

## IBC News

### IBBI Committee's Report on Drafting Regulations Requires Promoters to Disclose Holdings in Cryptocurrencies and Foreign Assets

The five-member committee, led by IBBI Whole Time Member (WTM) Jayanti Prasad, has submitted the draft regulations. According to the IBBI report, these are based on the version of the IBC (Amendment) Bill, 2025, tabled in Parliament last August, along with the subsequent recommendations of a Lok Sabha Select Committee that reviewed it. Any changes to the regulations arising from amendments to the IBC will be incorporated at the time of notification. The committee has reportedly recommended that, whether promoters of corporate debtors initiate bankruptcy voluntarily or are pushed into it by their financial creditors, they must disclose their holdings in crypto assets, retirement funds, and assets held abroad, along with all beneficial ownership of assets not held in their name. According to media reports, a new Regulation 6A is proposed to be inserted into the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, to enable such disclosures. The move seems significant, as the sharp haircuts suffered by financial creditors during debt resolution have been a vulnerable aspect of the IBC. IBBI is reportedly encouraging lenders to recover funds from promoters and to reverse suspicious transactions made during a company's financial decline.

**Source:** *Livemint.com, April 03, 2026.*

<https://www.livemint.com/news/india/ibbi-draft-rules-ibc-amendment-2026-11775216714656.html>

### Insolvency and Bankruptcy Code (Amendment) Bill, 2025 passed in the Lok Sabha on March 30, 2026

The Insolvency and Bankruptcy Code (Amendment) Bill, 2025 was introduced in the Lok Sabha on August 12, 2025, to amend the Insolvency and Bankruptcy Code (IBC), 2016. It proposes several changes, including measures to reduce the time taken for the admission of Corporate Insolvency Resolution Process (CIRP) applications. The Bill was subsequently



referred to a Select Committee of the Lok Sabha, which submitted its report in December 2025.

“The Bill was referred to a Select Committee of the Lok Sabha under the chairpersonship of Shri Baijayant Panda. The report of the Select Committee made 11 major recommendations, all of which have been accepted by the Government. In addition to the 11 recommendations, we've brought in one other, under which the Committee of Creditors (CoC) shall record the reasons for selection of the Successful Resolution Applicant (SRA), which will improve transparency,” said the office of the Finance Minister Ms. Nirmala Sitharaman. According to media reports, while addressing the Lok Sabha, Ms. Sitharaman said that IBC has been a very crucial factor to improve the health of the country's banking sector, including the recovery of non-performing assets. She also reportedly noted that companies are performing well and their corporate governance practices have also improved after coming out of the CIRP.

**Source:** *NDTV Profit.com, March 30, 2026.*

<https://www.ndtvprofit.com/india/lok-sabha-passes-amendments-to-insolvency-and-bankruptcy-code-ibc-code-2025-11285351>

### MP Calls for Overhaul of RERA and IBC over Misuse by Builders

Raising the issue in the Zero Hour, Rajya Sabha MP, Mr. Laxmikant Bajpai highlighted the distress faced by homebuyers as builders declare insolvency and leaving several projects incomplete. He also highlighted that several builders have evaded accountability by entering in the IBC proceedings. He further added that in cases

where flats have been constructed, builders have failed to clear government dues, resulting in stalled registrations and buyers being denied legal ownership.

**Source:** *The Economic Times*, March 27, 2026.

[https://economictimes.indiatimes.com/news/india/builder-declares-insolvency-buyer-pays-the-price-bjpm-bajpai-demands-rera-overhaul-in-rajya-sabha/articleshow/129841219.cms?UTM\\_Source=Google\\_Newsstand&UTM\\_Campaign=RSS\\_Feed&UTM\\_Medium=Referral&from=mdr](https://economictimes.indiatimes.com/news/india/builder-declares-insolvency-buyer-pays-the-price-bjpm-bajpai-demands-rera-overhaul-in-rajya-sabha/articleshow/129841219.cms?UTM_Source=Google_Newsstand&UTM_Campaign=RSS_Feed&UTM_Medium=Referral&from=mdr)

### JSW Energy Completed Acquisition of RCRIPL for ₹700.10 Crore through Resolution Plan under IBC

Raigarh Champa Rail Infrastructure Private Limited (RCRIPL) provides railway infrastructure services to JSW Mahanadi Power Company Ltd., which operates a 3,600 MW thermal power plant in Chhattisgarh, with 1,800 MW operational and the remaining under construction. By bringing RCRIPL in house, JSW Energy secures seamless logistics support for the entire capacity. The acquisition grants JSW Energy 100% ownership, making RCRIPL its wholly owned subsidiary. The transaction was completed under the IBC for a total consideration of ₹700.10 crore. The payment structure includes a cash outflow by JSW Energy and the issuance of non-convertible debentures by RCRIPL to its financial creditors.

