



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter



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CONTENTS

News Update
News Roundup
Upcoming Event
Event Photographs

Centre Accepts Most Select Committee Insolvency Reform Recommendations, Flags Once Concern

The Centre has backed most recommendations from the Parliamentary select committee on the IBC (Amendments) Bill, 2025, setting the stage for its passage in the upcoming budget session. The reforms aim to speed up resolutions, reduce litigation, improve creditor outcomes, include changes to insolvency timelines, etc. However, the Centre did not endorse the suggestion to make the “clean slate” protection for new investors under Section 31 apply retrospectively to all past IBC cases, citing legal complications.

For More Details, Please Visit:

<https://www.livemint.com/news/centre-backs-most-panel-recommendations-on-ibc-reforms-flags-one-concern-insolvency-bankruptcy-code-amendments-bill-11768128198958.html>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

NCLT Empowered to Examine Fraud and Malicious Insolvency Filings Under Section 65 of IBC, hold Delhi High Court

Delhi High Court has ruled that the NCLT has the authority under Section 65 of the IBC to examine allegations of fraud, collusion, or malicious initiation of the Corporate Insolvency Resolution Process (CIRP). The provision empowers the Adjudicating Authority to impose penalties where insolvency proceedings are initiated with mala fide intent or for purposes other than genuine resolution of the Corporate Debtor.

The Court observed that the IBC is a beneficial legislation aimed at the resolution of stressed assets and not a debt recovery tool. Accordingly, applications filed with an ulterior motive, such as pressurizing the Corporate Debtor, settling personal scores, or bypassing other legal remedies; are liable to be scrutinized and dismissed under Section 65 of the Code. The judgment makes it clear that the NCLT is not required to mechanically admit applications once a debt and default are alleged, particularly where allegations of fraud or abuse of process are raised. It further held that the NCLT's jurisdiction to examine such issues flows not only from Section 65 but also from Section 60(5)(c) of the Code, which grants wide residuary powers in insolvency matters. The Court also clarified that civil courts' jurisdiction stands excluded in matters where insolvency tribunals are competent to decide issues of fraud connected to CIRP initiation. The ruling strengthens safeguards against misuse of the IBC and reinforces the tribunal's role in preserving the integrity of insolvency proceedings.

For More Details, Please Visit: <https://ibclaw.in/nclt-has-powers-to-delve-into-allegations-of-fraud-and-malicious-initiation-of-cirp-under-section-65-of-the-ibc/>

News Roundup

Bombay HC Bars Parallel Contempt Jurisdiction in IBC Matters

The Bombay High Court has held that High Courts cannot invoke contempt jurisdiction parallel to the National Company Law Tribunal (NCLT) in matters arising under the Insolvency and Bankruptcy Code (IBC). The Court observed that contempt powers vest inherently in the forum that passed the order—namely, the NCLT or the NCLAT in IBC matters—and that High Courts should neither interfere with nor override the contempt proceedings of the Adjudicating Authority. The ruling reinforces the specialized jurisdiction of insolvency tribunals, curbs judicial overreach, and ensures that enforcement of IBC orders remains with the appropriate adjudicatory forum.

For More Details, Please Visit: <https://www.livelaw.in/high-court/bombay-high-court/high-courts-cannot-exercise-parallel-contempt-jurisdiction-over-nclt-in-ibc-matters-bombay-high-court-517179>

IBBI Launches Revised Forms for the Liquidation Process

Though a Circular dated January 05, 2026, the IBBI has comprehensively revised various Forms for monitoring the liquidation process in line with the amended IBBI (Liquidation Process) Regulations, 2016. According to IBBI, the revised forms have been designed to ensure a reduced compliance burden by eliminating duplications, rationalizing data requirements and leveraging technology for auto-population of information already available on the portal. Consequently, these revisions are expected to significantly reduce the time and effort required for compliance by insolvency professionals (IPs), while continuing to ensure that the Board receives all essential information in a timely manner. “No penalty will be levied on delayed filing of forms, if any, during the initial quarter (January – March 2026),” said the IBBI.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframework/304ead257ae9d89d6d2754d760e43b6f.pdf>

Royal Air Philippines Cancelled All Flights Amid Bankruptcy

Royal Air Philippines, a Manila-based charter and cargo airline, has cancelled all its commercial flights as it enters a bankruptcy and liquidation process, marking one of the first airline failures of 2026. The carrier, which began operations in 2017 and expanded to regional international routes, confirmed the suspension of services through March 2026, leaving thousands of booked travelers scrambling for alternatives or refunds. Authorities have asked creditors to submit claims as part of insolvency proceedings, and the airline indicated ongoing efforts to address its financial challenges, though resumption of flights appears increasingly unlikely.

