



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

(Company formed by ICAI under Section 8 of the Companies Act 2013)

IIPI Newsletter



June 01, 2026

IIPI Newsletter No. 373

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Resolution Plan for Colour Roof India Limited approved by CoC

JSW Steel Coated Products Limited (JSWSPL), a subsidiary of JSW Steel Limited, has reportedly emerged as Successful Resolution Applicant (SRA) for acquisition of Colour Roof India Ltd under the IBC. According to media reports, as many as 24 eligible prospective resolution applicants (PRAs) had submitted resolution plans.

JSW Steel stated that the implementation of the approved resolution plan remains subject to the approval of the NCLT, Mumbai Bench, and other requisite regulatory clearances.

For More Details, Please Visit:

<https://legal.economicstimes.indiatimes.com/news/corporate-business/jsw-steels-subsidiary-secures-approval-for-colour-roof-india-resolution-plan/131390523>

News Update

**For Internal Circulation Only
Knowledge SBU Initiative

Resolution Plans under the IBC realized 95% of Fair Value and 167% of Liquidation Value of Corporate Debtors' Assets: IBBI Chairman

The Insolvency and Bankruptcy Code (IBC) has reportedly enabled creditors to recover more than ₹4 lakh crore since its implementation in 2016, significantly improving recovery rates and strengthening credit discipline. According to media reports, Shri Ravi Mital, Chairman of the Insolvency and Bankruptcy Board of India (IBBI), described the IBC as one of the most significant economic reforms undertaken in the country.

According to media reports, Shri Mital, Chairman of the IBBI, stated in a note commemorating the tenth anniversary of the IBC that, as of March 2026, 1,419 corporate insolvency cases had resulted in approved resolution plans, facilitating recoveries of more than ₹4 lakh crore for creditors. Since the IBC came into force in 2016, a total of 8,987 corporate insolvency resolution cases had been admitted up to March 2026, of which 7,102 cases had been closed. Among the closed cases, approximately 4,099 companies (58%) were rescued through resolution, settlement, withdrawal, or appellate processes, while 3,003 companies proceeded to liquidation. The IBBI Chairman reportedly highlighted that one of the most significant achievements of the IBC has been its positive impact on borrower behaviour and credit discipline. Reflecting this change, more than 30,000 cases were settled before admission by the NCLT, involving claims of nearly ₹14 lakh crore.

For More Details, Please Visit: <https://www.newindianexpress.com/business/2026/May/28/ibc-helps-banks-recover-rs-4-lakh-crore-in-10-years-recovery-rate-at-30>

News Roundup

SRA Prohibited from Renegotiating Resolution Plan after CoC Approval: Supreme Court

A two-judge Bench of the Supreme Court has held that once the CoC, in the exercise of its commercial wisdom, approves a resolution plan, the Successful Resolution Applicant (SRA) cannot seek further negotiations and is obligated to implement the plan within the prescribed timelines. The Court observed that the appellant was deliberately attempting to delay the implementation of the approved resolution plan by relying on the alleged conditional nature of the Letter of Intent (LoI). Dismissing the appeal, the Supreme Court directed the Liquidator to proceed with the remaining liquidation process in accordance with the provisions of the Code.

For More Details, Please Visit: <https://www.verdictum.in/supreme-court/sanjay-dave-v-andhra-bank-ltd-2026-insc-580-successful-resolution-applicant-coc-1614911>

Interest Cannot be added to Operational Debt to Meet ₹1 Crore CIRP threshold: NCLT Kolkata

In *K.L. Steels (P) Ltd. v. Bridge and Roof Co. (India) Ltd.*, the Operational Creditor sought initiation of CIRP against the Corporate Debtor, claiming a total amount of ₹1.54 crore, comprising a principal operational debt of ₹97.84 lakh and interest of ₹57.08 lakh arising from the supply of structural steel and execution of civil and structural works at various project sites. The interest claim was based on invoice clauses providing for interest at the rate of 0.07% per day (24% per annum) on delayed payments. However, the court rejected the plea observing that the principal operational debt was below the IBC threshold.

For More Details, Please Visit: <https://www.livelaw.in/law-firms/litigation/nclt-kolkata-interest-cannot-be-clubbed-with-operational-debt-to-meet-1-crore-threshold-for-initiating-cirp-536355>

U.S. Supreme Court Declines Case Over Texas Two-Step Bankruptcy Tactic

The U.S. Supreme Court has reportedly declined to take up a case involving the so-called “Texas two-step” a bankruptcy tactic which allows companies to pause lawsuits against them by creating a shell company to absorb legal liabilities. The dispute stemmed from cancer victims' opposition to a bankruptcy filed by Georgia-Pacific LLC unit Bestwall, which has been in Chapter 11 since 2017, after a corporate spinoff made Bestwall responsible for all of the conglomerate's asbestos-related liabilities. At the time of the bankruptcy filing, Georgia-Pacific faced 64,000 lawsuits alleging that the company's construction materials contained asbestos and caused cancer.

For More Details, Please Visit: <https://www.reuters.com/legal/government/us-supreme-court-declines-case-over-texas-two-step-bankruptcy-tactic-2026-06-01/>



Recoveries under the IBC Decline by 50% in FY 2025–26: Report

According to media reports, rating agency ICRA has highlighted a sharp decline in recoveries under the IBC during FY 2025–26, with recovery rates falling by nearly half and haircuts increasing significantly.

As reported, the number of resolution plans approved by the NCLT declined to 225 cases in FY 2025–26 from 259 cases in FY 2024–25. The agency further noted that realizations against admitted claims dropped substantially, with recovery rates falling to 23% in FY 2025–26 from 46% in the previous year. The decline was particularly pronounced in the second half of FY 2025–26, when recoveries fell to 22%, compared with 63% in the corresponding period of FY 2024–25. According to the report, this sharp deterioration in recovery levels is a matter of concern.

For More Details, Please Visit: <https://www.fortuneindia.com/business-news/ibc-recoveries-down-by-half-in-2025-26-haircuts-zoom-icra/140156>

EVENT PHOTOGRAPH



Webinar on “IBC Interface with Taxation and Corporate Laws” organized by IIIPI on May 29, 2026.

IIIPI will be organising 4 Webinars in June

The first webinar on “Value Maximization Strategies under IBC” will be held on 5 June 2026 (Friday), followed by the second webinar on “Cross-Border and Group Insolvency Framework” on 12 June 2026.

The third webinar, titled “Landmark Judgements under the IBC”, will be conducted on 18 June 2026, while the fourth webinar on “Amendments in IBBI Regulations under the IBC” will be held on 25 June 2026. All webinars will be conducted from 3:00 PM to 6:00 PM. Participants will be eligible for 2 CPE hours each for Insolvency Professionals (IPs) and 3 CPE hours each for Registered Valuers (RVs).

For More Details, Please Visit: <https://www.iiipicai.in/wp-content/uploads/2026/05/June-month-webinar.pdf>