



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter



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IBC to Ensure Uniform Framework across sector: Media Report

According to media reports, the government has decided that the Insolvency and Bankruptcy Code (IBC) will remain sector-agnostic, as offering special provisions for industries such as real estate is not practical. In its submission before the parliamentary select committee examining the IBC Amendment Bill 2025, the government clarified that project-wise debt resolution will not be pursued under the IBC. Instead, issues related to specific projects can be addressed under the Real Estate (Regulation and Development) Act (RERA).

For More Details, Please Visit:

<https://www.livemint.com/economy/ibc-insolvency-and-bankruptcy-code-sector-agnostic-despite-calls-for-carve-outs-11757335613038.html>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Vedanta Emerges top Bidder with ₹12,505 Crore Offer for JAL

Vedanta Ltd has reportedly placed the highest bid of ₹12,505 crore to acquire Jaiprakash Associates Ltd (JAL) under the Corporate Insolvency Resolution Process (CIRP) of the Insolvency and Bankruptcy Code, 2016 (IBC). According to media reports, the mining and resources conglomerate has proposed an upfront payment of about ₹4,000 crore, to be made post-approval by the National Company Law Tribunal (NCLT). The balance will be disbursed over a staggered period of five to six years, reflecting a phased financial commitment.

JAL, once a diversified player with businesses in cement, real estate, power, EPC, and hospitality, has been burdened with dues exceeding ₹55,371.21 crore. Vedanta's interest lies not just in financial recovery but also in operational synergies. By acquiring JAL's cement and power assets along with its limestone and coal mines, Vedanta, according to media reports, can integrate these into its existing strengths in metals, mining, and energy, thereby reducing input costs and strengthening its overall portfolio. The bid also highlights Vedanta's competitive positioning, having outpaced major contenders including Adani Group, Dalmia, Jindal Power, and PNC Infratech. While the Committee of Creditors (CoC) has identified Vedanta as the highest bidder, the proposal awaits formal approval and subsequent NCLT clearance, a process expected to take several months. If cleared, the acquisition could provide creditors with structured recovery and give Vedanta a powerful platform for future expansion.

For More Details, Please Visit: <https://www.etnownews.com/companies/vedanta-offers-rs-4000-crore-upfront-balance-in-5-6-years-for-jal-resolution-plan-report-article-152698995>

News Roundup

Conditional OTS Approval Cannot Block IBC Petition: NCLAT

The National Company Law Appellate Tribunal (NCLAT), New Delhi, has clarified that a conditional approval of a One Time Settlement (OTS) proposal by one member of a consortium of lenders cannot prevent the initiation of insolvency proceedings under Section 7 of the Insolvency and Bankruptcy Code (IBC). The bench comprising Justice Rakesh Kumar Jain, Justice Mohd Faiz Alam Khan, and Technical Member Naresh Salecha held that since the approval of the OTS was subject to acceptance by all consortium members—which was never obtained—the debtor cannot rely on it to bar proceedings. The ruling reaffirms that a conditional or incomplete settlement agreement does not override creditors' statutory rights under the IBC.

For More Details, Please Visit: <https://www.livelaw.in/amp/ibc-cases/approval-of-ots-proposal-by-one-member-of-consortium-subject-to-approval-of-other-lenders-which-was-never-obtained-cant-bar-petition-us-7-of-ibc-nclat-303119>

Reliance-backed Dunzo Admitted into Insolvency as Losses and Liabilities Mount

The Bengaluru bench of the NCLT has ordered insolvency process against Dunzo following petitions from creditors, including Exotel and Velvin Packaging. Despite raising \$485 million from marquee investors such as Reliance and Google, Dunzo's ambitious pivot to quick commerce proved unsustainable. The company reported losses of ₹1,748 crore in FY2022-23 against revenues of only ₹206.5 crore. Mounting challenges included successive co-founder exits, Reliance's \$240 crore write-off, and unpaid vendor dues exceeding ₹80 crore. Once a pioneer in India's hyperlocal delivery ecosystem, Dunzo ultimately collapsed under intense competition and unsustainable cash burn.

