONAL CONVENTION ON INSOLVENCY RESOLUTION



**CA. Saransh Dey**  
President Finance, Mantra  
Properties and Developers Pvt. Ltd.



**CA. Snehal Pawar**



**CA. Subodh Kumar Agrawal**  
Past President, ICAI



**Shri Subramhanya Hathwar**  
Ex-Senior Director, Deloitte



**CA. Sudhir Kumar Agarwal**  
Director, Association of National  
Exchanges Members of India



**CA. Sunit Shah**  
Managing Partner, SKYZ, Revival  
& Restructuring LLP



**CA. Udayraj Patwardhan**  
Insolvency Professional



**Shri Venkateswarlu Esuradi**  
General Manager, PNB



**Shri Vishal A. Mhaikar**  
Managing Partner, Motilal Oswal  
Financial Services Ltd.



**CA. Yadwinder Singh**  
Manager, Insolvency and Bankruptcy  
Board of India

# About ICAI



The Institute of Chartered Accountants of India (ICAI) is a statutory body established by an Act of Parliament, for regulation and development of the profession of Chartered Accountants in India. ICAI functions under the administrative control of the Ministry of Corporate Affairs, Government of India. Recognized as one of the largest professional bodies of Chartered Accountants globally, ICAI is renowned for its commitment to technical excellence, ethical standards and rigorous education and examination systems.

Over the decades, ICAI has witnessed remarkable growth in its membership and student base. With a robust network of regional councils, branches and overseas chapters, the Institute plays a pivotal role in capacity building, international outreach and the continuous professional development of its members. It remains dedicated to upholding the highest standards in education, training and professional ethics, thereby reinforcing its global reputation and leadership in the accountancy profession.

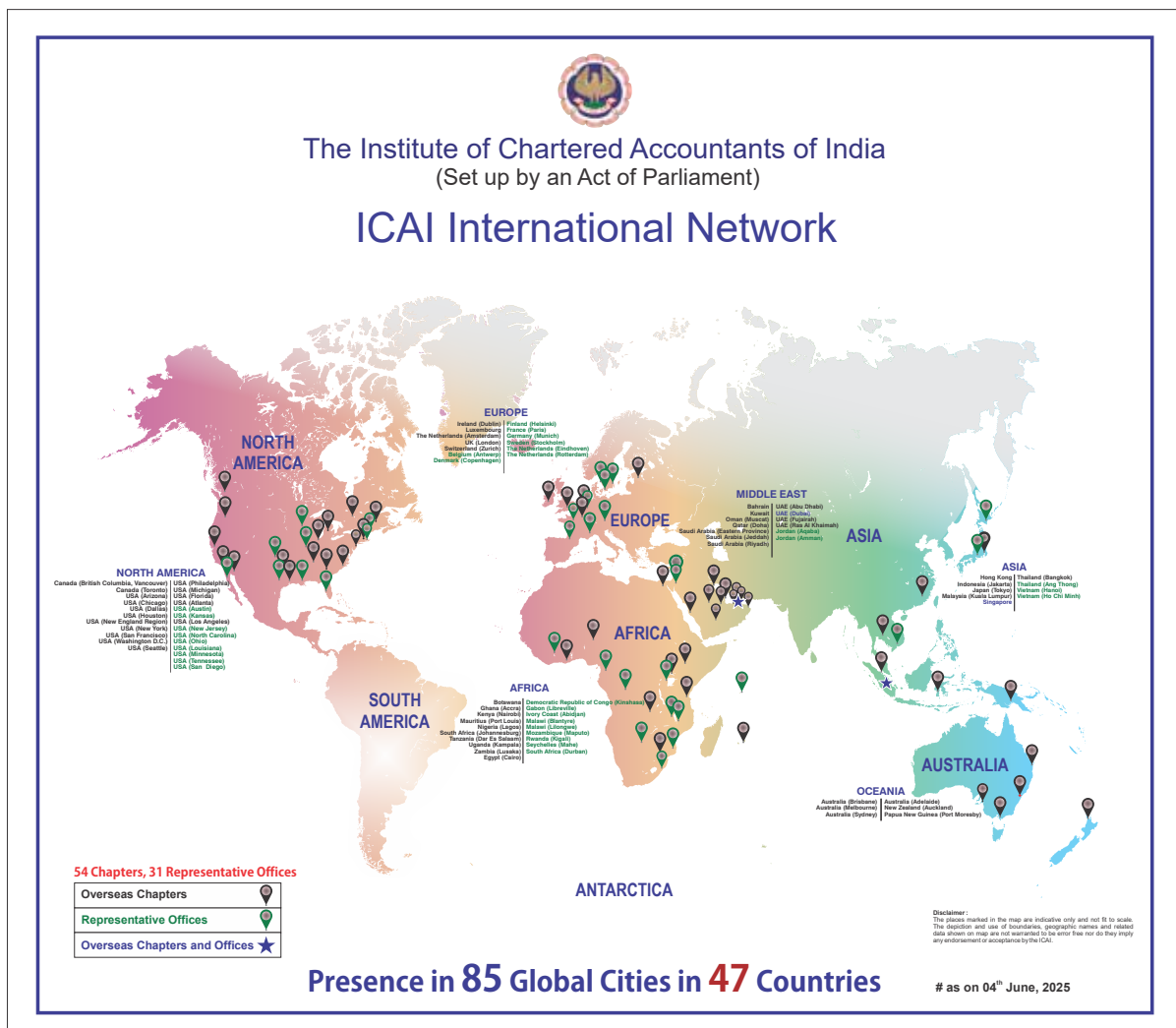


RESOLVE-2025

1st - 2nd DECEMBER, MUMBAI

ENABLING RESOLUTION, MAXIMIZING VALUE

# ICAI's Global Presence





# RESOLVE-2025

1st - 2nd DECEMBER, MUMBAI

ENABLING RESOLUTION, MAXIMIZING VALUE

## CENTRAL COUNCIL MEMBERS OF ICAI 2025-2026



**CA. Charanjot Singh Nanda**  
President, ICAI



**CA. Prasanna Kumar D**  
Vice-President, ICAI



**CA. Sanjay Kumar Agarwal**



**CA. Hans Raj Chugh**



**CA. Pramod Jain**



**CA. Rajesh Sharma**



**CA. (Dr.) Sanjeev Kumar Singhal**



**CA. (Dr.) Rohit Ruwatia Agarwal**



**CA. Abhay Chhajed**



**CA. (Dr.) Anuj Goyal**



**CA. Satish Kumar Gupta**



**CA. Gyan Chandra Misra**



**CA. Pankaj Shah**



**CA. Ravi Kumar Patwa**



**CA. Sanjib Sanghi**



**CA. Babu Abraham Kallivayalil**



**CA. Dayaniwas Sharma**



**CA. Narayan Hiregange Madhukar**



**CA. Sridhar Muppala**



**CA. Rajendra Kumar P**



**CA. Sripriya Kumar**



**CA. Vishnu Kumar Agarwal**



**CA. Jay Chhaira**



**CA. Piyush Sohanraji Chhajed**



**CA. Chandrashekhhar Vasant Chitale**



**CA. Vishal Doshi**



**CA. Arpit Jagdish Kabra**



**CA. Durgesh Kumar Kabra**



**CA. Purushottamlal Hukamchand Khandelwal**



**CA. Mangesh Pandurang Kinare**



**CA. Priti Paras Savla**



**CA. Umesh Ramnarayan Sharma**

## GOVERNMENT NOMINEES



**Shri Balamurugan D.**



**Shri Manoj Kumar Sahu**



**Shri Naveen Singhvi**



**Shri Sanjay Sharan**



**Justice (Former) Shashi Kant Gupta**



**Shri Mukhmeet Singh Bhatia**



**Shri Vinod Kumar Jindal**

## COMPOSITION OF THE INSOLVENCY & VALUATION STANDARDS BOARD OF ICAI FOR THE YEAR 2025-26

### MEMBERS

CA. Gyan Chandra Misra, Chairman  
CA. Rajesh Sharma, Vice-Chairman  
CA. Charanjot Singh Nanda, President (Ex-officio)  
CA. Prasanna Kumar D, Vice-President (Ex-officio)  
CA. Jay Chhaira  
CA. Piyush Sohanrajji Chhajed  
CA. Chandrashekhar Vasant Chitale  
CA. Vishal Doshi  
CA. Arpit Jagdish Kabra  
CA. Durgesh Kumar Kabra  
CA. Purushottamlal Khandelwal  
CA. Mangesh Pandurang Kinare  
CA. Priti Paras Savla  
CA. Babu Abraham Kallivayalil  
CA. Dayaniwas Sharma  
CA. Sripriya Kumar  
CA. Ravi Kumar Patwa  
CA. Satish Kumar Gupta  
CA. Pankaj Shah  
CA. Sanjay Kumar Agarwal  
CA. Pramod Jain  
CA. Sanjeev Kumar Singhal  
Shri Manoj Kumar Sahu  
Shri Mukhmeet Singh Bhatia  
Shri Mukesh Kewalramani

### CO-OPTED MEMBERS

CA. Sivachalam N  
CA. Pradeep Kumar Kabra  
CA. Rajiv Khurana  
CA. Shivam Durgesh Kabra  
CA. Machar Rao Meenavalli  
CA. Vijay Kumar Gupta  
CA. Geetha A B  
CA. Santosh Gupta

### NOMINATED MEMBERS

Shri Manvendra Goyal  
Shri Susanta Kumar Das  
Shri Sanjay Sharan

### SECRETARY TO THE BOARD

CA. Sarika Singhal

## REGIONAL COUNCIL MEMBERS OF WIRC OF ICAI

### OFFICE BEARERS

CA. Ketan Damji Saiya, Chairman  
CA. Piyush Premasukh Chandak, Vice-Chairman  
CA. Jeenal Kenil Savla, Secretary  
CA. Fenil Rajendra Shah, Treasurer  
CA. Jitendra Mansukhlal Saglani, Chairman – WICASA

### COMMITTEE MEMBERS

CA. Rajesh Radhesham Agrawal, Member  
CA. Vimal Kumar Agrawal, Member  
CA. Sourabh Mahaveer Ajmera, Member  
CA. Rekha Vivek Dhamankar, Member  
CA. Abhishek Shashikant Dhamne, Member

CA. Mangesh Avinash Ghanekar, Member  
CA. Ishwarkumar Ramjibhai Jivani, Member  
CA. Shweta Jayant Jain, Member  
CA. Vijendra Prabha Indermal Jain, Member  
CA. Jayesh Umedmal Kala, Member  
CA. Pinki Kedia, Member  
CA. Sanjay Dnyaneshwer Nikam, Member  
CA. Rikin Alkeshbhai Patel, Member  
CA. Kamlesh Ramprasad Saboo, Member  
CA. Bishan Rameshchandra Shah, Member  
CA. Rakesh Kumar Shah, Member

# About Insolvency & Valuation Standards Board (I&VSB), ICAI

The Insolvency & Valuation Standards Board (I&VSB) of the Institute of Chartered Accountants of India (ICAI) was constituted in the year 2024-25 with the objective of empowering the profession and promoting a fair and robust corporate regime. The Board is committed to aligning practices in insolvency and valuation with globally accepted benchmarks and fostering high-quality professional standards.

The Board continues to focus on strengthening the framework for formulation, implementation and wider recognition of the ICAI Valuation Standards, 2018. Through these efforts, it seeks to enhance professional competence and credibility in valuation practices across sectors.

The I&VSB plays a pivotal role in contributing to financial discipline and market confidence by developing and advocating transparent, consistent and principle-based standards in the domains of insolvency and valuation.

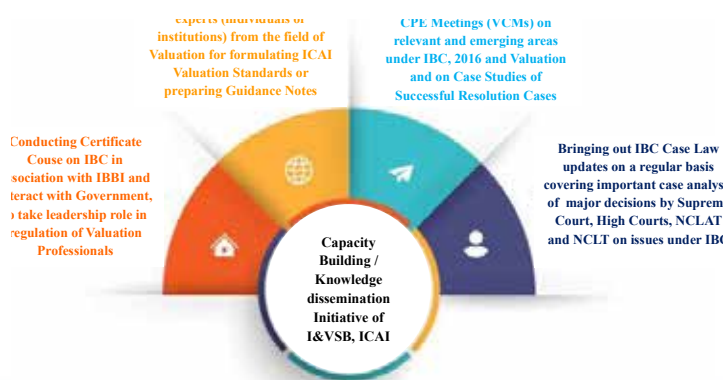
## ➤ I&VSB, ICAI: Contribution in Nation Building

**ICAI through I&VSB Contributes Towards Partner in Nation Building:**



## ➤ I&VSB, ICAI: Contribution to Capacity Building

**ICAI through I&VSB facilitates educating the members/stakeholders at large on the practical aspects and procedures through various initiatives as highlighted under:**



## About Insolvency and Bankruptcy Board of India (IBBI)



भारतीय दिवाला और शोधन अक्षमता बोर्ड

Insolvency and Bankruptcy Board of India

The Insolvency and Bankruptcy Board of India (IBBI), established on 1st October 2016 under the Insolvency and Bankruptcy Code, 2016, is the key regulator overseeing the implementation of India's insolvency and restructuring framework. It aims to

ensure time-bound resolution, maximize asset value, promote entrepreneurship, enhance credit availability, and balance stakeholder interests.

IBBI is a unique regulator that governs both professionals and processes under the Code. It regulates Insolvency Professionals (IPs), Insolvency Professional Agencies (IPAs), Insolvency Professional Entities (IPEs), and Information Utilities (IUs) and also serves as the designated 'Authority' under the Companies (Registered Valuers and Valuation) Rules, 2017 for regulating and developing the valuation profession in India.

