INDIALAW



INSOLVENCY & BANKRUPTCY

IBBI Mandates International Valuation Standards for Insolvency Proceedings: What It Means for Valuers and Insolvency Professionals

AUTHOR Shrishail Kittad

PUBLISHED 3 April 2026

April 2026 | Insolvency, Restructuring & Valuation Law

The Insolvency and Bankruptcy Board of India (IBBI) issued Circular No. IBBI/RV/93/2026 on April 1, 2026, notifying the **International Valuation Standards (IVS)**, as issued and updated by the International Valuation Standards Council (IVSC), as the applicable valuation standards for all valuations conducted under the Insolvency and Bankruptcy Code, 2016 (IBC). The circular takes effect immediately from the date of its issue and applies to the entire ecosystem of insolvency professionals, registered valuers, valuer organisations, and valuer entities.

Table of contents

- Background
- The Regulatory Basis
- What Has Been Notified
- Implications for Registered Valuers
- Implications for Insolvency Professionals and Committees of Creditors
- Why This Matters
- Key Takeaways

Background

Valuation has always occupied a central role in insolvency proceedings under the IBC. Whether it is the evaluation of resolution plans by the committee of creditors, the determination of liquidation value, or the assessment of assets in pre-packaged insolvency or voluntary liquidation proceedings, credible and objective valuation directly influences the outcomes for all stakeholders, debtors, creditors, resolution applicants, and adjudicating authorities alike.

Despite this criticality, India's insolvency framework had, until now, not formally prescribed a specific set of internationally recognized valuation standards to govern this exercise. The April 1, 2026 circular addresses this gap decisively, anchoring IBC valuations within a globally accepted professional framework.

The Regulatory Basis

The circular draws its authority from a series of provisions across multiple IBBI regulations, each of which had been amended to require valuations to be conducted in accordance with valuation standards notified by the Board. These provisions span the full spectrum of insolvency processes regulated by the IBBI, specifically:

Regulation 35(1)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, governing corporate insolvency resolution processes; Regulation 35(3) of the IBBI (Liquidation Process) Regulations, 2016; Regulation 3(1)(b) of the IBBI (Voluntary Liquidation Process) Regulations, 2017; Regulation 39(1)(c) of the IBBI (Pre-packaged Insolvency Resolution Process) Regulations, 2021; and Regulation 30(2) of the IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019.

The circular is issued in exercise of the powers under Section 196 of the IBC, which confers broad regulatory and supervisory authority on the IBBI.

What Has Been Notified

The IBBI has notified the International Valuation Standards (IVS), as published and updated from time to time by the International Valuation Standards Council (IVSC), as the binding valuation standards for all valuations conducted under the IBC and the regulations made thereunder. This notification remains in force until further orders.

The IVS are a globally recognized framework for valuation practice, covering general standards on definitions, bases of value, valuation approaches and methods, and asset-specific standards across real property, business interests, financial instruments, and intangible assets. By adopting these standards, IBBI aligns India's insolvency valuation framework with international best practices, bringing greater consistency, comparability, and professional rigor to the process.

Implications for Registered Valuers

For registered valuers, whether operating in the asset class of land and building, plant and machinery, or securities and financial assets, this circular marks a significant shift in the professional standard of care expected of them. Valuations conducted under IBC engagements must now demonstrably conform to IVS requirements in terms of scope of work, bases of value, valuation approaches adopted, and the disclosure standards embedded in valuation reports.

Valuers who have not already familiarized themselves with the IVS framework will need to do so promptly, given that the circular applies with immediate effect to all ongoing and future IBC valuations. Registered Valuer Organisations will likely need to review and update their training, examination, and continuing professional development programs to embed IVS compliance.

Implications for Insolvency Professionals and Committees of Creditors

Resolution professionals, liquidators, and bankruptcy trustees who appoint registered valuers in the course of insolvency proceedings are now on notice that the valuation reports they receive and rely upon must comply with IVS. Committees of creditors evaluating resolution plans on the basis of valuations, particularly liquidation value and fair value assessments, should be aware that non-IVS compliant reports may face scrutiny before adjudicating authorities.

Insolvency Professional Agencies and Insolvency Professional Entities should similarly update their internal governance frameworks, model engagement letters, and professional conduct guidelines to reflect this new standard.

Why This Matters

India's insolvency framework has matured considerably since the IBC came into force in 2016, with courts and the IBBI progressively refining the rules governing resolution and liquidation. However, valuation-related disputes have remained a persistent source of delay and litigation, whether concerning the adequacy of liquidation value estimates, the methodology adopted for fair value, or the credibility of valuations placed before the National Company Law Tribunal.

The adoption of IVS introduces a common, internationally recognized reference point against which all IBC valuations can be assessed. It raises the floor of professional practice, reduces the scope for methodological inconsistency across valuers, and equips adjudicating authorities with a clear standard against which disputed valuations can be evaluated. For cross-border insolvency cases and foreign resolution applicants, IVS alignment also removes a potential layer of unfamiliarity with India-specific valuation practices.

Key Takeaways

The IBBI's April 1, 2026 circular is a landmark development in India's insolvency and valuation landscape. All registered valuers conducting IBC assignments, insolvency professionals relying on such valuations, and organisations overseeing the valuation profession should treat compliance with IVS as an immediate and non-negotiable obligation. The circular applies across corporate insolvency resolution, liquidation, voluntary liquidation, pre-packaged insolvency, and personal guarantor bankruptcy proceedings without exception.

For more details, write to us at: contact@indialaw.in

Reference:

Insolvency and Bankruptcy Board of India [Circular No. IBBI/RV/93/2026]

Related Practice Areas

Insolvency & Bankruptcy