For More Details, Please Visit: <https://inc42.com/buzz/exclusive-reliance-backed-dunzo-admitted-into-insolvency/>

SIAC Launches First Global Insolvency Arbitration Protocol

The Singapore International Arbitration Centre (SIAC) has introduced the Restructuring and Insolvency Arbitration Protocol, the first framework of its kind worldwide. Developed with inputs from judges, insolvency experts, and arbitration practitioners, the protocol adapts the SIAC Rules 2025 for disputes arising from restructuring, debt adjustment, and insolvency. With this initiative, SIAC strengthens Singapore's position as a global hub for complex dispute resolution, bridging arbitration and insolvency to better serve the needs of creditors, debtors, and practitioners.

For More Details, Please Visit: <https://www.pinsentmasons.com/out-law/news/siac-arbitration-protocol>



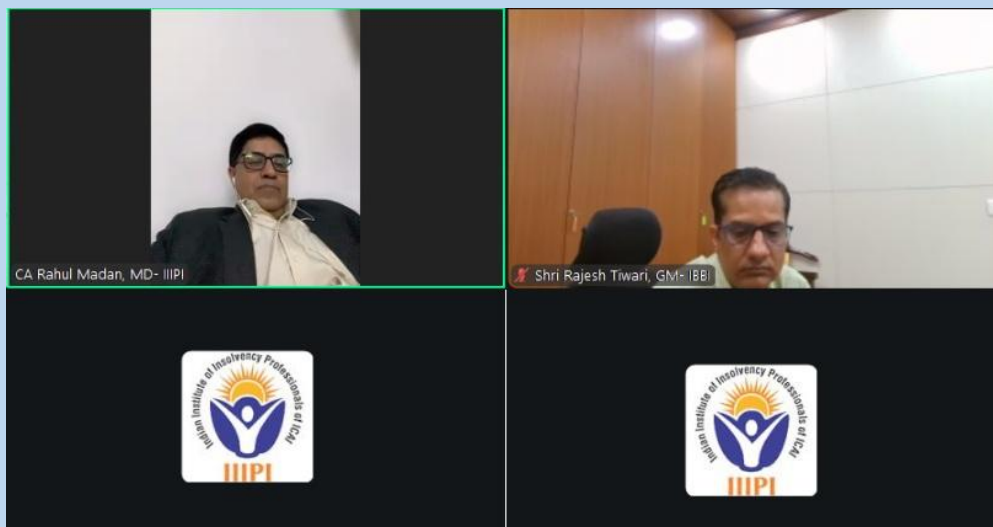
IBC Amendment Bill 2025 seeks to prevent Fund Diversion by Promoters

The IBC Amendment Bill 2025 has reportedly included a provision to prevent company promoters from diverting funds before filing for personal insolvency.

According to media reports, the Bill introduces Section 164A, empowering resolution professionals (RPs) to approach the NCLT to recover assets siphoned off through “avoidance transactions.” In many cases, promoters attempted to shift or undervalue assets to keep them out of creditors' reach, undermining the insolvency process. The proposed section addresses this loophole by providing that if a debtor deliberately enters into such undervalued or fraudulent transactions, the NCLT can order the restoration of the financial position to what it was before the transaction.

For More Details, Please Visit: <https://www.financialexpress.com/business/industry-fund-transfer-before-personal-insolvency-now-more-difficult-3969739/>

EVENT PHOTOGRAPH



Webinar on “Common Issues in Monitoring, Inspection & Peer Review” organized by IIPI on 4th September 2025.

IIPI Virtual Workshop on Managing Corporate Debtors Under CIRP

Indian Institute of Insolvency Professionals of ICAI (IIPI) will host a one-day virtual workshop on “Managing Corporate Debtors as Going Concern Under CIRP” on 13 September 2025, from 10:30 AM to 4:30 PM.

Designed for Insolvency Professionals (IPs) and Registered Valuers (RVs), the program offers practical insights, with participants eligible for 4 CPE hours. Please click to register <https://app.iiipicai.in/regpayments/>

For More Details, Please Visit: <https://www.iiipicai.in/wp-content/uploads/2025/09/WORKSHOP-FLYER-13th-Sept-25.pdf>