## About Indian Institute of Corporate Affairs (IICA)



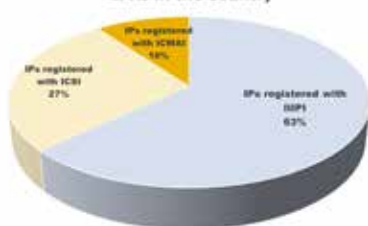
The Indian Institute of Corporate Affairs (IICA), an autonomous institute under the Ministry of Corporate Affairs (MCA), Government of India, was incorporated as a Society on 12th September 2008. Since 13th April 2012, it has been operating from its campus at Manesar, Haryana. IICA serves as a hub for capacity building, research, policy advocacy, and thought leadership in the area of corporate governance, sustainability, and business responsibility.

The Institute works to create an enabling ecosystem for corporates by conducting training and consultancy projects, supporting the Independent Director's Data Bank and fostering collaboration between the Government, Regulators, and Corporates. Through its multi-dimensional initiatives, IICA plays a pivotal role in promoting responsible corporate practices and strengthening India's corporate governance framework.

## About Indian Institute of Insolvency Professionals of ICAI (IIPI)

The Indian Institute of Insolvency Professionals of ICAI (IIPI) is a Company formed by ICAI as per Section 8 of the Companies Act 2013, to enroll and regulate insolvency professionals as its members in accordance with Insolvency and Bankruptcy Code, 2016 (IBC). Today it is the largest IPA, enrolling nearly two-thirds of the nation's insolvency professionals from diverse fields.

Distribution of IPs Registered with various IPAs in the Country



As a front-line regulator, IIPI plays a pivotal role in strengthening the insolvency and bankruptcy framework by regulating professionals, upholding standards and fostering knowledge and capacity building among stakeholders.



## About ICAI Registered Valuers Organisation (ICAI RVO)



The ICAI Registered Valuers Organisation, a section 8 Company formed by ICAI, enrolls and regulates registered valuers as per the Companies (Registered Valuers and Valuation) Rules, 2017. It received recognition from the Authority/ Insolvency and Bankruptcy Board of India (IBBI) with IBBI RVO Recognition No. IBBI/RVO/2018/006 for all three asset classes namely, 'Securities or Financial Assets', 'Land and Building' and 'Plant and Machinery'. Its responsibilities include maintaining high ethical standards, ensuring compliance with laws, developing the valuers' profession, promoting professional

development, improving regulations, and reporting activities to the Authority. With over 1000 Registered Valuers and 4500 Primary Members, ICAI RVO has firmly established itself as a leading Registered Valuer Organisation in the 'Securities or Financial Asset Class'. Further, as on 30th June 2024, of the total 2213 RVs registered with IBBI under 'Securities or Financial Asset' class, 1096 are the members of ICAI RVO which is around 50% of the total RVs registered under the 'Securities or Financial Assets' class with IBBI. Also, ICAI RVO boasts of the second largest membership base for both RVs and RVEs, amongst all the 15 RVOs operating in the Country.

Break up of RVs registered under SFA asset class with ICAI RVO vis-à-vis Other RVOs



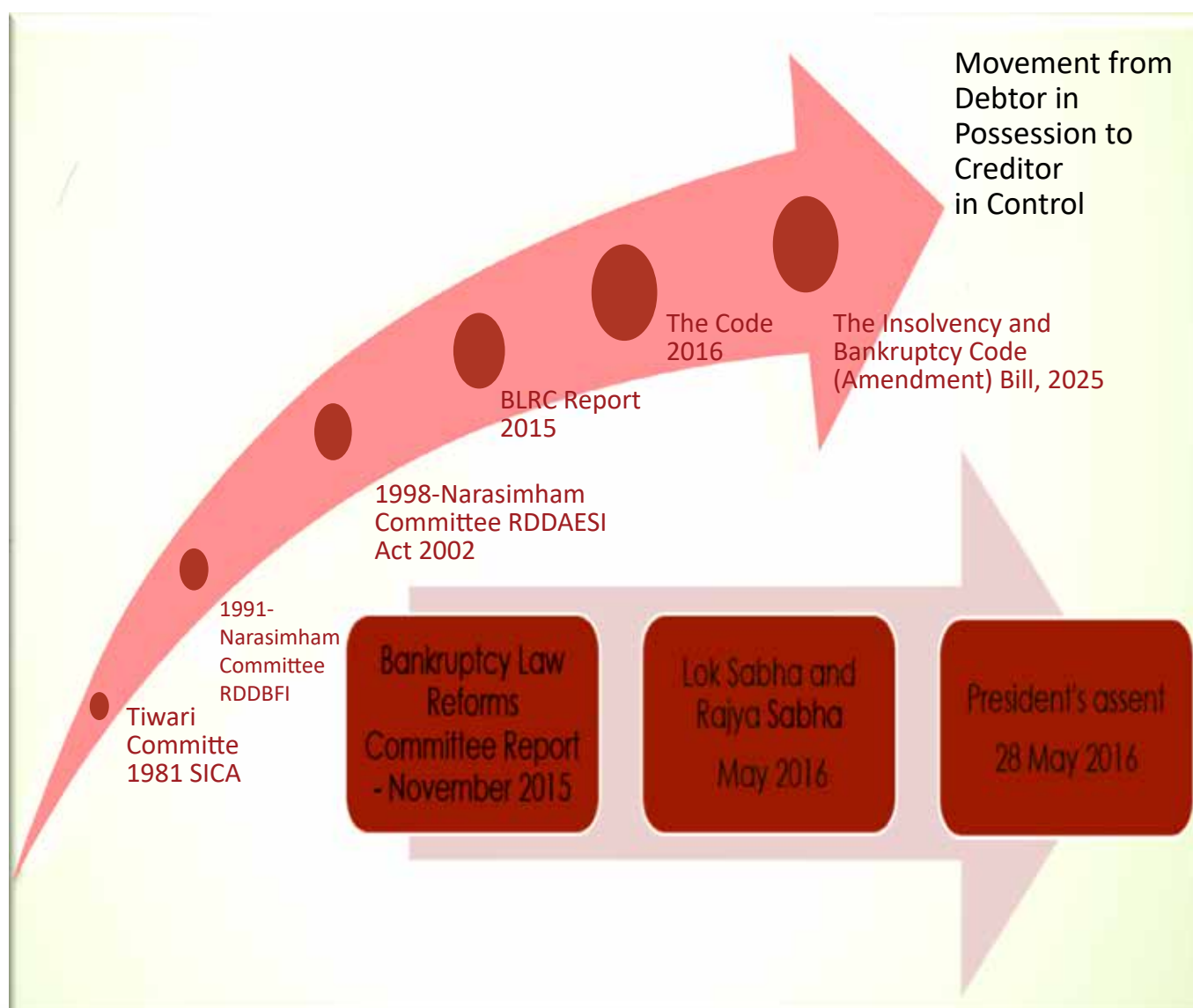


# Evolution of the Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (IBC) was passed by both the Houses of Parliament in May 2016 and the same has been notified on 28th May 2016. This was one of the major Economic Reforms being brought by the Government of India.

The whole objective of IBC is to provide a market-determined, time-bound mechanism for the orderly resolution of insolvency wherever possible and orderly and easy exit wherever required.

A glimpse of the evolution of the Insolvency and Bankruptcy Code is as under:



## Institutional Framework under IBC

The Insolvency and Bankruptcy Code is a comprehensive law that envisages and regulates the process of insolvency and bankruptcy of all persons including corporates, partnerships, LLP's and individuals.

The Code has withered away the multiple laws covering the recovery of debts and insolvency and liquidation process and presents a singular platform for insolvency resolution.

The IBC Code stands on an Institutional set-up that comprises of Five Pillars, which are as follows:

- **Insolvency Professionals-**

To conduct the corporate insolvency resolution process and includes an Interim Resolution Professional. The role of the IP encompasses a wide range of functions, which include adhering to the procedure of the law, as well as accounting and finance-related functions.

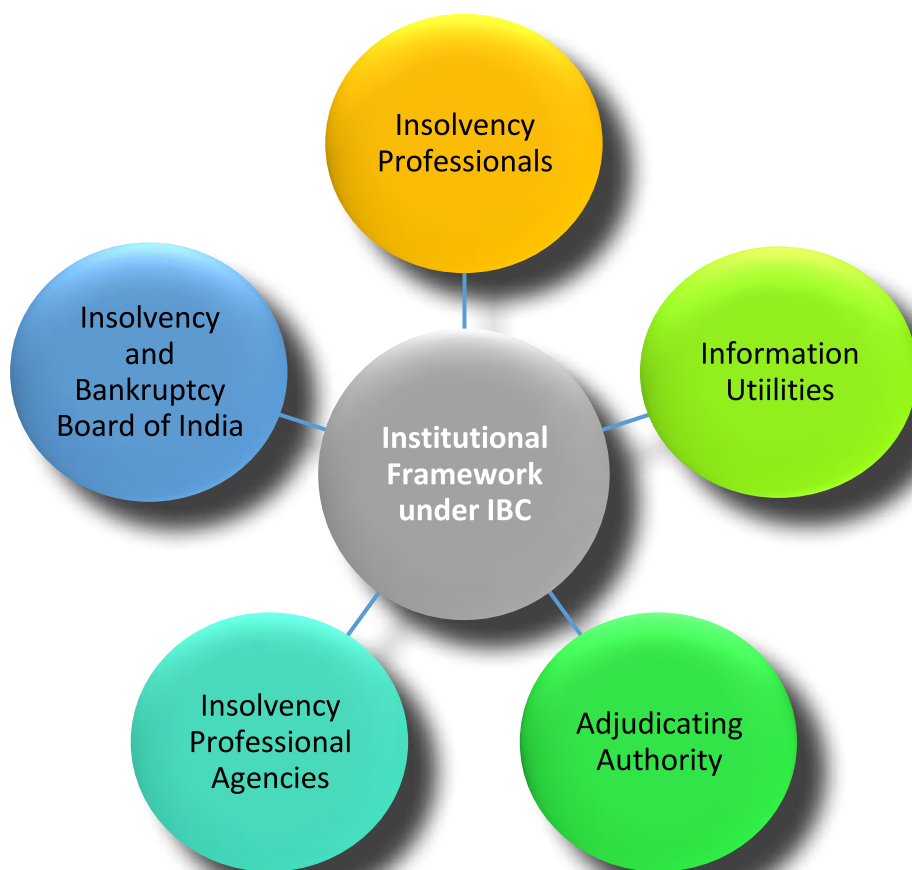
- **Insolvency Professional Agencies-**

To enroll and regulate Insolvency Professionals as its members in accordance with the Insolvency and Bankruptcy Code, 2016 and read with Regulations.

- **Information Utilities-** To collect, collate and disseminate financial information to facilitate insolvency resolution.

- **Insolvency and Bankruptcy Board of India-** A Regulator to oversee these entities and to perform legislative, executive, and quasi-judicial functions with respect to the Insolvency Professionals, Insolvency Professional Agencies and Information Utilities.

- **Adjudicating Authority-** The National Company Law Tribunal (NCLT), established under the Companies Act, 2013 would function as an adjudicator on insolvency matters related to corporates under the Code. The Debt Recovery Tribunal (DRT) will adjudicate insolvency resolution for individuals.



**5 PILLARS OF IBC, 2016**

\*\*\*\*\*

# IBC: The Embodiment of Living Law

The Insolvency and Bankruptcy Code, 2016 (IBC) was a landmark reform that has transformed India's insolvency resolution landscape. IBC since its inception over the years has been much talked about and discussed subject by several experts, professionals, academicians, columnists etc. The Code has been enacted with the objective of consolidating and amending the laws relating to reorganization and insolvency resolution of corporate persons, partnership firms, and individuals in a time-bound manner. The purpose of the Code is maximization of value of assets, promote entrepreneurship and balance the interests of all the stakeholders.

The country is witnessing today the results of the successful implementation of IBC which has been possible because of the establishment of effective institutional set-up and the various judgements pronounced by Supreme Court, High Courts, NCLAT and NCLT benches. The judicial pronouncements are an important repository to understand the aspects in operationalization and in providing clarification on important provisions and issues under IBC.

The Insolvency and Bankruptcy Code (IBC) has undergone several amendments since its introduction in 2016. These amendments have aimed to streamline the insolvency resolution process, provide relief to certain stakeholders, and address practical difficulties faced in implementing the IBC.

The FY 24-25 has witnessed an unprecedented surge in the approval of resolution plans under the IBC, showcasing the effectiveness of the legal framework in facilitating the revival of insolvent businesses.

## **Insolvency Professionals - Key to Resolution Process**

The Insolvency Professionals (IPs) as we know play a key role under IBC on which rests the effective and timely mechanism of the insolvency resolution process. As per IBBI Newsletter July-September 2025, 4574 Insolvency Professionals have been registered with IBBI. Out of which, 2863 Insolvency Professionals are enrolled with IPA of ICAI (Indian Institute of Insolvency Professionals of ICAI- IIIPI) - i.e., more than 63% of the registered Insolvency Professionals are members of IIIPI.

## **Amendments- Improving and extending the scope of the Code**

The Code has been amended six times after its enactment and highlights of major amendments are given below.

