



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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

IIPI Newsletter

NCLAT rejected CIRP plea against Jumbo Finvest

Rejecting Equitas Small Finance Bank's appeal, the Appellate Tribunal held that RBI's prohibitory order against Jumbo Finvest did not strip it of its character as a Financial Service Provider (FSP).

NCLAT observed that regulatory restrictions imposed on January 16, 2020 barring balance sheet expansion, access to public funds, and lending, did not alter its legal status. Upholding the NCLT's view, it ruled that Jumbo Finvest falls within Section 3(17) of the IBC and therefore a Sec 7 application can be initiated.

For More Details, Please Visit:

<https://economictimes.indiatimes.com/industry/banking/finance/nclat-rejects-insolvency-plea-against-jumbo-finwest-upheld-nclt-order/articleshow/126204166.cms?from=mdr>



News Update

December 29, 2025

IIPI Newsletter No. 351

CONTENTS

News Update

News Roundup

Upcoming Event

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Committee of Creditors (CoC) cannot alter resolution plan after approval, rules NCLAT

Dismissing an appeal filed by Bank of Baroda (BOB) in the matter of Reliance Communications Infrastructure Ltd (RCIL), a two-member bench of the NCLAT held that assenting members of the CoC cannot alter the financial allocation of a resolution plan once the bids have been approved.

"It is true that the CoC with commercial wisdom can take a decision regarding different aspects of the plan, including manner of distribution, but once the commercial wisdom has been exercised by approving the resolution plan in meeting, the modification of the said distribution mechanism, which is impermissible, cannot be saved in the name of commercial wisdom of the CoC," said NCLAT. The Resolution Plan in the present case was approved by the CoC with a 67.97 per cent vote share on August 5, 2021. The BOB voted in favour of the Plan, while IDBI Bank, State Bank of India (SBI), and certain other financial institutions dissented. The Plan was thereafter submitted to the NCLT, Mumbai for approval. Subsequently, BOB moved an application before the NCLT seeking directions to the CoC to convene a meeting to consider reallocation of proceeds under the resolution plan, particularly in respect of the loan to Reliance Bhutan. Pursuant to the NCLT's directions, the CoC met on October 27, 2023, and approved the proposal for reallocation and reassignment relating to Reliance Bhutan, despite objections raised by IDBI Bank and SBI.

For More Details, Please Visit: <https://www.thehindubusinessline.com/money-and-banking/coc-cannot-alter-resolution-plan-after-approval-says-nclat/article70440744.ece>

News Roundup

Supreme Court invoked Article 142 to appoint a panel to oversee insolvency process of Supertech Realtors

The three-member committee will reportedly oversee the CIRP of real estate major M/s Supertech Realtors Pvt. Ltd., which is embroiled in multiple litigations by homebuyers and others concerning its ambitious Supernova project in Sector 94, Noida. The committee will also discharge the functions of the company's Board of Directors. As per media reports, the committee has been directed to appoint a new developer after inviting proposals and conducting due diligence, with due regard to timelines, track record, experience, and financial viability. The Bench categorically clarified that any developer associated with or related to the corporate debtor or its erstwhile management shall not be permitted to participate in the process.

For More Details, Please Visit: <https://indianexpress.com/article/legal-news/member-panel-oversee-insolvency-process-supertech-realtors-completion-supernova-project-10436195/>

Continuous insolvency and bankruptcy are essential for building a risk-taking and dynamic economy: Sanjeev Sanyal

Shri Sanyal, Member of Economic Advisory Council to the Prime Minister (EAC-PM), reportedly said to media that healthy economic system must allow for "continuous churn", where old companies shut down, and new ones emerge to take their place. He stressed that constant change is necessary for long-term economic strength. He further added that allowing large companies to fail is sometimes unavoidable. Referring to 2017, he recalled that Indian banks were under severe stress, following which the government allowed some of the country's biggest companies to go bankrupt. "This did not make the corporate sector weaker. In fact, it came back much stronger after the cleanup," he added.

