

## Legal Framework

### CIRCULARS

#### IBBI Mandates Enhanced Disclosure of Carry Forward Losses in IM

The IBBI has directed Insolvency Professionals (IPs) to strengthen disclosures on carry forward of losses in the Information Memorandum (IM). As per the latest circular, IPs must include a dedicated section in the IM detailing the quantum, classification, and utilization limits of carry forward losses under the Income Tax Act, 1961. If no such losses exist, the IM must explicitly state it. This move aims to enhance transparency and assist resolution applicants in making informed decisions. Issued under Section 196 of the IBC 2016, the directive applies to all registered insolvency professionals, entities, and agencies.

**Source:** Circular No. IBBI/CIRP/83/2025, 17<sup>th</sup> March, 2025.

#### IBBI mandates timely reporting of assignments by Insolvency Professionals on its portal

As per the Circular issued by the Insolvency and Bankruptcy Board of India (IBBI), Insolvency Professionals (IPs) are required to provide information to the IBBI portal regarding their closed, ongoing and new cases under the Insolvency and Bankruptcy Code (IBC).

The Circular also provides timelines for reporting various assignments electronically on the IBBI's portal under three categories (a) New Assignments: For all cases commencing from the date of issuance of this circular, the IP shall add the assignment to the designated system within three (3) days of his/her appointment, (b) Ongoing Cases: For all ongoing cases (i.e., cases initiated before the issuance of this circular) where the assignment has not already been added, the IP shall add the assignment by February 28 2025, (c) Closed Cases: For all closed cases where the assignment has not already been added, the IP shall add the assignment by March 31, 2025. However, for closed cases relating to Personal Guarantors, the assignments shall be added by April 30, 2025. "Once the assignment is added and approved by the IBBI, the IP



shall proceed with subsequent compliances, including reporting requirements such as public announcements, EOIs, and auction notices, as applicable under different processes outlined in the Code," said the Circular. The Board has refined the Assignment Module to streamline the process and ensure thorough record-keeping, said the Circular.

**Source:** Circular No. IBBI/LIQ/82/2025, dated 11th February 2025.

### REGULATIONS

#### RP, after approval of the CoC, can now handover possession of plots, flats etc. to homebuyers even during CIRP

The Insolvency and Bankruptcy Board of India (IBBI) through a notification dated February 03, 2025, has notified several crucial amendments in the IBBI (CIRP) Regulations 2016 to take care the interests of homebuyers and facilitate insolvency of real estate companies/projects.

"After obtaining the approval of the committee with not less than sixty-six percent of total votes, the resolution professional shall hand over the possession of the plot, apartment, or building or any instruments agreed to be transferred under the real estate project and facilitate registration, where the allottee has requested for the same and has performed his part under the agreement," said the Regulation 4E inserted after Regulation 4 D in the IBBI (CIRP) Regulations 2016. Besides, Regulations 16C (Appointment of facilitators), 16D (Roles and

responsibilities of the facilitator), 30C (Report on the status of development rights and permissions of real estate projects), 18(3) (4), and 31 (ac) have been inserted. The amendments have also been made in Regulations 36 A (4), 36 B (4A), 38 (4) and Schedule 1 in Form G. The RPs must now prepare a detailed report on the status of development rights, approvals, and permissions for real estate projects within 60 days of insolvency commencement. Besides, the CoC have now been empowered to relax certain conditions for associations or group of homebuyers to participate as resolution applicants in the insolvency resolution process.

**Source:** Notification, F. No. IBBI/2024-25/GN/REG122, dated 03rd February 2025.

### Amendment in IBBI Regulations for Inspection and Investigation

As per the Notification dated 28th January 2025, the IBBI has amended IBBI (Inspection and Investigation) Regulations from the date of publication in the Official Gazette. Through this amendment, in Regulation 2, in sub-regulation (1), clause (c), after the proviso, an explanation shall be inserted, namely: “Explanation: It is hereby clarified that “associated” shall mean involvement in the conduct of investigation or inspection or consideration of the investigation or inspection report or issuance of show cause notice.”.