New Section 29A inserted to provide for Persons not eligible to be resolution applicant to submit a resolution plan	MSME Sector provided with a special dispensation under the Code. It does not disqualify the promoter here to bid for his enterprise undergoing Corporate Insolvency Resolution Process (CIRP) provided he is not a willful defaulter etc.	Homebuyers recognised as financial creditors which would give them due representation in the Committee of Creditors (COC).
New Section 12A inserted wherein withdrawal by an applicant after admission under IBC would be permissible only with the approval of the Committee of Creditors with 90 percent of the voting share.	Voting threshold has been brought down to 66 percent from 75 percent for approval of resolution plan. The voting threshold for routine decisions has been reduced to 51%.	Moratorium not applicable to guarantors of Corporate Debtor.
Restricting the resolution process to 330 days, including time for litigation.	The resolution plan approved by the Adjudicating Authority shall also be binding on the Central Government, any State Government, or any local authority to whom a debt in respect of payment of dues arising under any law.	Introduction of pre-packaged insolvency resolution process under IBC for MSME only. It shall be completed within 120 days from the pre-packaged insolvency commencement date.

### Alternative Resolution Mechanism for MSMEs- Introduction of Pre-packaged Insolvency Resolution Process (PPIRP)

- Micro, Small and Medium Enterprises (MSMEs) form the backbone of India's economy, contributing significantly to the country's GDP, exports, and employment generation. Recognising their importance and vulnerability, particularly in the aftermath of the COVID-19 pandemic which severely disrupted business operations and exposed many MSMEs to financial distress, the Government of India introduced the Pre-Packaged Insolvency Resolution Process (PPIRP) under the Insolvency and Bankruptcy Code (IBC), 2016. The PPIRP serves as an alternative and efficient resolution mechanism exclusively designed for corporate persons classified as MSMEs, allowing for timely restructuring while maintaining business continuity. Unlike the traditional Corporate Insolvency Resolution Process (CIRP), which can be lengthy, costly, and disruptive, the PPIRP follows a debtor-in-possession model wherein the existing management continues to run the enterprise during the resolution process under the supervision of a Resolution Professional. This ensures minimal disruption to operations and preserves employment.
- The objective of introducing the PPIRP was to mitigate the economic distress caused by the pandemic and to provide a faster, cost-effective, and value-maximising resolution framework for MSMEs. It enables promoters and creditors to pre-negotiate a resolution plan before formally initiating the insolvency process, thereby reducing procedural delays and uncertainty. Moreover, it provides a structured legal route for financially stressed but viable MSMEs to reorganise their liabilities without undergoing liquidation, thus promoting continuity of business, safeguarding jobs, and maintaining stakeholder confidence.

- The Insolvency and Bankruptcy Code (Amendment) Bill, 2025 has further strengthened this framework by proposing harmonisation of the PPIRP with the regular insolvency process, clarifying procedural aspects related to initiation, moratorium, approval, and withdrawal, and enhancing transparency in creditor decision-making. These refinements aim to make the PPIRP more effective, predictable, and accessible for genuine MSME distress cases. Overall, the PPIRP represents a progressive step in India's insolvency ecosystem, aligning with the government's broader agenda of MSME revival, value preservation, and economic resilience.

## Recent Amendments in Regulations under IBC Regulations

Some of the recent significant amendments with respect to Regulations were:

- Introduced the provision to allow an IP to resign from the assignment in CIRP, liquidation process and insolvency resolution process of personal guarantor (PG) to CD subject to the recommendation of the respective committees in the processes or the debtor or the creditor, as the case may be, and approval of the Adjudicating Authority (AA). The IP shall however continue to discharge his duties, functions, and responsibilities till the approval of resignation by the AA.
- The directors of the corporate person while initiating the voluntary liquidation process shall make disclosure about pending proceedings or assessments before statutory authorities, and pending litigations and shall also declare that sufficient provision has been made to meet the likely obligations arising, if any, on account of the pending proceedings.
- The amendment removed the restrictions on an IP to be appointed as RP or bankruptcy trustee in the insolvency resolution process or bankruptcy process of PGs to CDs respectively, if she has acted or is acting as interim resolution professional (IRP), RP or liquidator during the CIRP or liquidation process of the CD.
- The requirement for separate bank accounts for each real estate project of the cd, and the mandate for monthly COC meetings, with the option to extend this interval to once per quarter if necessary. the regulations also refine voting procedures, allowing the COC to determine the duration of the electronic voting window and providing an extension mechanism.
- Minimum fee prescribed for Interim Resolution Professional/ Resolution Professional from Rs. 1 Lakh to Rs. 5 Lakh as per the Quantum of Claims Admitted.
- Performance-linked incentive fee provided for resolution professionals for timely resolution and value maximization.

## Further developments expected in IBC - to lead more opportunities for professionals

- Cross Border insolvency on the lines of UNCITRAL's Model Law, under active consideration for adoption through legislative amendment (UNCITRAL stands for United Nations Commission on International Trade Law)
- Full-fledged individual insolvency framework expected to be implemented soon

- In future, PPIRP framework likely to be extended for bigger Corporate
- Group insolvency framework may also be implemented in medium term
- Use of technology in the IBC ecosystem to handle several processes under the Code with minimum human interface under consideration by MCA/IBBI

## Status of Corporate Resolution Insolvency Process

As per **IBBI July to September 2025 Newsletter**, the Code has rescued 3865 CDs (1300 through resolution plans, 1342 through appeal or review or settlement and 1223 through withdrawal) till September 2025. It has referred 2896 CDs for liquidation. The resolved CDs resulted in realisation of more than 32.44% as against the admitted claims and more than 170.09% as against the liquidation value. Resolution plans on average are yielding 93.79% of fair value of the CDs. Till September 2025, 1529 CDs have been completely liquidated. These 1529 CDs together had outstanding claims of Rs. 4.44 lakh crore, but the assets valued at Rs. 0.17 lakh crore. The liquidation of these companies resulted in 90.70% realisation as against the liquidation value.

## To Conclude

The Insolvency and Bankruptcy Code (IBC) has played a pivotal role in nurturing India's entrepreneurial ecosystem and strengthening the overall business environment. For the effective and smooth implementation of the Code, amendments have been brought out in the Code regularly and amendments in Regulations too were brought by the Regulator. The IBC has played a vital role in resolving stressed assets, improving recovery rates, and encouraging timely settlements, leading to a more robust insolvency regime in India through constant evolution and amendments.

For taking forward the unitary codified legislation- The Insolvency and Bankruptcy Code, 2016 and to focus on advancement of activities for formulation, implementation and recognition of ICAI Valuation Standards 2018, the Institute of Chartered Accountants of India (ICAI) has constituted a dedicated Board i.e. the Insolvency & Valuation Standards Board to give specific focus on Insolvency and valuation sphere and to bring in awareness among members at large. ICAI has the distinction to form the first Insolvency Professional Agency (IPA) in the country, which as on date has more than 63% of Insolvency Professionals (IPs) as its members.

The IBC has laid a robust foundation for insolvency resolution in India through its institutional framework and formal processes. While challenges remain, the effective functioning of the IBBI and other stakeholders has enabled successful implementation of the IBC and revival of businesses.

\*\*\*\*\*

# Evolution of Regularisation of Valuation Profession in India

## Significance of Valuation

In India, valuation is mandated for several private or public transactions under Company law, Insolvency law, Tax law, and among others. Valuation services are required in almost all parts of our global financial system; it is needed for several market-based transactions such as mergers, acquisitions, take over, liquidation, issue of securities etc.

India in particular, being one of the fastest growing economies in the world, has a strong interest in high quality standards for valuation, both domestically and globally. An overview of the market of valuation services underscores the reliance of the State on it. And yet, unlike other professions, the valuation profession was not institutionalized through State-sponsored regulations. The services delivered were largely based on subjective opinions and not on any universal standard or established frameworks. This created several arbitrage opportunities for malpractices, and mis-understandings, affected quality control, and also inhibited the development of the profession.

## Regularisation of Valuation Profession in India

A stricter need to regulate the Valuation profession in the Country arose when stressed companies worth thousands of crores were up for sale under the Insolvency and Bankruptcy Code (IBC) and there was no standardized formula for valuing these assets nor was there a proper regulatory framework governing the valuation profession. In the run up to IBC Code 2016, a strong need for a uniform and regulated valuation mechanism was realized as the outcomes of the insolvency matter relied heavily on the valuation results.

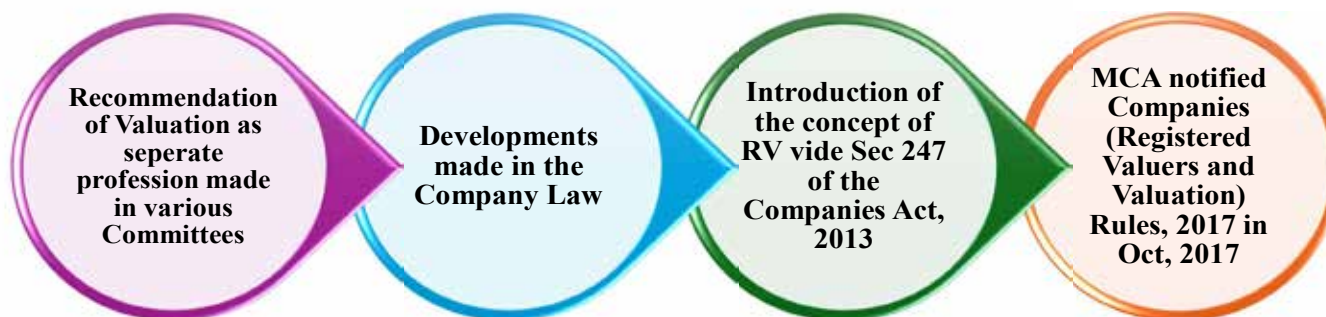
Valuation as a concept of statutory importance and leading to the credential of Registered Valuers was first included in the Companies Act, 2013. After going through multiple rounds of suggestions and discussion in framing the Companies (Registered Valuers and Valuation) Rules, 2017, the concept was notified in the Companies Act, 2013 on 18th June 2017 vide Section 247; albeit its reference for conducting valuations hitherto existed in many enactments like the Insolvency and Bankruptcy Code, 2016, Companies Act, 2013, Income Tax Act, 1961, Foreign Exchange Management Act, 1999 and various provisions of the Securities and Exchange Board of India.

Section 247 lays down that where a valuation is required to be made in respect of any property, stocks, shares, debentures, securities, or goodwill, or any other assets (herein referred to as the assets) or net worth of a company or its liabilities under the provisions of this Act, it shall be valued by a person having such qualifications and experience, registered as a valuer, and being a member of an organisation recognized, in such manner, on such terms and conditions as may be prescribed, and appointed by the audit committee, or in its absence by the Board of Directors of that company.

Simultaneously, the Ministry of Corporate Affairs (MCA) notified the Companies (Registered Valuers and Valuation) Rules, 2017 (The Valuation Rules) in October 2017 with the intention of bringing out harmony in the valuation process and to raise the confidence of users of valuation reports. The Rules so framed are applicable to the valuations required under the Companies Act, 2013 and the Insolvency and

Bankruptcy Code, 2016. The government has identified three asset classes viz, “Land and Building”, “Plant and Machinery” and “Securities or Financial Assets (SFA)”.

### *Regularization of Valuation Profession in India*



### **Regulatory mandate Governing Valuation Ecosystem under the Valuation Rules**

The Valuation Rules made under the Companies Act, 2013 provides a centralised institutional framework for the development and regulation of the valuation profession, though its remit is limited to valuations required under the Insolvency and Bankruptcy Code, 2016 (Code) and the Companies Act, 2013.

It provides a two-tier regulatory architecture, where IBBI has been designated as the ‘Principal Regulator’ and also recognizes Registered Valuers Organisations (RVO) as the second-level “Front-line Regulators” in three distinct asset classes.