**Source:** *FreePressJournal.in*, March 27, 2026.

<https://www.freepressjournal.in/business/jsw-energy-completes-70010-crore-acquisition-of-rcripl-under-insolvency-resolution-in-march-2026>

### Miscellaneous Application in a Disposed SLP Cannot be Used to Reopen concluded Proceedings: Supreme Court

In a landmark decision, the Supreme Court has held that in proceedings arising from a disposed Special Leave Petition (SLP), it cannot be called upon to reassess the comparative financial merits of competing offers or substitute its own view for the commercial wisdom exercised by the Committee of Creditors (CoC) under the IBC. Relying on *K. Sashidhar* (2019), *Essar Steel* (2020), and *Vallal RCK* (2022), the Supreme Court reiterated that the CoC's commercial

wisdom is generally non-justiciable and cannot be appealed on merits. However, it clarified that limited judicial review is permissible in cases of statutory illegality or jurisdictional error. The Court asserted that a mere claim of a higher offer is insufficient to reopen a dismissed SLP.

**Source:** *Verdictum.in*, March 24, 2026.

<https://www.verdictum.in/court-updates/supreme-court/ms-lamba-exports-pvt-ltd-v-ms-dhir-global-industries-pvt-ltd-ors-2026-insc-275-1610571>

### Post-Insolvency, Adani Group Plans Strategic Split of Jaypee Assets

According to media reports, the Adani Group is likely to undertake a significant restructuring of Jaiprakash Associates Ltd (JAL), which it has recently acquired through a Resolution Plan under the IBC. The restructuring is aimed at carving up assets across its core verticals to unlock value and streamline operations. The Resolution Plan, approved on March 17 by the Allahabad bench of the NCLT, entails an acquisition outlay of about ₹14,535 crore against JAL's admitted debt of around ₹57,185 crore. Adani Enterprises Ltd acted as the resolution applicant on behalf of the group. The deal hands the Adani Group's control over a diverse portfolio spanning cement plants, power assets, and large land parcels in the Delhi-NCR region.

**Source:** *Moneycontrol.com*, March 23, 2026.

<https://www.moneycontrol.com/news/business/adani-group-plans-strategic-split-of-jaypee-assets-after-insolvency-takeover-13867557.html>

### Supreme Court Upholds Manglam Multiplex Resolution Plan for Varutha Developers

Dismissing the appeal filed by Ganga Construction (Consortium) against the Resolution Plan, the Supreme Court held that the plea sought to reopen issues that had already attained finality and would unsettle a duly concluded resolution process. The Court observed that Ganga Construction, though a Prospective Resolution Applicant (PRA), did not carry its participation to its logical conclusion and failed to submit a final resolution plan. It also did not challenge its exclusion at the negotiation stage in a timely manner. The

Resolution Plan submitted by Manglam Multiplex Pvt Ltd. (Successful Resolution Applicant), meanwhile, had been approved by the Committee of Creditors with a 100% voting share.

**Source:** *Insolvencytracker.in, March 22, 2026.*

<https://insolvencytracker.in/2026/03/22/sc-upholds-varutha-developers-resolution-plan-rejects-plea-by-unsuccessful-bidder/>

### IIMA Study Finds Market Capitalization of IBC-Rescued Companies Surged Over Threefold in Five Years

According to media reports, a study by the Indian Institute of Management, Ahmedabad (IIMA) finds that the total market capitalization of stressed companies resolved under the decade-old Insolvency and Bankruptcy Code (IBC) has more than tripled—from about ₹2.8 lakh crore to ₹9 lakh crore—within five years of resolution. The findings point to improved investor confidence and stronger growth prospects following successful resolution with creditors.

