



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IIPI Newsletter



November 24, 2025

IIPI Newsletter No. 346

CONTENTS

News Update
News Roundup
Upcoming Event
Event Photograph

Insolvency Regulator directs RPs to Strengthen Section 29A Due Diligence

The IBBI has issued a circular directing all Resolution Professionals to strengthen due diligence relating to Section 29A ineligibility during corporate insolvency resolution. The circular reiterates that RPs must verify the eligibility of prospective resolution applicants, ensure required undertakings and affidavits are submitted, and confirm compliance while filing Form H. RPs must also present a detailed Section 29A compliance note to the CoC when evaluating resolution plans and ensure discussions are properly recorded. The move aims to prevent ineligible applicants from entering the process and reduce post-approval litigation.

For More Details, Please Visit:
<https://ibbi.gov.in/uploads/whatsnew/ae3618a064edb62e15dc7a7a038b6deb.pdf>

News Update

**For Internal Circulation Only*
**Knowledge SBU Initiative*

IBBI Unveils Draft Guidelines to Standardize Valuation under IBC

The Insolvency and Bankruptcy Board of India (IBBI) has issued a discussion paper proposing a standardised and uniform valuation framework for all cases under the Insolvency and Bankruptcy Code (IBC). The proposal responds to long-standing concerns about wide discrepancies in asset valuations, insufficient documentation, and inconsistent methodologies that have slowed resolution timelines and triggered disputes before NCLTs and NCLAT.

The draft framework introduces mandatory, structured formats for valuation reports and working papers. These formats specify how valuers must present assumptions, methods used, basis of value, comparable data, and limitations encountered during the assessment. Separate templates have been proposed for real estate, plant and machinery, inventory, receivables, securities, and other financial assets to ensure asset-appropriate and comparable reporting across cases. A significant emphasis is placed on transparency. Valuers will be required to furnish detailed disclosures on risk factors, data inadequacies, reliance on third-party information, and any potential conflict of interest. The paper also mandates the maintenance of systematic working papers, enabling insolvency professionals, creditors, and adjudicating authorities to independently verify how valuations were reached. Overall, the proposal aims to bring predictability, accountability, and improved quality to the valuation process, critical for timely resolutions, maximising stakeholder value, and strengthening credibility in India's insolvency ecosystem. Stakeholder comments have been invited till 10th December 2025.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/whatsnew/97388870e87e11d5df09b29b69bbbb38.pdf>

News Roundup

Supreme Court Dismisses Avantha Holdings' Appeal, Clears NTPC's Takeover of Jhabua Power

The Supreme Court has dismissed Avantha Holdings' appeal challenging NTPC's approved resolution plan for the takeover of Jhabua Power, affirming the NCLAT's earlier ruling. The tribunal had held that a promoter group responsible for pushing a company into insolvency cannot indirectly route a competing plan through another entity. NTPC's ₹925-crore proposal for the 600 MW thermal power plant was endorsed by the Committee of Creditors as the only feasible option. With the Supreme Court's refusal to interfere, NTPC's acquisition now stands fully cleared, providing long-awaited certainty for lenders and operational continuity for the distressed asset.

For More Details, Please Visit: <https://economictimes.indiatimes.com/news/india/sc-dismisses-avantha-holdings-appeal-against-ntpcs-resolution-plan-for-takeover-of-jhabua-power/articleshow/125415852.cms?from=mdr>

IBBI Proposes Minimum 5% Shareholding Requirement for Directors and Partners of Insolvency Professional Entities

The IBBI has released a discussion paper proposing that every director or partner of an Insolvency Professional Entity (IPE) must hold at least 5% shareholding or capital contribution in the entity. The move aims to address disproportionate ownership patterns, nominal participation by many Insolvency Professionals, and governance imbalances within IPEs. The Board observed that most IPs currently hold less than 5% despite handling a majority of assignments, weakening accountability and alignment. The proposal seeks to ensure fair ownership, strengthen independence, and promote consistent governance across IPEs. Public comments are invited until 7 December 2025.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/whatsnew/78e2d0552e336e62ecd7d8e827454f1f.pdf>

Brazil's Central Bank Orders Extrajudicial Liquidation of Banco Master After Fraud Probe

Brazil's central bank has ordered the extrajudicial liquidation of Banco Master, halting its operations amid a sweeping federal police investigation into fraudulent credit securities. The regulator has appointed a liquidator to manage the bank's assets and process creditor claims. The crackdown follows the arrest of Banco Master's controlling shareholder, Daniel Vorcaro, as authorities scrutinise the bank's high-yield lending strategy. The bank had aggressively issued risky debt via investment platforms and reportedly faced severe liquidity issues. The move underscores deep regulatory concerns about its funding model and balance-sheet transparency.