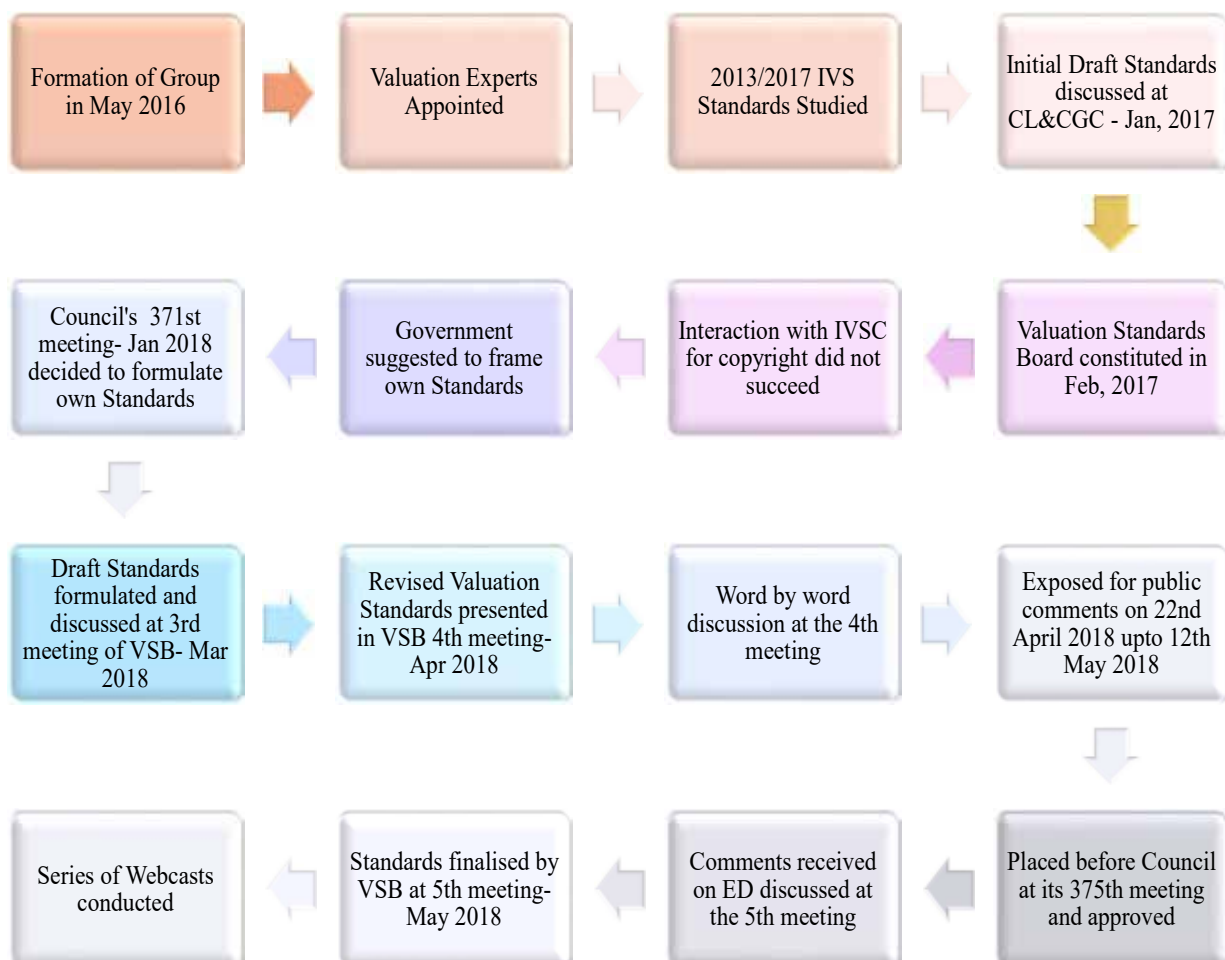
Valuers are subject to a two-tier, regulated self-regulation where they are enrolled with an RVO as a member, and thereafter registered with the IBBI as a valuer. This combines the benefits of statutory regulation and self-regulation and promotes healthy competition among the RVOs.

\*\*\*\*\*

# Evolution of the Valuation Standards

Valuation and Accountancy are closely intertwined disciplines, with valuation being a critical component of accounting in several contexts. Valuation is integral to various aspects of accounting, including asset valuation, fair value accounting, business combinations, impairment testing, stock-based compensation, purchase price allocation, and financial reporting disclosures. Collaboration between Accountants and Valuation Professionals is essential to ensure accurate and reliable financial information.

Valuation field is considered as one of the most critical areas in finance and it plays a key role in many areas of finance such as buy/sell, solvency, merger and acquisition. It also plays an important role in the Insolvency Resolution regime where Liquidation value has to be ascertained by Resolution Professional through the Registered Valuers.



*EVOLUTION OF THE VALUATION STANDARDS*

## Scope of Valuation Standards

- The objective of issuing the Valuation Standards is to standardise the various principles, practices and procedures followed by registered valuers and other valuation professionals in valuation of assets, liabilities or a business.
- The Valuation Standards by their very nature cannot and do not override the local regulations which govern the preparation of valuation report in the country. However, the government may determine the extent of disclosure to be made in the valuation report.
- The Valuation Standards are intended to apply only to items which are material.
- Any limitations with regard to the applicability of a Valuation Standard and the date from which a particular Standard will come into effect will be specified in the respective Standard.

## Compliance with Valuation Standards

- The Valuation Standards will be mandatory from the respective date(s) mentioned in the Valuation Standard(s). The mandatory status of Valuation Standard implies that while preparing the valuation report, it will be the responsibility of the valuer to comply with the Valuation Standard.
- Valuation Report cannot be described as complying with the Valuation Standards unless they comply with all the requirements of each relevant Valuation Standard, to the extent applicable

\*\*\*\*\*



# Strengthening the Framework for Revival, Rehabilitation, and Credit Support to MSMEs

Micro, Small and Medium Enterprises (MSMEs) are the backbone of India's economy, contributing significantly to employment, innovation, and industrial growth. Recognizing their critical role and the challenges they face in times of financial stress, the Government of India has introduced multiple initiatives to provide both a legal framework for revival and stronger access to credit.

The Ministry of MSME has notified a **Framework for Revival and Rehabilitation of MSMEs** under the MSMED Act, 2006, to address weaknesses in the insolvency, revival, and exit mechanisms for small enterprises. India's insolvency process has traditionally been lengthy and costly, often resulting in piecemeal sales of assets. To provide a special dispensation for MSMEs, this framework seeks to reorganize and revive businesses before closure becomes inevitable.

Under the framework, banks are required to identify incipient stress in MSME accounts before they turn into NPAs, while enterprises can also voluntarily initiate proceedings if they foresee repayment challenges. For this purpose, banks must set up Committees comprising bank representatives, independent experts, and state government nominees to examine stressed accounts and prepare a **Corrective Action Plan (CAP)**.

The CAP provides three options: **rectification** to regularize accounts, **restructuring** if the business is viable and the borrower is not a willful defaulter, and **recovery** if the first two are unfeasible. Restructuring may be referred to the Enterprise Debt Restructuring (EDR) Cell or handled independently by the Committee after a Techno-Economic Viability study, with decisions to be finalized within 30 days. During the CAP period, MSMEs can access secured and unsecured credit to maintain operations. While prudential asset classification norms continue, expedited restructuring attracts special regulatory benefits. Strict RBI guidelines on willful defaulters and non-cooperative borrowers remain applicable, and enterprises also have the right to appeal recovery decisions within 15 days.

Alongside this framework, the government has launched several **credit facilitation measures** to ensure MSMEs have timely access to finance. The **Mutual Credit Guarantee Scheme (MCGS-MSME)** provides guarantee cover to banks, financial institutions, and NBFCs for term loans up to ₹100 crore, specifically for machinery and equipment purchases. Valid for up to four years or until guarantees on loans totalling ₹7 lakh crore are issued, this scheme is a major step toward easing credit flow for growth and modernization.

The **Emergency Credit Line Guarantee Scheme (ECLGS)**, which concluded in March 2023, was instrumental in supporting 1.19 crore businesses with ₹3.68 lakh crore in liquidity assistance during challenging times. Notably, 1.13 crore MSMEs benefited directly, availing loans of ₹2.42 lakh crore to meet operational liabilities and restart operations during the pandemic.

Further strengthening access, the government launched a **New Credit Assessment Model for MSMEs** in March 2025, as announced in the Union Budget 2024-25. By leveraging digitally verifiable data, this model ensures automated and transparent loan appraisals, improving both speed and efficiency of credit delivery to new and existing borrowers.

Additionally, the **Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)** continues to play a pivotal role by offering up to 85% guarantee cover for loans of up to ₹10 crore. With reduced annual guarantee fees ranging between 0.37% and 1.20%, CGTMSE has approved 1.22 crore cumulative guarantees worth ₹10.50 lakh crore as of July 2025, underscoring the government's long-term commitment to fostering credit access.

Together, these measures combining legal provisions for revival with innovative credit guarantee and assessment schemes are designed to balance the interests of creditors and debtors, safeguard economic value, and empower MSMEs to overcome challenges, revive their operations, and unlock their full potential in driving India's growth story.

\*\*\*\*\*

# Insolvency and Bankruptcy Code (Amendment) Bill, 2025

The Insolvency and Bankruptcy Code (Amendment) Bill, 2025 has been introduced to further streamline the insolvency resolution process in India, making it more efficient, transparent, and responsive to the needs of stakeholders. This amendment is part of the government's continuous efforts to strengthen the IBC framework and align it with emerging challenges in the insolvency ecosystem. One of the central objectives of the Bill is to improve timelines by reducing procedural delays and ensuring faster admission of insolvency cases. The amendment seeks to enhance the role and accountability of all participants, including insolvency professionals, creditors, and adjudicating authorities, while safeguarding the principles of value maximization and creditor-debtor balance.

The Bill introduces clarity on treatment of government dues, ensuring that public funds are protected while maintaining fairness in distribution of proceeds. It also seeks to simplify processes for MSMEs and small enterprises, recognizing their distinct challenges and ensuring that insolvency resolution remains accessible and less burdensome for them. Further, the amendment strengthens provisions relating to pre-packaged insolvency resolution and introduces measures for faster liquidation, where revival is not feasible, so that economic value is preserved, and assets can be put back into productive use swiftly. Safeguards against misuse by wilful defaulters and non-cooperative promoters have also been reinforced.

Overall, the IBC (Amendment) Bill, 2025 marks another step in the evolution of India's insolvency regime. By addressing practical bottlenecks, providing clarity on contentious issues, and introducing reforms for quicker and more balanced resolutions, the Bill underscores the government's commitment to fostering a robust and investor-friendly insolvency framework.

\*\*\*\*\*

# Beyond the Code: Emerging Opportunities for Insolvency Professionals

The Insolvency and Bankruptcy Code (IBC), 2016 has transformed India's approach to financial distress resolution by introducing a time-bound, creditor-driven process. At the heart of this system are Insolvency Professionals (IPs), entrusted with managing stressed entities, safeguarding value, and ensuring compliance. While their core roles include acting as Interim Resolution Professionals, Resolution Professionals, Liquidators, and Bankruptcy Trustees, their expertise extends far beyond the Code.

Today, Insolvency Professionals are increasingly being recognized as multi-disciplinary experts capable of contributing across financial, legal, and strategic domains. Their opportunities now span judicial and quasi-judicial appointments as Receivers or Special Officers, advisory on restructuring and pre-insolvency planning, forensic and transaction review services, due diligence assignments, and monitoring engagements for lenders. They also play vital roles in mergers and acquisitions of distressed assets, voluntary liquidations, estate management, litigation support, and compliance advisory.

IPs are further engaged by regulatory bodies, courts, banks, corporates, and even individuals in diverse contexts ranging from asset sales, forensic audits, and PUFE transaction reviews to training, policy input, and educational initiatives. With such varied responsibilities, they are not only insolvency practitioners but also custodians of trust and governance, helping unlock value, promote transparency, and strengthen India's financial ecosystem.

As the insolvency landscape continues to evolve, these expanded roles underscore the immense potential for Insolvency Professionals to contribute meaningfully both within and beyond the IBC framework, shaping the future of resolution, restructuring, and corporate governance in India.

\*\*\*\*\*



# Key Takeaways of the Decisions taken by Hon'ble Court under IBC

## I. Supreme Court

### 1. In the matter of Mansi Brar Fernandes vs. Shubha Sharma and Anr. dated 12.09.2025

- a. Speculative investors cannot be permitted to misuse the Insolvency and Bankruptcy Code (IBC) for recovery purposes; only genuine homebuyers fall within the protection of Section 5(8)(f) of the IBC.
- b. It was clarified that buy-back or assured-return arrangements that substitute possession with guaranteed financial returns reveal speculative intent, disentitling such allottees from triggering CIRP under Section 7 of the IBC.
- c. The Court emphasized that while genuine homebuyers are financial creditors entitled to protection, speculative participants must seek remedies under civil law, consumer fora, or RERA, not through the IBC.
- d. The Court further held that the 2019 IBC Amendment Ordinance introducing a threshold requirement for homebuyers to file Section 7 petitions was applicable, but subsequent compliance during appellate proceedings was sufficient in equity to cure any defect.
- e. Importantly, the judgment reaffirmed the Right to Shelter as part of Article 21 of the Constitution, holding that housing is not a speculative instrument but a fundamental human need, and directed systemic reforms to safeguard genuine homebuyers.

### 2. In the matter of Amit Nehra & Anr. vs. Pawan Kumar Garg & Ors. dated 09.09.2025

- a. It was held that once a claim is verified and reflected in the creditors' list, it acquires legal recognition and must be dealt with under Clause 18.4(ii) & 18.4(vi)(a), entitling the Appellants to possession.
- b. It was emphasized that disregarding such admitted claims would defeat the object of the Insolvency Code and unfairly prejudice genuine homebuyers.

### 3. In the matter of Dhanasingh Prabhu vs. Chandrasekar & Another dated 16.08.2025

- a. The High Court erred in exercising its inherent powers under Section 482 CrPC to quash criminal proceedings at the threshold, as the allegations in the complaint disclosed a prima facie case of cheating and criminal breach of trust.
- b. At the stage of cognizance, the Magistrate is only required to see whether the complaint discloses the ingredients of the offence; detailed appreciation of evidence is impermissible.
- c. The existence of a civil remedy does not bar criminal prosecution if the allegations also constitute criminal offences.
- d. Criminal proceedings should not be stifled at inception when the complaint discloses prima

facie ingredients of the offence; the proper stage for defence is trial.

**4. In the matter of Ashdan Properties Pvt. Ltd. and Others vs. DSK Global Education and Research Pvt. Ltd. and Another dated 12.08.2025**

- a. Limitation under Section 61(2) IBC runs from the date of pronouncement, not from uploading of the order.
- b. Rule 22(2) NCLAT Rules requires a certified copy of the impugned order; appeal without it is not maintainable.
- c. NCLAT erred in entertaining a time-barred and defective appeal; NCLT's approval of the resolution plan restored.