Further, the study reportedly found that the average sales of resolved firms increased by 89% in the five years following resolution, while their asset turnover ratio rose by 131%, indicating improved operational efficiency. The IIMA study on “Effectiveness of the Insolvency and Bankruptcy Code (IBC),” covered 1,194 rescued firms and builds on its 2023 analysis of the IBC. It also concluded that capital expenditure of these companies grew by about 106% within five years post-resolution, reflecting renewed investment activity and improved economic viability. Similarly, average employee expenses reportedly increased by close to 72% for firms within five years of resolution, indicating greater employment intensity and a possible expansion in workforce-related expenditure during the post-resolution phase.

**Source:** *The Economic Times, March 20, 2026.*

<https://economictimes.indiatimes.com/news/company/corporate-trends/market-cap-of-firms-resolved-under-ibc-jumps-over-three-times-in-five-years-says-iim-study/articleshow/129704439.cms?from=mdr>

### Income Tax Department cannot adjust Refund during IBC Moratorium: NCLT

The Indore Bench of NCLT held that the moratorium under Section 14 of the IBC comes into effect automatically from the insolvency commencement date and binds all authorities, even without formal notice. The ruling arose after a company entered CIRP on November 13, 2024, following admission of a petition by Bank of India. Although the Income Tax Department had determined a refund of ₹4,95,720 for AY 2024–25 on November 1, it later adjusted the amount against a prior tax demand during the moratorium. The tribunal held this amounted to recovery of a pre-CIRP debt and directed the department to reverse the adjustment.

**Source:** *BWLegalWorld.com, March 13, 2026.*

<https://www.bwlegalworld.com/article/nclt-indore-income-tax-department-cannot-adjust-refund-during-ibc-moratorium-even-without-knowledge-of-cirp-597387>

### Financial Services Secretary Reviewed Progress in Top IBC Cases

The Finance Ministry has reportedly advised banks to adopt a collaborative approach in resolving pending IBC cases to maximize asset value, improve recoveries, and ensure adherence to timebound resolution. Financial Services Secretary Mr. M. Nagaraju held a review meeting to monitor the progress of key IBC cases pending for admission and resolution. A review of the top twenty accounts pending for admission and ten accounts pending for resolution was undertaken to expedite the process. Banks were also urged to minimize adjournments and delays in filing CIRP applications, while CEOs of PSBs were advised to closely monitor major pending cases. It was informed that 20 high-value accounts were expedited via admission, assignment, or disposal at the NCLT.

**Source:** *ETLegalWorld.com, March 10, 2026.*

<https://legal.economictimes.indiatimes.com/news/law-policy/dfs-secretary-reviews-ibc-case-progress-at-nclt/129375896>

#### **IBC does not require the NCLT to determine netting-off of counter claims at admission stage: NCLT**

NCLT Jaipur has held that Section 7 proceedings should not be converted into a forum for adjudicating damages or counterclaims, and the IBC does not require the Adjudicating Authority to determine netting-off of counterclaims at the admission stage. In *Canara Bank v. Prayag Polytech Pvt. Ltd.* (2026), the Court observed that the petition includes a statement of account, asserts an outstanding amount exceeding the prescribed threshold, and pleads NPA and default. The CD's defense raised issues relating to discharge, appropriation, and the bank's conduct, which do not negate default for admission under Section 7. Admitting the CIRP application, the court held that balance sheets and acknowledgements/letters may amount to acknowledgement of debt.

**Source:** *Ibclaw.in*, March 07, 2026.

<https://ibclaw.in/canara-bank-vs-prayag-polytech-pvt-ltd-nclt-jaipur-bench/>

#### **NCLAT Dismissed Rolta Employees' Appeal against Resolution Plan**

The Appellate Tribunal observed that the resolution plan earmarked ₹1 crore for employee dues. Since the liquidation value for operational creditors was nil, the payout under the Plan satisfied the requirement under Section 30(2)(b) of the IBC. It noted that employees were receiving more than unsecured financial creditors. The court further examined the financial structure of the Plan, noting that the total plan value was ₹900 crore, while the admitted claims of secured financial creditors exceeded this amount, leaving no liquidation value available for operational creditors, including employees.