For More Details, Please Visit: <https://timesofindia.indiatimes.com/business/india-business/india-must-allow-insolvency-and-bankruptcy-to-build-dynamic-risk-taking-economy-pms-economic-advisory-council-member-sanjeev-sanyal/articleshow/126205203.cms>

Saks Global to file Chapter 11 bankruptcy

USA based Saks Global, parent of high-end department store chain Saks Fifth Avenue, is reportedly facing limited options ahead of a more than \$100 million debt payment due at the end of this month. The company is exploring ways to boost cash, including raising emergency funds or selling assets. According to media reports, some Saks lenders have recently held confidential talks to assess the company's cash needs, focusing on a potential debtor-in-possession loan, a form of bankruptcy funding. Saks Global has also been facing challenges in lifting demand in the U.S. due to rising inflationary pressures.

For More Details, Please Visit: <https://www.reuters.com/business/saks-global-is-considering-bankruptcy-last-resort-bloomberg-news-reports-2025-12-22/>



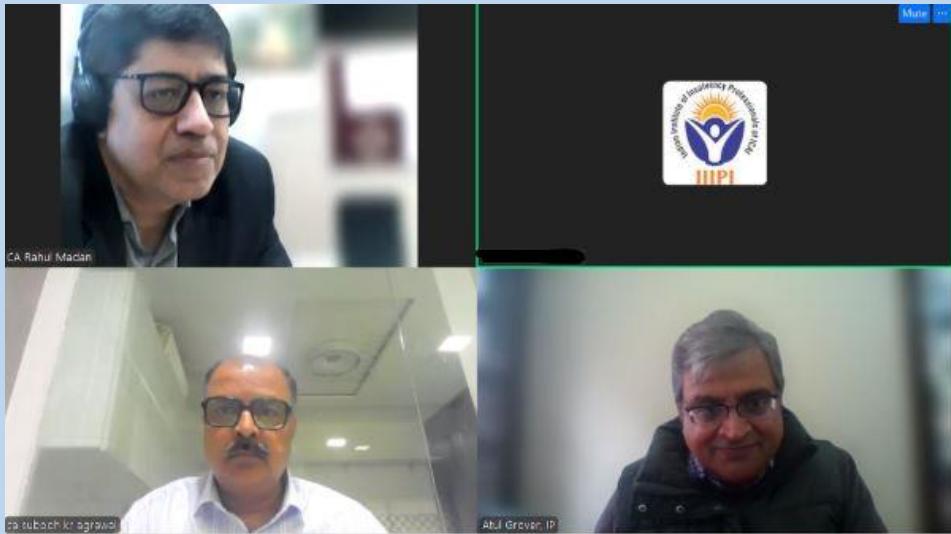
IBBI Mandates Disclosure of Beneficial Ownership in Resolution Plans

Through IBBI (CIRP) (Seventh Amendment) Regulations, 2025, dated 22 December 2025, a new sub-regulation (3A) has been inserted under sub-regulation (3) of Regulation 38 of the IBBI (CIRP) Regulations, 2016.

It reads - "every resolution plan shall include: (a) a statement of beneficial ownership, in a format to be notified through circular by the Board, covering details of all natural persons who ultimately owns or controls the resolution applicant, together with the shareholding structure and jurisdiction of each intermediate entity; and (b) an affidavit, in a format specified by the Board, that the resolution applicant is eligible/not eligible for the benefit of section 32A."

For More Details, Please Visit: <https://ibbi.gov.in/uploads/legalframworkfl3b9db9d37ed015454d3c1b6d00fc7.pdf>

EVENT PHOTOGRAPH



Webinar on "Role of Technology & Infrastructure for IPs" conducted by IIPI on 26th December 2025.



NCLT Mumbai Denies Withdrawal of ₹370 Crore to Jalan-Kalrock Consortium

NCLT has reportedly rejected a plea by the Jalan-Kalrock Consortium seeking a refund of over ₹370 crore infused during the insolvency proceedings of Jet Airways Ltd. In its order, the tribunal held that the amount does not qualify as Corporate Insolvency Resolution Process (CIRP) costs and, therefore, cannot be returned to the consortium. It also held that the consortium failed to meet the legal criteria required for such a refund. The ruling comes amid the prolonged and complex insolvency and liquidation process of the grounded airline, which has faced repeated legal and financial roadblocks since ceasing operations.

For More Details, Please Visit:

<https://www.businessstoday.in/latest/corporate/story/totally-grounded-nclt-bars-rs-370-cr-refund-as-jet-airways-enters-final-liquidation-phase-508353-2025-12-27>