**5. In the matter of Sonali Power Equipments Pvt. Ltd. vs. Chairman Maharashtra State Electricity Board Mumbai and Ors**

- a. The Limitation Act does not apply to conciliation proceedings under Section 18(2) of the MSMED Act. A time-barred claim can be referred to conciliation.
- b. The Limitation Act applies to arbitration proceedings under Section 18(3) of the MSMED Act. The applicability of the provisions of ACA to such arbitrations is determined as per Section 18(3) and other provisions of the MSMED Act.

**6. In the matter of Competition Commission of India vs. Independent Sugar Corporation Limited and Anr. dated 16.05.2025**

- a. Whether the Competition Commission of India (CCI) is empowered to initiate proceedings and pass orders under the Competition Act, 2002 against enterprises in respect of anti-competitive agreements or abuse of dominance when such enterprises are undergoing proceedings under the Insolvency and Bankruptcy Code, 2016.
- b. Whether the jurisdiction of the CCI under Sections 3 and 4 of the Competition Act is ousted or curtailed by the moratorium imposed under Section 14 of the IBC, or whether both statutes operate in distinct spheres.
- c. Whether the doctrine of harmonious construction requires that the Competition Act and the IBC be read together so as to preserve the jurisdiction of the CCI while ensuring that insolvency resolution proceedings are not obstructed.

**7. In the matter of IL & FS Financial Services Limited vs. Adhunik Dhunik Meghalaya Steels Private Limited dated 30.07.2025**

- a. Balance Sheet entries (signed and filed as per Companies Act) constitute acknowledgment under Section 18 of the Limitation Act, even if creditor's name is not specified.
- b. Acknowledgment must be read contextually with previous years' financials and cash flow statements to establish continuity of liability.
- c. SC's Covid-19 extension orders (10.01.2022) – where limitation had not expired, Para 5(I) applies (full exclusion), not Para 5(III).
- d. For IBC proceedings, limitation law under Article 137 (3 years) applies, but acknowledgments and exclusions can validly extend the period.

**8. Indian Oil Corporation Limited & Ors. Versus M/s Shree Niwas Ramgopal & Ors. dated 14.07.2025**

- a. The death of a partner does not automatically dissolve a partnership firm where the partnership deed expressly provides for continuity of business by surviving partners, with the option to induct

any competent heir.

- b. IOCL misinterpreted Clause 1.5 of its 2008 policy guidelines. It does not mandate inclusion of all heirs of the deceased partner; reconstitution can validly take place with surviving partners and any willing heir.
- c. As IOCL had not terminated the dealership agreement, it could not treat the dealership as dissolved or refuse to continue kerosene supplies.
- d. Being a state instrumentality, IOCL is required to act fairly, reasonably, and in public interest. Its refusal to recognize the reconstituted firm and discontinuance of supplies was arbitrary and unjust.

**9. In the matter of Punjab National Bank & Anr. vs. Kalyan Transco & Ors dated 31.07.2025**

- a. Held, that the common judgment dated 02.05.2025 suffered from errors apparent on the face of the record, as binding precedents of this Court on the scope of commercial wisdom of the CoC and finality of resolution plans were not properly applied.
- b. The judgment under review also proceeded on certain incorrect factual assumptions not borne out from the record and took into account arguments which were not advanced by the petitioners, thereby causing prejudice.
- c. In such circumstances, the errors were manifest and warranted exercise of review jurisdiction under Article 137 of the Constitution and Order XLVII Rule 1 CPC.
- d. Accordingly, the judgment dated 02.05.2025 was recalled. The review petitions were allowed, with liberty to both parties to urge all questions of law at the stage of final hearing.

**10. In the matter of Sincere Securities Private Limited & Ors. vs. Chandrakant Khemka & Ors. dated 05.05.2025**

- a. Section 14(1)(d) IBC does not bar the return of property when the CoC and RP themselves resolve not to retain it; the moratorium protects corporate debtor assets from recovery by landlords/creditors, not from CoC-directed commercial decisions. (Paras 9-10)
- b. The commercial wisdom of the CoC is paramount and non-justiciable; once the CoC decides that retaining a property is commercially unviable, courts and tribunals cannot interfere. (Para 8)

## II. High Court

**1. In the matter of Ragesh Ramesh and Anr. vs. Pushpa Jose and Ors. [MSA No. 28 of 2025]**

- a. Once an insolvency petition is admitted, the order of adjudication relates back to the date of filing, and any execution sales thereafter are without legal efficacy under Sections 28 and 56 of the Kerala Insolvency Act, 1955.
- b. It has been clarified that annulment of sale certificates is within the jurisdiction of the Insolvency Court, and a sale certificate issued by a civil court can be annulled when contrary to the provisions of the Insolvency Act.
- c. Article 300A protection (right to property) cannot override statutory provisions; once insolvency proceedings commence, the insolvent's property vests in the Receiver for equitable distribution among creditors, and individual decree-holders cannot claim priority.
- d. It was affirmed that insolvency law protects the collective rights of creditors (in this case, over 217 creditors), and individual creditors cannot bypass the statutory scheme by securing property through execution sales during pending insolvency proceedings.

**2. In the matter of Jaju Babu vs. National Company Law Tribunal & Ors. [WP(C) No. 15670 of 2024] dated 17.07.2025**

- a. If a tribunal relies on materials (such as an affidavit) filed after the conclusion of final hearing without giving parties an opportunity to respond, the order stands vitiated for violation of natural justice. Accordingly, Natural Justice Overrides Procedural Finality.
- b. Though the Insolvency and Bankruptcy Code, 2016 (IBC) provides an appellate remedy under Section 61, the High Court can exercise jurisdiction under Article 226 in exceptional cases where orders suffer from procedural impropriety or denial of natural justice.
- c. An affidavit containing undertakings that materially affect the rights of parties cannot be acted upon without hearing those parties; reliance on such documents amounts to unfairness.
- d. Once homebuyers/allottees are admitted as financial creditors and included in the CoC, their subsequent exclusion requires strict procedural safeguards. A unilateral exclusion based on creditor undertakings is unsustainable.
- e. An NCLT order effectively reviewing or altering the CoC's earlier decisions (such as inclusion of homebuyers) cannot be passed without procedural fairness.
- f. Courts generally refrain from interfering in IBC proceedings; however, intervention is warranted when there is a clear breach of natural justice or lack of jurisdiction.

**3. In the matter of K. S. Manigandan vs. Insolvency and Bankruptcy Board of India & Ors. [W.P. No. 23703 of 2025] dated 22.08.2025**

- a. Complaints against insolvency professionals/liquidators must be handled under the 2017 Grievance Regulations and 2017 Investigation Regulations.
- b. IBBI must form a prima facie view within 30 days of receiving a complaint; timelines are binding.
- c. While IBBI may entertain belated complaints, it cannot delay disposal beyond statutory limits.
- d. Procedural delay in complaint handling cannot be permitted to prejudice complainants' rights.

**4. In the matter of Anil Kumar Ojha vs. The State Rep by Inspector of Police, CBI ACB, Chennai dated 04.08.2025**

- a. A Resolution Professional (RP), though performing primarily administrative functions, operates under the authority of the NCLT and in connection with administration of justice; hence, falls within the ambit of "public servant" under Section 2(c)(v), (vi) & (viii) of the Prevention of Corruption Act, 1988.
- b. The restrictive view of the Delhi High Court (Dr. Arun Mohan v. CBI) excluding RPs from the definition of public servant was disagreed with; the Madras High Court adopted a broader interpretation consistent with the object of the PC Act.
- c. Duties of RPs, including custody of assets, collation of claims, submission of reports, and monitoring debtor operations, directly impact creditors, debtors, and society at large; thus, they cannot be treated as private actors.
- d. Pendency of SLPs before the Supreme Court without any interim stay does not justify indefinite withholding of sanction by IBBI; investigation and prosecution cannot be stalled awaiting the final verdict.

**5. In the matter of Savan Godiawala vs. Insolvency and Bankruptcy Board of India**

- a. Delhi High Court upheld the powers of IBBI under Section 196 of the IBC, 2016 to conduct inspections and disciplinary proceedings against Insolvency Professionals, affirming that refund

of excess fees after detection does not absolve liability, and dismissed the writ petition challenging the two-year suspension of registration.”

- b. Under Article 226, the High Court cannot substitute its own conclusion for that of IBBI’s Disciplinary Committee, unless the decision is perverse or violates due process.
- c. The Court held that Section 233 IBC protection (for acts done in good faith) does not extend to negligence or misconduct by insolvency professionals.

#### **6. In the matter of ARCL Organics Ltd. vs. Stressed Asset Stabilization Fund**

- a. A Resolution Professional (RP), though performing primarily administrative functions, operates under the authority of the NCLT and in connection with administration of justice; hence, falls within the ambit of “public servant” under Section 2(c)(v), (vi) & (viii) of the Prevention of Corruption Act, 1988.
- b. The restrictive view of the Delhi High Court (Dr. Arun Mohan v. CBI) excluding RPs from the definition of public servant was disagreed with; the Madras High Court adopted a broader interpretation consistent with the object of the PC Act.
- c. Duties of RPs, including custody of assets, collation of claims, submission of reports, and monitoring debtor operations, directly impact creditors, debtors, and society at large; thus, they cannot be treated as private actors.
- d. Pendency of SLPs before the Supreme Court without any interim stay does not justify indefinite withholding of sanction by IBBI; investigation and prosecution cannot be stalled awaiting the final verdict.

#### **7. In the matter of Prabha Anthony Yadav and Anr. vs. Ramashankar Rai and Ors..**

- a. Whether the plaintiffs, as partners of an unregistered firm, were barred from suing; held that since no partnership business commenced and the claim was for recovery of money obtained by fraud, the bar did not apply?
- b. Whether the arbitration clause in the partnership deed ousted the jurisdiction of the civil court; held that appellants were not parties to the deed and no Section 8 application was filed, hence civil court jurisdiction stood?
- c. Whether the plaintiffs properly pleaded and proved fraud by Late Samir Kumar Yadav; held that money receipts, cheques, and corroborative evidence established fraudulent misrepresentation?
- d. Whether the widow and daughter could be made liable; held that having inherited the estate of Late Samir Kumar Yadav, they were bound to discharge his debts to the extent of assets inherited?

#### **8. In the matter of Mohota Industries Ltd. vs. Smt. Vibha dated 09.06.2025**

- a. A suit instituted during the subsistence of moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is barred in law and is rendered non est, irrespective of the reliefs claimed.
- b. Claims for arrears of rent and possession by a landlord against a corporate debtor fall within the ambit of “operational debt”, which must be raised before the Resolution Professional in CIRP, not before a Civil Court.
- c. By virtue of Sections 63, 231, and 238 of the IBC, the jurisdiction of civil courts is expressly barred, and the IBC overrides the Code of Civil Procedure and any other enactment to the contrary.

#### **9. In the matter of Susan Thomas vs. State of Kerala, represented by Public Prosecutor, Assistant Director, Enforcement Directorate, Cochin dated 25.07.2025**

- a. Dissolution of a company does not wipe out criminal liability for offences committed during its existence.

- b. Under PMLA (Section 70), both company and responsible directors can be prosecuted.
- c. Courts may permit prosecution of dissolved companies by restoration or by arraigning directors as representatives.
- d. Urgent need for legislative amendment in CrPC/BNSS to provide a clear procedure for prosecuting dissolved or struck-off companies.

### III. NCLAT

#### 1. In the matter of Anil Singh vs. SREI Equipment Finance Ltd. & Anr. dated 25.08.2025

- a. An intervention under Section 65 IBC alleging fraudulent and malicious initiation of CIRP deserves consideration on merits; such allegations cannot be rejected merely for want of locus when raised by stakeholders like workmen; stakeholders like workmen have the right to raise them.
- b. The Adjudicating Authority erred in holding that only the corporate debtor or financial creditor can be heard at admission under Section 7; Section 65 confers an independent ground to test mala fide initiation of proceedings.

#### 2. In the matter of Protech Impex Pvt. Ltd. & Anr. vs. Uttar Pradesh Rajkiya Nirman Nigam Ltd. dated 25.08.2025

- a. A Section 9 application filed on the basis of default dated 15.01.2016 was held barred by limitation when filed on 20.02.2020, since the three-year period had already expired.
- b. The appellant's reliance on a payment dated 16.10.2017 to seek extension of limitation under Section 19 of the Limitation Act, 1963 was rejected as there was no specific pleading in the Section 9 application and no written acknowledgment by the corporate debtor of such payment.
- c. The NCLAT reaffirmed that for Section 19 to apply, two conditions must be fulfilled: (i) payment within the prescribed period of limitation, and (ii) acknowledgment of such payment in writing by the debtor. Both conditions were absent in this case.
- d. Refund of a security deposit furnished by the contractor cannot be treated as acknowledgment of debt under Section 19 of the Limitation Act.
- e. Accordingly, the order of the Adjudicating Authority dismissing the Section 9 application as time-barred was upheld, and the appeal was dismissed.

#### 3. In the matter of 5MF & G Private Limited vs. BMI Wholesale Trading Private Limited dated 25.08.2025

- a. A withdrawal of a petition based on settlement/consent terms is not a simpliciter withdrawal. Where such consent terms expressly reserve the right of revival in case of default, that right survives even if the withdrawal order itself does not record liberty to restore.
- b. The Adjudicating Authority erred in dismissing the restoration application solely on the ground that the withdrawal order did not contain liberty to revive. Once consent terms were filed and taken on record, their binding stipulations including revival could not be ignored.

#### 4. In the matter of Jadeja Ravirajsinh Juvansinh vs. Nuvoco Vistas Corporation Ltd. & Ors. dated 21.08.2025

- a. Gratuity dues of employees are included within the ₹6.30 crores earmarked as "Employee Payment Amount" under the Resolution Plan; no separate or additional payout for gratuity is envisaged.