**Source:** *BWLegalworld.com*, March 05, 2026.

<https://www.bwlegalworld.com/article/nclat-dismisses-rolta-employees-challenge-to-resolution-plan-596121>

#### **Primacy of the CoC's Commercial Wisdom under the IBC Cannot be Supplanted by Judicial Review: Supreme Court**

The Supreme Court has emphasized that the commercial decisions of the Committee of Creditors (CoC) cannot be interfered with by the National Company Law Tribunal (NCLT), the National Company Law Appellate Tribunal (NCLAT), or even by the Supreme Court itself. The Bench clarified that judicial intervention cannot extend beyond the narrow statutory confines of the Code, as doing so would undermine both predictability and finality in the insolvency resolution process.

“The IBC deliberately confines judicial review to strict statutory compliance. Respecting these limits will preserve the economic sense of the IBC and ensure that insolvency remains a predictable, time-bound, and market-driven process,” said the Court. In the case, the Court noted that the resolution plan concerning the corporate debtor had already been approved by both the NCLT and the NCLAT and had since been implemented, leaving absolutely no scope for intervention by the Supreme Court. Accordingly, the appeal filed by Torrent Power Ltd. and others was dismissed. “The appeals before us typify the growing strategic use of the judicial system by unsuccessful resolution applicants, who seek to reopen almost every commercial decision under the guise of procedural impropriety,” added the Court. The Court observed that the IBC marks a shift from a court-centric insolvency framework to a creditor-driven process, with the doctrine of commercial wisdom vesting decisive authority in the CoC.

**Source:** *Deccan Herald*, March 04, 2026.

<https://www.deccanherald.com/india/commercial-wisdom-of-coc-cant-be-supplanted-by-judicial-review-sc-3919860>

#### **NCLT Approved JSW Energy's ₹700 Crore Resolution Plan for Raigarh Champa Rail Infrastructure**

The Resolution Plan submitted by JSW Energy Ltd. (SRA) for Raigarh Champa Rail Infrastructure Pvt. Ltd. was already approved with 100% votes by the Committee of Creditors (CoC) in November 2025. The CIRP commenced in January 2021 following a petition

by Axis Bank and witnessed multiple developments, including a change in the majority lender. JM Financial Asset Reconstruction Company (JMFARC) eventually became the sole member of the CoC after acquiring debt from various lenders, holding 78.59% of the voting share. According to media reports, the Plan value has significantly exceeded the company's liquidation value of ₹206.22 crore and its fair value of ₹293.74 crore, ensuring a better recovery for creditors.

**Source:** *Insolvencytracker.in, March 02, 2026.*

<https://insolvencytracker.in/2026/03/02/nclt-approves-rs-700-cr-resolution-plan-for-raigarh-champa-rail-infrastructure/>

### Creditors Can Pursue Simultaneous CIRP Against Both Principal Debtor and Corporate Guarantors: Supreme Court

The Apex Court bench has ruled that there is no statutory bar under the IBC preventing a financial creditor from initiating parallel proceedings to recover its dues. "It seems prudent that the rationale of a creditor obtaining a guarantee for its debt must be realized to its fullest. A financial creditor, vested with rights under the Code, must be able to exercise them. Equally, the Adjudicating Authority has an obligation to examine each application independently, on its own merits," the Court said. The verdict reaffirmed the fundamental principle of the Indian Contract Act that the liability of a guarantor is "co-extensive" with that of the principal debtor.

**Source:** *The Economic Times, February 26, 2026.*

<https://economictimes.indiatimes.com/news/india/creditors-can-pursue-simultaneous-insolvency-proceedings-against-both-debtors-guarantors/articleshow/128818666.cms?from=mdr>

### IBBI amends CIRP Regulations making mandatory listing of all homebuyers in a CD's Information Memorandum

As per the amendment to the CIRP Regulations, 2016 dated 25 February 2026, the Information Memorandum for a company undergoing insolvency proceedings must include details of all allottees, even if they have not submitted a claim to the Resolution Professional. Allottees whose names appear in the company's books

or in the records of the Real Estate Regulatory Authority will be eligible for such inclusion. According to the IBBI, this measure aims to ensure fair and equitable treatment for all homebuyers. In cases where these details are included in the Information Memorandum of the CD, the Resolution Plan must provide for treatment of such allottees, IBBI said.

