INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI
(Company formed by ICAI under Section 8 of the Companies Act 2013)

IIIPI Newsletter

June 22, 2026
IIIPI Newsletter No. 376

CONTENTS

AI Will Make Business Cycles More Frequent & Sharper: Dr. M. S. Sahoo

According to media reports, Dr M. S. Sahoo, Former Chairperson, IBBI, has said that Artificial Intelligence (AI) is likely to make business cycles more frequent and intense, resulting in a greater number of stressed assets entering the market.

He noted that AI would actually increase the load on the insolvency ecosystem. Sahoo also expressed concern over the treatment of MSMEs under the IBC, stating that operational creditors often receive negligible recoveries, indicating a fundamental issue in both the law and its interpretation.

For More Details, Please Visit: *https://www.business-standard.com/industry/news/ai-business-cycles-stressed-assets-ibc-ms-sahoo-126062100366_1.html*

News Update

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

IBC Moratorium No Bar Against Regulatory Oversight, Says Rajasthan RERA While Ordering Avalon Royal Park Audit

The Chairperson of Rajasthan Real Estate Regulatory Authority **(**RERA) held that the audit could proceed despite insolvency proceedings against the developer. The authority also ruled that the exercise would be investigative and fact-finding in nature. It would not interfere with the ongoing Corporate Insolvency Resolution Process (CIRP) or violate the moratorium in force under insolvency law.

"At this stage, the proposed forensic audit is merely intended to facilitate independent verification of project accounts and examination of compliance with statutory obligations under the RERA Act, 2016 and to provide foundational material for any further action, if warranted, in accordance with law. The same is essentially investigative and fact finding in nature and does not, by itself, interfere with the powers exercised by the RP under the IBC," RERA, Rajasthan, reportedly said in its order. The dispute concerns Avalon Royal Park, a residential project in Bhiwadi, developed by GRJ Distributors and Developers Pvt. Ltd. Despite a projected completion date of 2020, the project remains unfinished. The homebuyers' association sought a forensic audit, alleging discrepancies in disclosures, fund utilization, and encumbrances on project assets. The authority also noted inconsistencies in expenditure and progress reports, with only five of twenty-two towers completed. It directed a limited forensic audit through an empaneled agency and asked the Resolution Professional to facilitate access to records.

For More Details, Please Visit: *https://www.livelawbiz.com/rera/rajasthan-rera-orders-forensic-audit-of-avalon-royal-park-project-says-ibc-moratorium-not-a-bar-538558*

News Roundup

Creditors Cannot Claim Benefit of Post-Resolution Increase in Corporate Debtor's Asset Value: NCLT

The court observed that once a resolution plan has been approved by the Committee of Creditors (CoC), its commercial terms cannot be reopened to capture gains arising from a later land acquisition process. "After approval of the Resolution Plan, the CoC cannot claim net gain arising out of the proposed acquisition of land belonging to the Corporate Debtor on the ground that the proposed acquisition was not within its consideration at the time of approval of the Resolution Plan," said the Court. While a CoC-approved resolution plan was awaiting NCLT approval, a creditor sought to claim gains arising from a government offer for the corporate debtor's Thane property. The NCLT held that such gains cannot alter a plan already approved by the CoC.

For More Details, Please Visit: *https://www.livelawbiz.com/amp/nclt/coc-cannot-claim-net-gain-from-subsequent-land-acquisition-after-approving-resolution-plan-nclt-mumbai-538434*

NCLT Admits CIRP Against Vikram Solar over Alleged Dues of ₹9.44 Crore

According to media reports, the alleged claim amount is approximately ₹9.44 crore (including interest of approximately ₹4.21 crore), which has been actively and vigorously disputed by the company, inter alia, in light of the existence of a full and final settlement agreement dated December 7, 2019, between Vikram Solar and Isitva Steels (ISPL), the Applicant. The ISPL has alleged non-payment of dues in its petition relating to civil works subcontracted to ISPL in 2018 for a solar EPC power project being set up in Andhra Pradesh. Vikram Solar shares had reportedly made a muted market debut in August 2025. The company's shares fell by 3% after the NCLT admitted the CIRP petition.

For More Details, Please Visit: *https://m.economictimes.com/markets/stocks/news/vikram-solar-shares-fall-3-after-nclt-admits-insolvency-petition-against-the-company-heres-why/amp_articleshow/131902348.cms*

Middle East Conflict Hits Smaller UK Construction Companies Hardest: Data of UK's Insolvency Service

According to media reports, the new figures from the UK's Insolvency Service point to rising financial distress among small and medium-sized construction companies due to heightened geopolitical tensions in the Middle East. It is reported that 592 smaller construction businesses became insolvent in the three months to May. The figure reportedly represents the highest quarterly figure since May 2025, when 594 were recorded. These companies, broadly classed as carrying out specialized construction activities, now account for around 60% of all construction insolvencies, said the report.

For More Details, Please Visit: *https://www.theaccountant-online.com/news/middle-east-conflict-hit-smaller-construction-companies-hardest-data-shows/*

NCLT Mumbai Admits SBI's Plea to Initiate Insolvency Proceedings Against Anil Ambani as Personal Guarantor

According to media reports, the petition has been admitted under Section 95 of the IBC, which provides for the initiation of the insolvency resolution process against personal guarantors.

In the present case, the Tribunal held that Anil Dhirajlal Ambani, as a personal guarantor to credit facilities extended to Reliance Communications Limited (RCOM) and Reliance Infratel Limited (RITL), remains liable, and that the personal guarantee executed by him continues to be fully enforceable. The Tribunal further held that the approval of the RCOM resolution plan did not discharge his obligations as a personal guarantor.

For More Details, Please Visit: *https://lawstreet.co/business/anil-ambani-faces-personal-insolvency-nclt-mumbai-holds-personal-guarantee-not-discharged-by-rcom-resolution-plan-admits-sbis-rs-853-crore-petition*

EVENT PHOTOGRAPHS

Webinar on "Landmark Judgements under IBC" organized by IIIPI on June 18, 2026.

6th Batch of EDP-Cross Border Insolvency (for IPs) under IBC (Online) from 16th June to 17th June 2026.

Residential Refresher Course (RRC) on Insolvency, Restructuring & Distressed Assets

Insolvency, Bankruptcy and Valuation Standards Board (IB and VSB) of the Institute of Chartered Accountants of India (ICAI) jointly with IIIPI is organizing three Days Residential Refresher Course (RRC) on 'Insolvency, Restructuring & Distressed Assets' from 25th to 27th June 2026. The RRC will be hosted by Western India Regional Council (WIRC), ICAI.

The RRC offers 15 CPE hours for CAs and 12 CPE hours for IPs.

For More Details, Please Visit: *https://www.iiipicai.in/wp-content/uploads/2026/06/WhatsApp-Image-2026-05-18-at-4.07.50-PM.jpeg*