- b. Reliance on Form-H to claim gratuity over and above the ₹6.30 crores is misplaced, as Form-H is only a compliance certificate and cannot override express provisions of the Resolution Plan.
- c. The RP's direction to first settle gratuity dues from within the ₹6.30 crores, and distribute the balance pro rata among employees, was consistent with Clause 13.1.2 of the Resolution Plan.
- d. The Resolution Plan, approved unanimously by the CoC and by the Adjudicating Authority, complied with Section 30(2) of the IBC; no illegality or inconsistency

**5. In the matter of Rajesh Vilasrao Patil & Ors. vs. Savannah Lifestyle Pvt. Ltd. & Anr.**

- a. Assignments of loans to ineligible private parties are prohibited under RBI's 2021 Transfer of Loan Exposure Directions, rendering such transactions void for IBC purposes.
- b. Explanation to Section 7(1) cannot be invoked unless the applicant independently qualifies as a Financial Creditor under Section 5(7) of the IBC.

**6. In the matter of Sumeet Juneja vs. Stressed Assets Stabilisation Fund (SASF)**

- a. A personal guarantor cannot evade liability by alleging non-service when service has been duly affected through multiple permissible modes; guarantors are under an obligation to keep creditors informed of their correct addresses.
- b. Valid invocation of guarantee stood established through Recovery Certificate and demand notices; hence, the Section 95 petition was maintainable and not barred by limitation.
- c. Assignment of debt to an Asset Reconstruction Company during pendency of proceedings does not vitiate maintainability, as the assignee steps into the shoes of the assignor under law.
- d. The Appellant's conduct showed deliberate avoidance and forum shopping; appeal dismissed with exemplary costs of ₹5,00,000/-.

**7. In the matter of Ritu Shree Somani & Ors. vs. Bank of Baroda & Ors. dated 25.08.2025**

- a. An application for condonation of delay in refiling must demonstrate bona fide and unavoidable reasons; reliance on lapses of counsel or clerical staff cannot, by itself, justify condonation when litigants are expected to remain vigilant about their rights and proceedings.
- b. In the context of the Insolvency and Bankruptcy Code, time is of the essence; delays of 141-160 days in refiling cannot be condoned absent credible and sufficient cause, as liberal or sympathetic considerations cannot override the strict timelines mandated under the Code.

**8. In the matter of Jindal Lifestyle Limited vs. Satyendra Sharma & Ors. dated 21.08.2025**

- a. Section 60(5) gives the NCLT wide powers to entertain claims by or against the Corporate Debtor during CIRP, overriding other forums.
- b. By virtue of Section 238, the Insolvency and Bankruptcy Code prevails over the Arbitration and Conciliation Act, 1996, and other laws in case of conflict.
- c. An award that has attained finality but remains unexecuted can still be enforced during CIRP by the Resolution Professional.
- d. Under Article 136 of the Limitation Act, arbitral awards are enforceable for 12 years from the date they become enforceable; the award in question was well within limitation.
- e. The 90-day period for passing an award under Section 18(5) of the MSME Act is directory, not mandatory, and delay does not invalidate the award.

- f. Insufficient stamping does not make an award void; such defects are curable and do not prevent enforcement in IBC proceedings.
- g. RPs must pursue all valid and enforceable claims to maximize value for creditors, even if such claims were not acted upon by the Corporate Debtor before CIRP.

\*\*\*\*\*



# Tariff Shocks and Indian Firm Valuations: A 2025 Scenario Analysis

-CA. Parag Kulkarni

## Introduction & Executive Summary

Global trade developments in 2024–2025, influenced by U.S., EU, and India’s trade and tariff policies, are important drivers of corporate valuations. These developments affect revenues, operating margins, working capital, capital expenditure plans, and the cost of capital, making them central to enterprise value and EBITDA multiples. Indian companies and multinationals with India exposure are navigating U.S. tariffs, EU measures such as the Carbon Border Adjustment Mechanism (CBAM), and India’s evolving free trade agreements.

Analysis across three scenarios current baseline, escalation, and easing shows potential margin variations of +50 to -200 basis points, shifts in WACC of  $\pm 30$ –100 basis points, and EV/EBITDA multiple changes of  $\pm 0.5$ –1.0 turns across sectors. These numbers highlight how corporate valuations respond to evolving trade patterns, offering both challenges and opportunities. Sectoral impacts differ across industries. Electronics, handsets, and textiles can benefit from new supply-chain opportunities, while metals and chemicals respond to carbon-related policies. IT services are influenced by client needs and cross-border talent policies rather than direct tariffs, demonstrating that each sector has unique drivers.

On many occasions, while undertaking a Corporate Insolvency Resolution Process (“CIRP”) or Liquidation Process under the Code, there may emerge a clash between IBC and another enactment or inconsistency between provisions of IBC and another enactment. It has been held that clash may not necessarily be direct.

Certain important considerations while evaluating the inconsistencies/clash between certain enactment vis a vis the Code include inter alia appreciating the object of IBC and other enactment, identifying the root of inconsistencies and if the inconsistencies are reconcilable, identifying whether the subject enactment is a state enactment or Central enactment, then evaluating the Entry and List of the Seventh Schedule under which the subject law is enacted and evaluating whether the said enactment also falls under List III. Based on these, one may then test the contours of Section 238 of the Code vis a vis Article 246, Article 254 and other relevant provisions of the Constitution and attempt to address the question of whether IBC/provisions of IBC override such other existing law. This article attempts to highlight the critical considerations, legal provisions and judicial precedents on the subject matter of supremacy of the Code.

## Global Trade Policy Shifts in 2025 - An Overview

In 2025, global trade policies continue to influence corporate valuations and investment decisions. The United States maintains elevated tariffs, including Section 301 duties on China and Section 232 tariffs on metals and autos. Additional tariffs on Indian imports, partly linked to foreign policy considerations, have created both challenges and opportunities for Indian exporters. Meanwhile, selective discussions between the U.S. and its partners, including partial tariff relief, indicate the potential for targeted easing under certain conditions.

In Europe, trade measures such as tariffs on Chinese electric vehicles and the Carbon Border Adjustment Mechanism (CBAM) are shaping market access and cost structures. CBAM, in particular, affects carbon-

intensive exports like steel, aluminium, and cement, with Indian exporters needing to address emissions intensity to remain competitive. These policies, combined with EU-China trade dynamics, highlight the importance of proactive planning for Indian firms in sectors exposed to carbon and industrial regulations.

India's trade strategy balances protective tariffs, production incentives, and free trade agreements. Production-Linked Incentive (PLI) schemes have supported domestic manufacturing across multiple sectors, transforming India into a net exporter of key products such as mobile phones and bulk drugs. Concurrently, new FTAs, including with the UK, UAE, and Australia, provide exporters with access to friendly markets, helping mitigate external shocks.

From an investor perspective, these trade developments influence India's country risk profile and corporate discount rates. Policies that enhance trade access and supply-chain resilience can lower the weighted average cost of capital (WACC), while barriers or tariff escalations can increase perceived risk. Overall, Indian firms' ability to navigate these evolving trade dynamics through strategic localization, diversification, and leveraging incentives remains critical to sustaining growth and valuation stability in a complex global environment.

### **Valuation Impact Channels – From Tariffs to Cash Flows & Multiples**

Trade policies influence corporate valuations through multiple channels, affecting revenues, margins, capital expenditure, working capital, and the cost of capital. Five foundational principles anchor this translation. First, tariff incidence and pass-through determine how much of a tariff cost is absorbed by producers versus passed to customers, with differentiated products allowing higher pass-through and commoditized goods more directly impacting margins. Second, demand substitution and elasticity shape revenue opportunities, as Indian firms can gain market share when buyers seek alternatives to high-tariff competitors, such as the "China+1" supply-chain shift to India.

Third, cost structure and localization play a key role. Firms that localize inputs or leverage Production-Linked Incentive (PLI) schemes can mitigate tariff impacts, optimize supply chains, and even improve margins through strategies like AI-driven duty engineering. Fourth, working capital and inventory dynamics are influenced by trade policies, as firms may build inventory buffers or adjust receivables cycles in response to changing tariffs, affecting free cash flows and short-term financing needs. Fifth, country risk premium and WACC reflect investor perceptions of trade stability; favourable trade positioning can reduce risk premiums and financing costs, whereas uncertainty can increase WACC, impacting valuations and investment decisions.

Seven causal channels link tariffs to valuation outcomes: export volumes, direct and indirect costs, working capital shifts, risk premia changes, currency movements, and investor sentiment influencing market multiples. Scenario-specific assumptions such as currency fluctuations, commodity prices, and global growth further refine the analysis, showing how different trade environments affect sectors differently. High-tariff or T-Tight scenarios may see elevated costs and modest volume shifts, while T-Thaw scenarios can support revenue growth and lower financing costs.

Finally, scenario matrices map valuation levers across major sectors, providing decision-makers a high-level view of potential opportunities and impacts. These insights help firms strategically navigate evolving trade dynamics, optimize cash flows, and maintain robust valuations across diverse global trade environments.

### **Scenario Corridor Analysis- Matrices and Insights**

**U.S.–India Trade Corridor:** The U.S.–India trade relationship in 2025 is characterized by moderate tariffs and selective import duties, with potential upside in a cooperative scenario and risks if tariffs escalate. In a T-Tight scenario, sectors like Textiles and Apparel could face pressure due to high dependence on U.S. markets, while Electronics, Auto components, and IT services have flexibility to pivot to other markets or localize production. Pharma and domestically-oriented Metals remain relatively insulated. In a T-Thaw scenario, renewed trade access and preferential tariffs could enhance earnings and valuations for exporters,

creating opportunities for multiple expansion.

**U.S.–China Trade Corridor (“China+1” Spillovers):** Ongoing U.S.–China tariffs create opportunities for Indian exporters as companies diversify supply chains. Electronics, apparel, and select auto parts can gain market share under continued U.S.–China friction, although higher input costs and capex investments may temper short-term margins. A T-Thaw scenario with eased U.S.–China tensions could slow the urgency of supply-chain shifts, emphasizing domestic-demand-focused strategies. Firms with flexibility and real options to capture global orders are well-positioned for upside.

**EU–China Trade Corridor (EV Tariffs & CBAM):** EU measures, including tariffs on Chinese electric vehicles and the Carbon Border Adjustment Mechanism (CBAM), generate indirect opportunities and challenges for India. Heavy industries like steel and aluminium face CBAM-driven pressures, incentivizing investment in green processes, while auto-component and apparel exporters may benefit from EU supply-chain diversification. Firms with sustainable operations, ESG compliance, and EU-facing growth strategies are likely to command valuation premiums, whereas less adaptable players risk margin erosion. In a T-Thaw scenario, focus may shift back to domestic growth, with reduced urgency for being a China alternative.

### **Strategic Playbook for Indian Firms- Defending Margins, Lowering WACC, Expanding Multiples**

Indian firms can enhance valuations and safeguard cash flows by following five foundational principles. First, diversification and flexibility in both export markets and supply sources allows companies to pivot efficiently when trade policies change. Firms with a balanced presence across the U.S., EU, Middle East, and domestic markets can absorb shocks, while multi-sourcing critical inputs reduces margin volatility and supports steady free cash flows. Second, tariff engineering and PLI utilization help offset duties and even turn them into advantages. By legally optimizing product classification, routing production through low-tariff jurisdictions, or leveraging Production-Linked Incentives, companies can protect margins while benefiting from government support.

Third, moving upstream in the value chain through localization or vertical integration minimizes reliance on imported inputs, stabilizes costs, and enhances margins. Auto and electronics sectors, for example, are investing domestically in components to secure supply and reduce tariff exposure. Fourth, hedging and financial resilience protect against second-order effects of trade changes, such as currency swings or commodity price shifts. Strong cash flow management, moderate leverage, and dynamic hedging help maintain investor confidence and lower the cost of capital. Fifth, alignment with national trade policy and signalling ensures companies are positioned to benefit from government initiatives, FTAs, and strategic supply-chain partnerships, signalling reliability to both policymakers and investors.

To operationalize these principles, three scalable innovations can be implemented within 6–18 months. AI-driven supply chain optimization allows real-time rerouting and cost analysis in response to tariff changes, smoothing earnings and protecting margins. Green manufacturing and CBAM credits enable firms to reduce carbon footprints, gain EU market advantages, and potentially command premium pricing for sustainable products. Financial structuring and partnering, including near-shore assembly, bonded warehouses, or joint ventures, can effectively mitigate tariff impacts while maintaining operational scale.

In essence, these measures enable firms to transform trade policy dynamics into opportunities. By investing in flexibility, operational efficiency, sustainability, and strategic positioning, Indian companies can defend margins, lower WACC, and enhance valuation multiples. The overarching philosophy is to shift the narrative from reacting to tariffs to proactively navigating global trade changes, ensuring long-term growth and investor confidence.

### **Policy Recommendations- India Executive Brief (for Policymakers)**

To strengthen India’s economic position and protect corporate valuations, policymakers can focus on a combination of trade, fiscal, and infrastructure strategies. Proactive free trade agreements (FTAs) are critical: fast-tracking deals with the EU, Canada, and other major markets can secure tariff-free access for

Indian exports, while addressing mechanisms like CBAM to protect key sectors such as steel, aluminium, and chemicals. Reinstating preferences like the U.S. GSP for labour-intensive exports can also provide additional market support.