**Source:** *Business Standard, February 26, 2026.*

[https://www.business-standard.com/industry/news/ibbi-mandates-listing-all-homebuyers-in-a-firm-s-information-memorandum-126022600832\\_1.html](https://www.business-standard.com/industry/news/ibbi-mandates-listing-all-homebuyers-in-a-firm-s-information-memorandum-126022600832_1.html)

### NCLT Approves Reliance-Backed Capri Global's ₹449 Crore Resolution Plan for SevenHills Hospital

According to media reports, under the approved resolution plan, secured creditors are set to recover about ₹449 crore, or roughly 40% of their admitted claims. The Municipal Corporation of Greater Mumbai (MCGM) will reportedly receive a settlement of around ₹223.4 crore, along with an additional payment of about ₹205 crore. Employees and other operational creditors will be paid ₹6 crore. The Successful Resolution Applicant - Reliance Group and Capri Global Holdings - have reportedly proposed a multi-step scheme of arrangement under which Reliance will extend equity support, and the hospital will be converted into a not-for-profit entity. The resolution plan was approved unanimously by the CoC reportedly because it was the only bid to secure a noobjection certificate from authorities.

**Source:** *Insolvencytracker.in, February 24, 2026.*

<https://insolvencytracker.in/2026/02/24/nclt-approves-capri-globals-%E2%82%B9456-crore-resolution-plan-for-mumbai-hospital-of-seven-hills-healthcare-hospital-to-be-converted-into-not-for-profit-entity/>

### Misuse of the IBC among eight priority areas flagged by the ED

According to a media report, the Enforcement Directorate has identified eight focus areas for coordinated action, including tracking foreign assets, misuse of the Insolvency and Bankruptcy Code, trade-based money laundering, cyber fraud, illegal online gambling, drug financing, share market manipulation,

and foreign interference through illicit funding; the decision was reportedly taken at its 34th quarterly conference of zonal officers held in Guwahati from February 19 to 21, 2026. “Instances of potential collusion between corporate debtors, resolution professionals, members of the Committee of Creditors (CoC), and other stakeholders were flagged as areas requiring scrutiny,” said the agency with respect to IBC related cases. IBBI, Financial Intelligence Unit-India, and other agencies also made thematic presentations in the conference.

**Source:** *The Hindu*, February 22, 2026.

<https://www.thehindu.com/news/national/ed-flags-eight-priority-areas-including-ibc-misuse-and-cyber-fraud/article70664087.ece>

### Government-Backed Bad Bank Resolves Two Accounts, Distributes ₹330 Crore among Banks

India Debt Resolution Co. Ltd. (IDRCL), the managing arm of the government backed bad bank National Asset Reconstruction Co Ltd (NARCL), has reportedly resolved two corporate debtors and is distributing approximately ₹330 crore to banks. This marks the bad bank’s first recoveries since commencing operations in 2022, with resolutions in respect of Metamere Ltd. and Helios Photo Voltaic. According to media reports, IDRCL has completed the redemption of the security receipts issued to banks in these cases. The debt had been acquired by NARCL from banks under the 15:85 structure, with 15% paid upfront in cash.

**Source:** *The Economic Times*, February 20, 2026.

<https://economictimes.indiatimes.com/industry/banking/finance/banking/idrcl-settles-two-insolvency-cases-first-since-inception/articleshow/128591075.cms?from=mdr>

### Only the Liquidation Value in summary form is to be provided to the members of the CoC: NCLAT, Chennai

Interpreting Regulation 35(2) of the IBBI (Liquidation Process) Regulations, the Appellate Tribunal held that the legislature consciously provides only for disclosure of the liquidation value in summary form to CoC members, not the full valuation reports. Accordingly, the RP’s actions were in line with the Code, and

the Adjudicating Authority’s order upholding them cannot be faulted. The Tribunal further noted that the Appellant had neither challenged the liquidation value nor the valuation process during the CIRP; the subsequent attempt to seek full valuation reports by alleging undervaluation was therefore an afterthought.