For More Details, Please Visit: <https://www.reuters.com/business/brazils-central-bank-orders-extrajudicial-liquidation-banco-master-2025-11-18/>



IBBI Proposes Key Reforms to Boost Transparency and Safeguards in CIRP

The IBBI's latest discussion paper proposes a set of reforms aimed at improving transparency, disclosure, and procedural discipline in CIRP. A key recommendation is mandatory disclosure of all allottees in real estate insolvencies, even those who never filed claims, ensuring resolution plans account for every affected homebuyer. The paper also requires more comprehensive information in the Information Memorandum (IM), including details of receivables, joint development agreements, and assets under attachment. To strengthen governance, the Board proposes inviting major operational creditors as observers in CoC meetings when no financial institution is present. It further mandates that the CoC provide written reasons when opting for liquidation despite receiving viable resolution plans. Public comments are invited until 8 December 2025.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/whatsnew/a7bfb7ab72d0416cca0031427f7b0f8.pdf>

EVENT PHOTOGRAPH



FAQs on IBC by IBBI
(as on 24.09.2025)

Disclaimer: This FAQ has been prepared to provide a general overview of common issues under the Insolvency and Bankruptcy Code, 2016 (IBC / Code) and the relevant regulations. It is not a legal instrument and must not be treated as legal advice or an authoritative opinion. In the event of any inconsistency or ambiguity, the provisions of the IBC, the rules and regulations framed thereunder, notifications and circulars issued by the competent authority, and binding judicial decisions shall prevail. The answers herein are illustrative, may omit factual nuances, and may not be suitable for application to specific cases without independent assessment.

Laws and interpretations evolve. While reasonable care has been taken to ensure accuracy as of the date above, no representation or warranty, express or implied, is made regarding completeness or currentness, and the Board shall not be liable for any loss arising from reliance on this material. Readers are advised to refer to the IBC, the applicable rules/regulations, official notifications/circulars, and relevant case-law for precise requirements, and to seek professional advice where necessary. Feedback and suggestions for improvement may be shared at cirp.monitoring@ibbi.gov.in.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)		
Appointment/Replacement of IRP/RP		
Sl. No.	FAQs	Comments
1.	The CIRP admission orders are received by the IRP after 5-7 days. What shall be the start date for CIRP commencement to determine all other deadlines? Can the ICD be the date of receipt of such order?	As per section 5(12) of the IBC, the insolvency commencement date (ICD) of Corporate Insolvency Resolution Process (CIRP) is the date of the admission of the application. As per section 16(1), the IRP is appointed by the AA on the ICD. As per section 17(1), from the ICD, the management of affairs of CD are vested in the IRP and the Board of Directors is suspended. Accordingly, the ICD is typically the date of the admission of the application. The IRP may

And seek professional advice, very important. So, whenever there is an issue

Webinar on IBBI FAQs on Grey Areas organized by IIIPI on 21st November 2025

18th Batch of Executive Development Program on “Avoidance/Pufe Forensics under IBC” to be held from 3-5 December 2025

The 18th Batch of Executive Development Program (EDP) for Insolvency Professionals on “Avoidance/Pufe Forensics under IBC” will be held on 3–5 December 2025.

The duration of the programme will be 18 hours spread over three days. The programme offers 12 CPE hours. Further, the fees for the same is ₹6000/- + GST.

The event is being organized by the Indian Institute of Insolvency Professionals of ICAI. The last date to register for the program is 2nd December 2025 on a first come first serve basis, and the registration link can be accessed from the link given below.

For More Details, Please Visit: <https://www.iiipicai.in/wp-content/uploads/2025/11/FLYER-PUFE-EDP-18th-batch.pdf>