Calibrated domestic tariffs are equally important. Maintaining low or zero duties on critical inputs helps Indian manufacturers remain cost-competitive, while selective tariffs on finished goods nurture emerging industries. Tariff-rate quotas, rather than blanket tariffs, ensure essential supply and price stability. Strengthening PLI schemes and export incentives further enhances competitiveness: expanding support for sectors like solar PV, semiconductors, and APIs, and offering temporary liquidity support for exporters facing sudden foreign tariffs, can safeguard operations, especially for MSMEs.

Green transition and CBAM readiness are increasingly strategic priorities. Developing domestic carbon markets, linking with international frameworks, and financing industrial decarbonization allow Indian exporters to meet global environmental standards while minimizing costs. Trade facilitation and infrastructure improvements, such as digitized customs, FTWZs, efficient ports, and upgraded testing facilities, reduce lead times and position India as a reliable, compliant manufacturing hub.

Diplomatic engagement in global trade conflicts is essential to secure India's interests. Active participation in multilateral forums like the WTO, G20, QUAD, and IPEF allows India to shape rules and pre-empt adverse effects from global tariff disputes, while leveraging opportunities from friend-shoring and supply chain realignment. Finally, bolstering domestic demand and self-reliance acts as a natural buffer against external shocks, ensuring that sectors facing global headwinds can still thrive in the local market.

### **Conclusion- Top 5 Takeaways & Future Outlook**

- (a) Trade Policy Impacts Finances Directly: Tariffs affect cash flows and margins, not just volumes. A 10% tariff can shift EBITDA by 50–100 bps, alter WACC by up to 100 bps, and impact valuation multiples for exposed sectors.
- (b) India as a Key Supply Chain Alternative: Geopolitical frictions (U.S.–China, EU–China) are redirecting global supply chains toward India, creating growth opportunities in manufacturing, electronics, and pharma.
- (c) Policy Support Buffers Firms: Domestic measures like PLI schemes, FTAs, and calibrated tariffs help mitigate external shocks, reducing downside risks and enhancing upside potential in favourable scenarios.
- (d) Adaptability Drives Resilience: Agile firms that can shift markets, inputs, or production quickly outperform. Flexibility in factories, sourcing, and pricing is critical to navigate trade volatility.
- (e) ESG and Innovation as Strategic Hedges: Environmental compliance (e.g., CBAM readiness) and digital/AI-enabled supply chain management provide competitive advantages and protect margins under trade stress.

**Looking Ahead-** The next 3–5 years will see “managed trade” with shifting alliances, carbon and local sourcing requirements, and continuous negotiation. India can solidify its role as a key global supply node through agility, reforms, and strategic investments.

**Data & Research Needs-** Granular tariff mapping, export elasticity, company-level exposure, carbon benchmarks, and PLI efficiency data are crucial. A dedicated task force can generate a “Tariff Impact Index” to guide corporate and investor strategies.

By combining scenario analysis, policy support, and strategic agility, India and its corporates can turn trade turbulence into valuation opportunities, sustaining growth and shareholder value.

\*\*\*\*\*



# CORPORATE GOVERNANCE THROUGH THE LENS OF THE INSOLVENCY AND BANKRUPTCY CODE

Ms. Gargi Misra

## Introduction & Executive Summary

Corporate Governance is the foundation on which companies operate in today's competitive and dynamic environment. It supports the long-term sustainability and forms the backbone of any healthy company. On the other hand, the Insolvency and Bankruptcy Code (IBC hereinafter referred to as the 'Code') provides an essential framework for resolving distress when companies fail due to poor governance practices.

The Code has reshaped the way in which corporate governance is perceived in the companies; it has strengthened the culture of integrity, discipline, and strong leadership throughout the corporate sector, compelling the companies to adopt stronger governance practices long before insolvency, and ensuring accountability, transparency, and ethical conduct by the Board and management of the company.

It will not be wrong to say that businesses operate in a constantly shifting environment, and despite their size and legacy, even the well-established organizations are susceptible to financial stress, mismanagement, or governance failures.

To protect a company from the risks of insolvency, liquidation, or financial collapse, it is vital to ensure that a company survives, making good corporate governance practices an indispensable fundamental principle for companies so that they move forward stably.

In this article, we will focus on how poor governance can lead a company to undergo the corporate insolvency resolution process/liquidation, and how the Code is bringing about evident changes in the concept of corporate governance. Further, this article will analyze as to what constitutes a breach of corporate governance in insolvency matters.

## Understanding Corporate Governance

As per the **G20/OECD Principles of Corporate Governance**<sup>1</sup> "Corporate Governance involves a set of relationships between a company's management, board, shareholders, and stakeholders. Corporate governance also provides the structure and systems through which the company is directed, and its objectives are set, and the means of attaining those objectives and monitoring performance are determined."

In simple terms, corporate governance refers to the system by which a company is directed and controlled. It involves balancing the interests of all stakeholders of the company, including shareholders, senior management, customers, suppliers, financiers, the government, and the community at large. Well-designed corporate governance policies not only enhance the sustainability and resilience of individual corporations but also contribute to the stability and strength of the economy.

The Board of Directors in a company sits on the highest level of the hierarchy of management, and they are in control of looking after the governance of the company. It is their duty and responsibility to protect

<sup>1</sup>OECD (2023), *G20/OECD Principles of Corporate Governance 2023*, OECD Publishing, Paris, <https://doi.org/10.1787/ed750b30-en>.

the company and take all necessary measures if the survival of the company is threatened in a way that may bring instability or even worse, the stage of insolvency for the company. Thus, the Board of Directors either shapes a company constructively by following good governance or plays a part in letting another company swallow it by following poor governance.

A company may practice either good governance or poor governance, and the quality of its governance ultimately determines its success or failure. Sound governance builds trust, accountability, and long-term value, while weak governance often leads to mismanagement, financial distress, and loss of reputation.

Since we are analyzing the insolvency and bankruptcy code from the perspective of corporate governance, it is necessary to first understand the factors that drive a company into financial turmoil. Now, every Company has a mix of good and bad governance. But there are instances when a company itself reflects that bad governance is prevailing behind its closed doors. Various factors together constitute bad governance, and they are as follows:

1. **Ineffective Functioning of the Board of Directors-** When the Board fails to provide proper directions, make strategic decisions, and displays an inability to act in the company's long-term interests, it paves the way for operational and financial deterioration.
2. **Subordination of Individual Interest Over General Interest-** When the decisions are influenced by individual motives, they undermine fiduciary duties and weaken the company's governance structure.
3. **Inadequate Risk Management Mechanisms and Internal Control Frameworks-** Weak risk management systems expose a company to various vulnerabilities and financial setbacks.
4. **Concentration of decision-making power in the hands of a few individuals-** Centralization of authority in the hands of a few, usually the promoters or senior management, reduces transparency, checks and balances and increases governance failures.
5. **Non-compliance with statutory and regulatory requirements-** Ignoring legal obligations and failure to adhere to the corporate, financial, or sectoral regulations invites penalties and disputes, which directly affect a company's financial health.
6. **Insufficient training and awareness among the directors and senior executives-** Directors and executives lacking leadership qualities, governance skills, and a sense of responsibility weaken the board's effectiveness.
7. **Absence of accountability for the actions/inactions prevailing in the company-** Weak accountability structures foster a culture of misconduct, negligence, and mismanagement in a company. And when actions and omissions go unchecked, the company faces governance collapse.
8. **Nepotism and Non-Meritocratic Appointments-** Preferential appointments dilute professionalism and lead to poor decision-making at critical levels, raising questions on the credibility and competence of the company.
9. **Willful Ignorance towards governance failures and unsound business decisions-** Ignoring warning signs, flawed decisions, and unethical practices pushes a company towards financial distress and potential insolvency.

These are just a few factors, but the list may go on. Even a small issue may someday turn out to be a big contributing factor towards poor governance.

### **How does the Insolvency and Bankruptcy Code address and correct Corporate Governance failures?**

The governance gaps outlined above often push the companies towards financial stress. This is where the Insolvency and Bankruptcy Code (IBC) steps in as a corrective framework. The IBC Regime has significantly changed the perception of both the borrowers and the lenders. It has strengthened the creditor rights and has conferred greater accountability and answerability on the management of a company.

The shift in control from the defaulting management to an independent resolution professional and the Committee of Creditors has brought better clarity, discipline, and oversight where leadership has failed.

Through provisions targeting avoidance transactions, wrongful trading, and managerial misconduct, the Code ensures that those responsible for poor governance fall under proper scrutiny and are held accountable. Thus, the IBC not only focuses on providing resolution during insolvency but has really encouraged the management of a company to take good governance as a serious obligation, rather than a casual, dismissive principle. The key governance-related developments brought by the Code are as follows:

1. Creditor in Control Framework
2. Ensure checks and balances
3. More transparency and increased accountability for both the actions and inactions of the Management, decision-makers, and related parties.
4. Promoting good corporate governance and responsible corporate behavior.
5. Consequences for fraudulent activities, ensuring improved internal governance.
6. Ensuring proper regulatory and other compliance.

The insolvency and bankruptcy code is continuously evolving, and the fear of consequences has compelled companies to follow good governance.

### **What constitutes a breach of Corporate Governance in insolvency matters?**

The Insolvency and Bankruptcy regime is one of the most robust and thought-through legal frameworks in the current corporate world. It has tackled the issue of corporate governance thoroughly and extensively. However, the focus is primarily on the concerns of governance prior to initiation of the Insolvency/Liquidation proceedings. It is important to address another important question as to what constitutes a breach of corporate governance once the insolvency is initiated.

### **Scenario 1: Is Non-Cooperation by Promoters with the IRP a Breach and Negligence of Corporate Governance when insolvency is initiated?**

The Code clearly states that the personnel of the Corporate Debtor are to extend cooperation to the Interim Resolution Professional<sup>2</sup>.

Once the CIRP is initiated, the IRP/RP has complete control of the management of affairs of the corporate debtor, and all the powers of the Board of Directors stand suspended and are vested in the IRP/RP<sup>3</sup>.

Therefore, when promoters purposefully refuse to cooperate, this plainly amounts to a violation of the law and neglect of corporate governance, because the defiance shown by the promoters reflects that the interests of the individual have priority over those of the corporate debtor and its sustainability.

Failure to provide documents, financials, records, books of accounts, statutory registers, and passwords, handover of assets, furnishing wrong/incomplete information, and other similar acts constitute a governance breach by the management, and this is one of the leading causes of delay in timelines and getting a resolution for the corporate debtor.

Such conduct not only hampers the insolvency process but also unfairly casts doubt on the competence and effectiveness of the Resolution Professional in the eyes of the Adjudicating Authority, the Committee of Creditors, and other stakeholders, despite the RP/Liquidator being entirely without fault.

<sup>2</sup>Insolvency and Bankruptcy Code of 2016, S.19

<sup>3</sup> Insolvency and Bankruptcy Code of 2016, S. 17(1) (a)&(b)

## **Scenario 2: Does obstructing the IRP/RP from conducting his duties and running the corporate debtor as a going concern go against the principles of corporate governance?**

Yes, any behavior that prevents the Interim Resolution Professional (IRP) or Resolution Professional (RP) from managing the affairs of the Corporate Debtor (CD) as a going concern constitutes one of the most serious violations of corporate governance during the CIRP.

Such obstructions have the potential to derail the entire insolvency process, as they directly threaten the survival of the Corporate Debtor and are a clear breach of the statutory duties and regulatory framework prescribed under the Code.

Simply put, any instance or behavior of the suspended board, promoters, related parties, employees, or any other connected individual that puts the duties and responsibilities of the IRP/RP in a jeopardized situation and impacts the smooth conduct of the CIRP process strikes right to the core of Corporate Governance.

### **Suggestions to tackle breach of governance during the insolvency process**

Although the Insolvency and Bankruptcy Code contains a dedicated provision under Section 19 to address non-cooperation and breaches by the management, personnel, or any person associated with the corporate debtor, the practical effectiveness of merely filing a Section 19(2) application before the Adjudicating Authority is diminishing by the day. To strengthen compliance and avoid poor governance during the CIRP process, the following measures may be considered:

#### **1. Prioritization & Timely Disposal of Section 19 Applications:**

The Adjudicating Authorities should accord priority to matters under Section 19 and ensure their expeditious disposal. Strict, time-bound directions must be issued to the suspended board and other relevant personnel for providing cooperation or furnishing the requisite information.

#### **2. Enforcement Through Penal Consequences:**

In cases of non-compliance with the orders passed under Section 19, leading to continued defiance, proper punitive action needs to be imposed. Clearly defined penalties for non-compliance would prove a strong deterrent and ensure that the directions of the Adjudicating Authority are implemented quickly and effectively.

#### **3. Resolution Professionals to be better equipped and trained:**

The Interim Resolution Professionals and the Resolution Professionals must be properly trained and prepared for such challenging situations that may come their way.

In conclusion, good corporate governance is the company's shield against financial instability, while the IBC acts as a remedial mechanism that restores order and stability when governance frameworks fail. The interplay of these two elements is essential in preserving enterprise value, safeguarding stakeholder interests, and fostering a resilient and transparent business environment.

Overall, Corporate governance matters just as much before insolvency as it does after the process begins. Strong governance in the pre-insolvency stage can prevent a company from slipping into CIRP, while responsible conduct during CIRP is crucial for reviving the corporate debtor and achieving a timely resolution.