**Source:** *IBCLaw.in*, February 16, 2026.

<https://ibclaw.in/tamilnad-mercantile-bank-ltd-vs-radhakrishnan-dharmarajan-nclat-chennai/>

### Pending Counterclaim Does Not Bar Financial Creditor from Invoking Insolvency Proceedings, Rules Supreme Court

Interpreting the concept of default under Section 3(12), the Bench of the Supreme Court reaffirmed that insolvency jurisdiction is concerned with the non-payment of a debt that is legally due and payable. Regarding the legal effect of a counterclaim filed by the Corporate Debtor before the Debt Recovery Tribunal (DRT), the Bench held that an adjudicated counterclaim remains a mere assertion of liability and does not operate as a set-off against an admitted debt. In conclusion, the Supreme Court upheld the finding that the Section 7 application satisfied statutory requirements, was within limitation due to valid acknowledgements of liability, and was not vitiated by pending recovery proceedings or criminal allegations.

**Source:** *Verdictum.in*, February 14, 2026.

<https://www.verdictum.in/court-updates/supreme-court/b-prashanth-hegde-v-state-bank-of-india-2026-insc-155-1607511>

### Telecom Spectrum Cannot be Transferred under Insolvency and Bankruptcy Code, rules Supreme Court

The Supreme Court has reportedly ruled that spectrum is off the table when it comes to insolvency resolutions. The Court highlighted that the Insolvency and Bankruptcy Code, 2016 (IBC) does not permit adjustments to spectrum ownership, as it is a crucial public resource that stays in the hands of the government.

“Its ownership and, more importantly, its control with all its attributes, including benefits, have to be secured

for its citizens,” said a Bench of the Supreme Court. It was also highlighted that the IBC cannot serve as the guiding framework for restructuring or altering ownership of such a resource. Observing that the asset in question was spectrum allocated through auction, the Court said the attempt to treat spectrum as a corporate asset raised fundamental questions about its ownership, possession, use, and transferability. The judgment is structured in three parts—first, defining the legal character of spectrum; second, identifying the core legal issues; and finally, examining how assets are treated under the IBC and how the framework interacts with telecom laws governing spectrum. The judgment has come on a batch of appeals filed by the Department of Telecommunications (DoT), the Committee of Creditors (CoC) led by the State Bank of India (SBI), and others challenging an April 2021 order of the NCLAT. The lenders argued that the right to use spectrum constituted an intangible asset that should move through the Resolution Plan.

**Source:** *The Economic Times, February 13, 2026.*

<https://economictimes.indiatimes.com/industry/telecom/supreme-court-telecom-spectrum-transfer-insolvency-and-bankruptcy-code-dot-aircel-rcom-case-verdict/articleshow/128289946.cms?from=mdr>

### NCLT approved Resolution Plan for Hotel Horizon

The Resolution Plan, amounting to ₹919 crore and submitted by a consortium of Oberoi Realty, Shree Naman Developers, and JM Financial Properties and Holdings, was approved unanimously by the Committee of Creditors (CoC). Against admitted claims of ₹1,293 crore, the creditors will recover 74% of their claims. Hotel Horizon’s principal assets include 1.85-acre freehold land parcel in Juhu, Mumbai. However, on appeals by the suspended directors, the NCLAT has restricted the creation of equity but allowed the consortium to acquire Hotel Horizon.

**Source:** *The Economic Times, February 09, 2026.*

<https://economictimes.indiatimes.com/industry/services/property/-construction/nclt-clears-hotel-horizon-resolution-nclat-bars-equity-creation-for-now/articleshow/128125178.cms?from=mdr>

### NCLAT Upholds Higher Payments to GNIDA Over Secured Financial Creditors under Resolution Plan

The NCLAT observed that the Greater Noida Industrial Development Authority (GNIDA) was required to be treated as a secured creditor by virtue of a statutory charge as decided by the Supreme Court in the case of Prabhjit Singh Soni. With respect to the approved Resolution Plan providing ₹16.50 crore to GNIDA against an admitted claim of approximately ₹26.45 crore, an amount higher than that allocated to secured financial creditors, the NCLAT held that the payout satisfied the requirements of Section 30(2) of the IBC. On the issue of valuation, the Appellate Tribunal noted that the valuation exercise had been conducted in accordance with Regulation 35 of the CIRP Regulations and had been accepted by the Committee of Creditors. Accordingly, it held that the valuation could not be reopened at the stage of approval of the resolution plan.