For More Details, Please Visit: <https://www.thestreet.com/travel/international-airline-cancels-all-flights-in-bankruptcy-starts-liquidation-process>



NCLAT Confines Ansal Properties' Insolvency to Specific Defaulting Projects, Upholds Reverse CIRP

The NCLAT has upheld insolvency proceedings against Ansal Properties and Infrastructure Ltd, but limited the CIRP to Sushant Golf City in Lucknow and real estate projects in Rajasthan.

The tribunal held that insolvency should be project-specific, thereby protecting homebuyers in non-defaulting ventures from unnecessary disruption. This reflects the broader trend of “reverse CIRP” mechanisms tailored for real estate insolvencies, allowing promoters to propose completion plans under supervision when it better serves stakeholders, particularly homebuyers, rather than blanket company-wide insolvency. The NCLAT’s decision reinforces the need for targeted relief in large developers’ multiple-project structures.

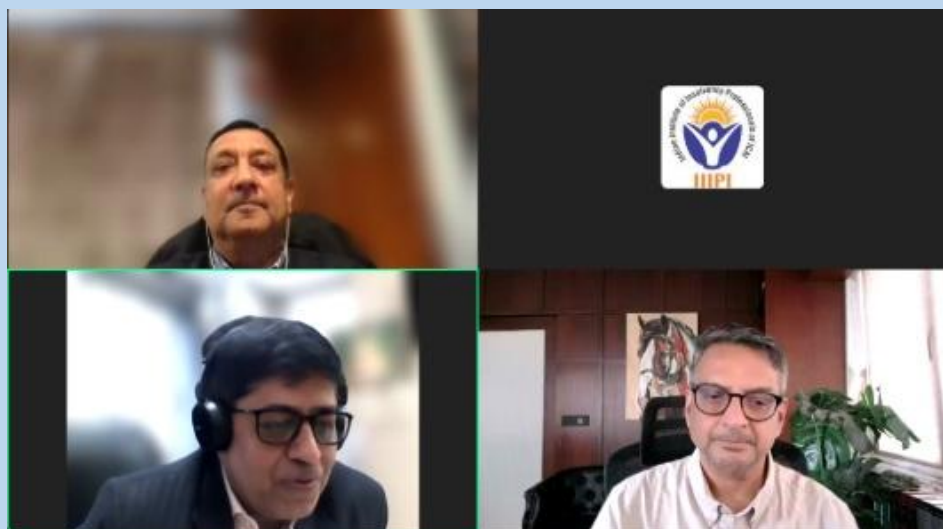
For More Details, Please Visit:

<https://www.livelaw.in/ibc-cases/nclat-confines-ansal-properties-insolvency-to-specific-projects-upholds-reverse-cirp-to-protect-homebuyers-518241>

EVENT PHOTOGRAPHS



One-Day Virtual Workshop on “Legal Skills, Pleading & Court Processes under IBC” for IPs and RVs organized by the IIPI on 10th January 2026



Webinar on “Investment Banking and Soft Skills for IPs” conducted by IIPI on January 09, 2026.

Limited Insolvency Examination Preparatory Classroom (Virtual) Program to be held from 19-23 January 2026

The Limited Insolvency Examination Preparatory Classroom (Virtual) Program will be conducted by IIPI from 19th to 23rd January 2026.

The programme will comprise 40 hours of instruction spread over five days. Registration is open on a first-come, first-served basis, with the last date for registration being January 18, 2026. The registration link is available below.

The objective of this program is to provide participants with a comprehensive understanding of the Insolvency and Bankruptcy Code and its processes. The online study material will be made available.

For More Details, Please Visit: <https://www.iiipicai.in/wp-content/uploads/2026/01/Flyer-for-LIE-Jan-2026.pdf>