\*\*\*\*\*



**RESOLVE-2025**

1st - 2nd DECEMBER, MUMBAI

ENABLING RESOLUTION, MAXIMIZING VALUE

## SPONSORS

### Silver Sponsor



### Bronze Sponsors

**NEOSTRAT ADVISORS LLP**  
*Leveraging Ideas for Value*

**In.Corp**  
An **uscentium** Company

**SKYZ** | Revival & Restructuring  
Ahmedabad | Chennai | Hyderabad



### Associate Partner











## AREION GROUP

Redefining Distressed Asset Solutions.

### OUR STRATEGIC DIVISIONS

-  Alternative Asset Management
-  Non Banking Financial Institution (NBFC)
-  Retail Collection
-  Distressed Real Estate Investments
-  Transaction Advisory
-  Asset Reconstruction



[www.areion.in](http://www.areion.in)



### Expert Legal Knowledge

Skills and knowledge of SARFAESI, DRT, IBC and related legislations.



### 15+ Years' Experience

Decade long experience in stressed asset management.



### Distressed Asset Solutions

Deep expertise in special situations and distressed asset resolution.



### Nationwide Debt Resolution

Resolved Stressed debt across all the public and private sector banks/ ARCs /SFCs of the country.



### Proven Value Recovery Team

Proven team delivering with impactful resolutions and value recovery.



**OMKARA**  
ASSETS RECONSTRUCTION PVT LTD

### Reviving Assets, Sustaining Growth

Expertise in acquiring and resolving distressed assets, aiding in financial recovery and asset reconstruction.

✓ Efficient Asset Resolution

✓ Specialized Expertise

✓ Optimal Recovery Strategies

✓ Strong Legal and Compliance Edge



## NEOSTRAT ADVISORS LLP

Leveraging Ideas for Value

### Strategic Achievements

Teamwork, Trust and Tenacity

#### IIFL-ACRE Dispute

Appointed as Observer in the litigation between IIFL - ACRE ARC by the High Court, Mumbai. An out of court settlement has now been reached.

#### ENBD-RBL Investment

Worked along with EY on ENBDs INR 27000 cr Investment for a 60% stake in RBL - the largest FDI in India's banking sector.

#### HBS Auto SEZ Acquisition

Advised Lotus Ornaments and the Mahansaria Group on the acquisition of HBS Auto SEZ in Gujarat - NeoStrat's debut transaction.

### Our Services



Strategic & Commercial Advisory



Dispute Resolution & Governance



Restructuring & Turnaround



Investment Banking



Board Advisory & CXO Mentorship

[www.neostratadvisors.com](http://www.neostratadvisors.com) | [enquiries@neostratadvisors.com](mailto:enquiries@neostratadvisors.com)



### InCorp Restructuring Services LLP (IRS LLP)

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

#### Practice Areas

Turnaround & Restructuring Services

Distressed Asset Advisory

Support and Process Advisory

Alternate Dispute Resolution Services

Pre-Pack Insolvency & MSME Resolution

Fund Raising

Homebuyer Advisory & Representation

Tax & Regulatory Advisory

Investment Banking & Special Situations Funding

Real Estate & Redevelopment Advisory

#### Practice highlights

15+ Partners

INR 35k Cr+ Resolved Admitted Claims

100+ Deals Restructured

~89% Average CoC Approval Rate

25K+ Homebuyers Engaged

200+ Team of Professionals

50+ Resolution Applicants Advised

100% Success Rate in Insolvency Cases

+91 98200 24619 | jayesh.sanghrajka@incorprestructuring.in | www.incorprestructuring.in | /InCorp Restructuring

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



**SKYZ Revival & Restructuring**  
REDEFINING PERSPECTIVES

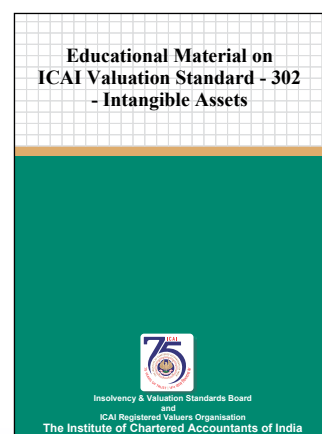
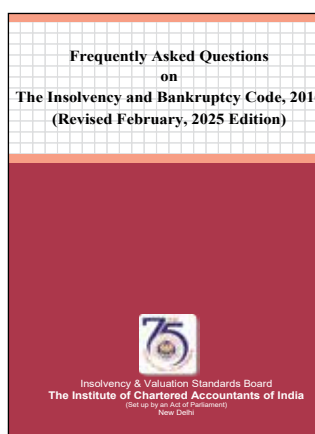
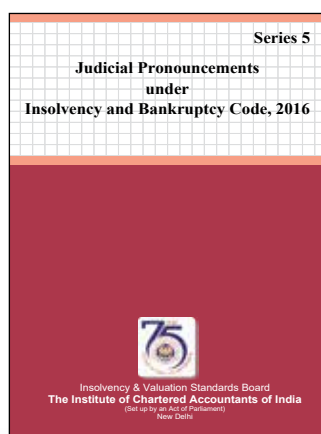
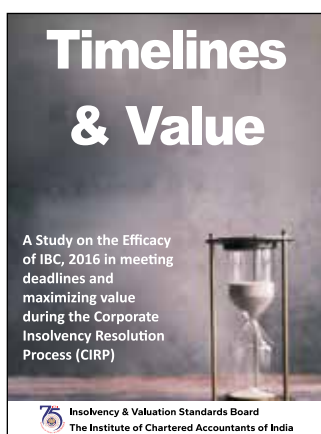
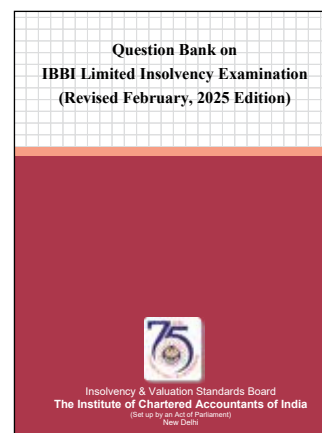
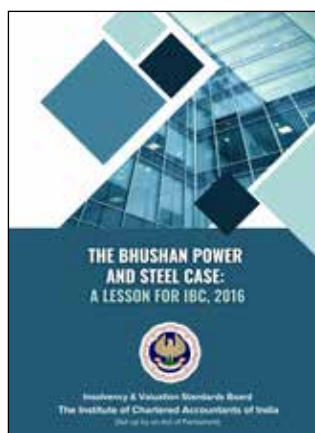
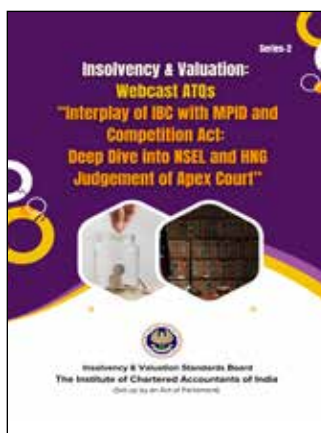
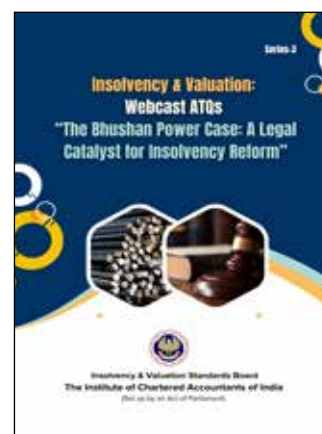
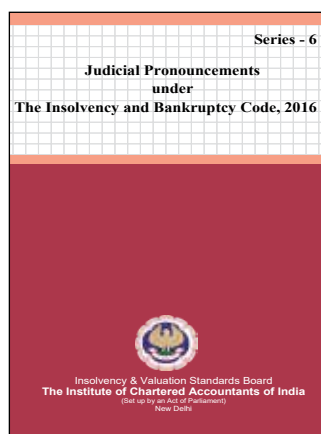
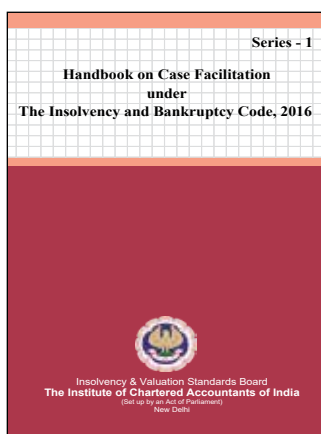
**WHAT WE OFFER**

- CIIP Management & Liquidation
- 2FA Verification & Due Diligence
- Resolution Plan Assistance & Vetting
- Process Advisory Under IBC
- Turnaround Strategy & Restructuring
- Stakeholder Coordination (CoC, RT, IIP)

**OUR LOCATIONS**  
Ahmedabad (Head Office) | Chennai | Delhi | Gandhinagar | Hyderabad | Mumbai

Our Phone: +91 9825562442  
Our Website: www.skzyzrevival.com  
Our Email: info@skzyzce.com

# List of Publications brought out by Insolvency & Valuation Standards Board of ICAI

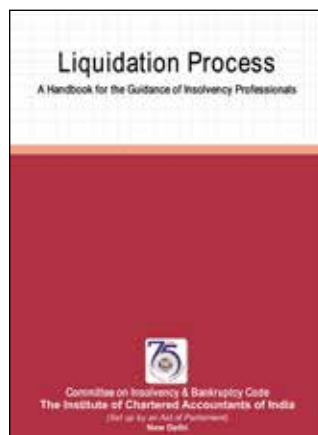
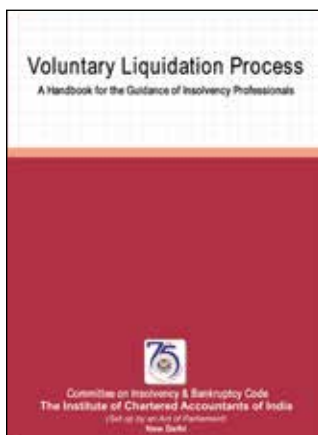
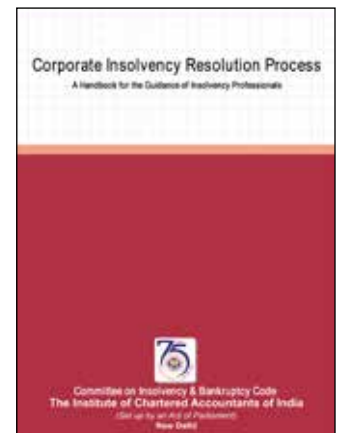
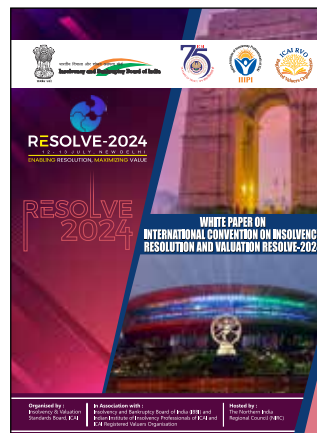
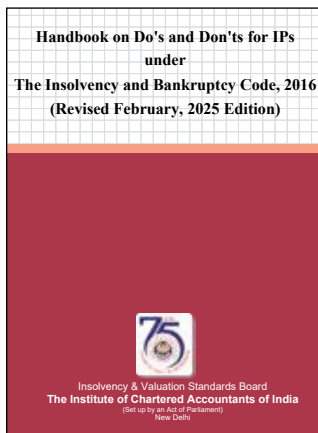
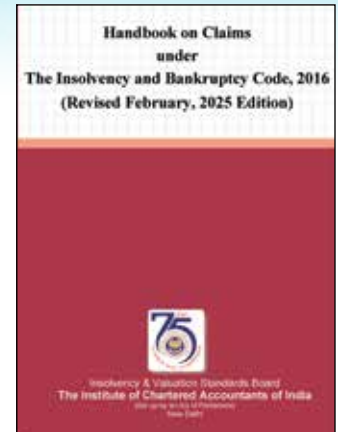
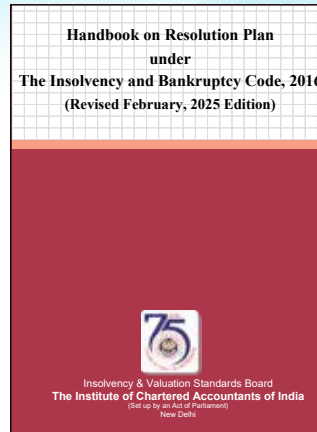
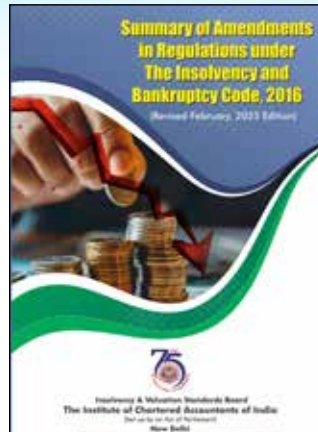
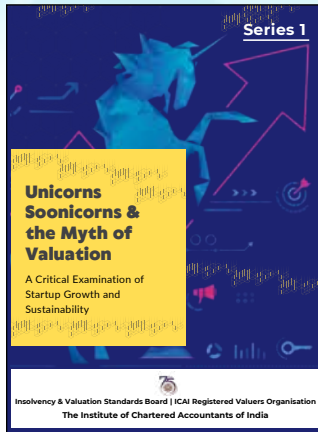




# RESOLVE-2025

1st - 2nd DECEMBER, MUMBAI

ENABLING RESOLUTION, MAXIMIZING VALUE







# CONVENTION SECRETARIAT

**Insolvency & Valuation Standards Board  
The Institute of Chartered Accountants of India  
ICAI Bhawan, A-29, Sector 62, Noida-201309**