**Source:** *Taxscan.in, February 08, 2026.*

<https://www.taxscan.in/top-stories/nclat-upholds-resolution-plan-payout-to-gnida-rejects-objections-on-section-302-and-valuation-read-order-1442848>

### Supreme Court Raises Concern Over Undervaluation and Manipulated Auctions Under IBC: Media Report

According to a media report, the Supreme Court, during the hearing on the sale of Anil Ambani Group’s Reliance Communications to his elder brother Mukesh Ambani’s Reliance Industries under the IBC, expressed serious concerns over steep haircuts and sought probe by the Central Bureau of Investigation and the Enforcement Directorate.

“Unfortunately, IBC proceedings are misused nowadays. The assets of a company in debt are undervalued. Then it is put on a sham auction and, in a planned manner, a family member or a friend buys it,” said the Bench of the Supreme Court led by Hon’ble Justice Surya Kant, the Chief Justice of India (CJI). “Every day such matters are coming up before the court,” added the Bench. The court was informed

that Reliance Communications had outstanding dues of ₹47,000 crore and, during bankruptcy proceedings, was sold for ₹455 crore—approximately 1% of the total outstanding amount. In a sarcastic manner, the Bench remarked, “It is a nice plan. Voluntarily declare bankruptcy and then get evaluated by friendly valuers at 10% of the market value. Unfortunately, the conduct of resolution professionals is not above board.” The Bench also said that CBI and ED should investigate the matter thoroughly and get to the bottom of the case. “We will monitor the investigations, and if we find them to be slack in probing the cases, we will pass appropriate directions,” said the Supreme Court.

**Source:** *Times of India, February 05, 2026.*

<https://timesofindia.indiatimes.com/india/sc-flags-undervaluation-sham-auctions-under-ibc-seeks-probe/articleshow/127920634.cms>

### **PMLA Court Clears DHFL in Money Laundering Case, Denies Relief to Associated Individuals**

Discharging the now-defunct Dewan Housing Finance Corporation Ltd (DHFL) in a ₹5,050-crore money laundering case, the PMLA Court, Mumbai, held that the Successful Resolution Applicant (SRA) is entitled to immunity under the IBC. The Court also clarified that such immunity does not extend to erstwhile officers and directors who were directly or indirectly involved in the offence prior to the CIRP. It held that they would continue to be prosecuted and punished for offences committed by DHFL. The company was acquired by the Piramal Group in 2021 through an IBC-approved resolution plan and subsequently merged into a group entity.

**Source:** *The Economic Times, February 04, 2026.*

<https://economictimes.indiatimes.com/news/india/pmla-court-discharges-dhfl-grants-immunity-under-ibc-after-change-in-management/articleshow/127915645.cms?from=mdr>

### **Resolution Plan of Cian Healthcare Ltd Successfully Implemented**

The Resolution Plan Implementation Committee, in its meeting held on February 1, 2026, confirmed the successful completion of all settlement obligations under the approved resolution plan of Cian Healthcare Ltd. The total resolution plan amount of ₹37.30 crore has been fully utilized to settle stakeholder claims in accordance with the approved framework. The CIRP commenced on August 14, 2024, and the Resolution Plan was approved on December 18, 2025. The settlements covered CIRP costs and claims of financial creditors, operational creditors, workmen, employees, and other eligible claimants.

**Source:** *Scanx.trade, February 01, 2026.*

<https://scanx.trade/stock-market-news/earnings/cian-healthcare-completes-corporate-insolvency-resolution-process-with-37-30-crore-settlement/31510628>

### **The Economic Survey 2025-26 cautioned that extended insolvency timelines can trigger value erosion**

The Survey noted that the National Company Law Tribunal (NCLT) had a pendency of nearly 30,600 cases as of March 2025. While the Code mandates completion of the Corporate Insolvency Resolution Process (CIRP) within 330 days, including extensions, the actual average duration stands at 713 days overall and 853 days for cases closed in FY25. This reflects a deviation of over 150 per cent from the statutory limit, the Economic Survey said. Prolonged insolvency timelines can lead to significant value erosion, as assets deteriorate, employees leave, customers shift to competitors, and supplier relationships weaken. It also flagged institutional constraints at the level of courts and Resolution Professionals (RPs)

**Source:** *The BusinessLine.com, January 29, 2026.*

<https://www.thehindubusinessline.com/companies/extended-insolvency-timelines-can-trigger-value-erosion-economic-survey/article70565211.ece>