**Source:** Notification, F. No. IBBI/2024-25/GN/REG/118, dated 28th January 2025.

### IBBI amends Regulations for Liquidation and Voluntarily Liquidation

With the aim to streamline liquidation, strengthen regulatory oversight, and enhance transparency in insolvency resolution, the IBBI has amended the IBBI (Liquidation Process) Regulations, 2016 and IBBI (Voluntary Liquidation Process) Regulations, 2017 with immediate effect. The amendments extend the auction timeline from 14 to 30 days, require eligibility verification of bidders, and mandate consultation with the Stakeholder Consultation Committee (SCC), if the highest bidder is ineligible. Liquidators must now submit the final report, including Form H, when a scheme under Section 230 of the Companies Act, 2013, is approved.

Voluntary liquidation can now proceed even if uncalled capital exists, preventing delays.

**Source:** Notification, F. No. IBBI/2024-25/GN/REG121 and F. No. IBBI/2024-25/GN/REG120 dated 28<sup>th</sup> January 2025.

### IBBI Amends Information Utilities Regulations for Greater Transparency

IBBI has amended the Guidelines for Technical Standards under the Information Utilities Regulations 2017, enhancing user authentication, document submission, and default verification. IU’s now must verify users via PAN or other valid documents, with demographic authentication from UIDAI. Supporting documents can be submitted anytime in multiple formats with mandatory e-signatures, and digital stamping may be enabled. Before initiating CIRP u/s 7 or 9 of IBC, default information must be filed with an IU, along with authentication statuses including ‘Authenticated,’ ‘Disputed,’ and ‘Deemed to be Authenticated’. A color-coded system for tracking default authentication and mandatory email record-keeping will improve security and traceability, said the IBBI.

**Source:** Notification, IBBI (Information Utilities) REGULATIONS, 2017 dated 29th January 2025.

### Amendment in IBBI (Grievance and Complaint Handling Procedure) Regulations 2017

The IBBI through a Gazette Notification dated January 28, 2025, has introduced an amendment in the IBBI (Grievance and Complaint Handling Procedure) Regulations 2017. Though this amendment, in Regulation 3, in sub-regulation (4), in the proviso, for the figure and word “30 days”, the following words shall be substituted, namely:- “thirty days from the date of closure of all proceedings related to the process under the Code before the Adjudicating Authority, the Appellate Authority, the High Court, or the Supreme Court, as the case may be”. This amendment has been done by the IBBI in exercise of the powers conferred under sections 196, 217 read with section 240 of the IBC, 2016 (31 of 2016). **Source:** Notification, F. No. IBBI/2024-25/GN/REG 119 dated 28th January 2025.

## DISCUSSION PAPER

### IBBI's Discussion Paper proposes Coordinated Insolvency Resolution for Interconnected Entities

Insolvency and Bankruptcy Board of India (IBBI) in a Discussion Paper has proposed to amend the CIRP Regulations to introduce a mechanism for coordination of CIRP of interconnected entities. These amendments may include: (a) Provisions for joint hearings, (b) Appointment of a common resolution professional, (c) Information sharing protocols, and (d) Coordinated timelines. This amendment aims to increase efficiency, reduce costs, and improve outcomes in cases involving multiple interconnected entities undergoing CIRP simultaneously, said IBBI.

Besides, the Discussion Paper has proposed amendments under 10 more heads. They are Review of expenditure on Goods and Services availed during CIRP, Coordinated Insolvency Resolution for Interconnected Entities, Presentation of All Resolution Plans before the Committee of Creditors, Mandatory Submission of Statement of Affairs by Corporate Debtors, Reliefs and Concessions subsequent to approval of Resolution Plan, Incentivizing Interim Finance Providers, Disclosure and Treatment of Avoidance Transactions, Request for resolution plans for part wise resolution of Corporate Debtor, Empowering CoC for Expedited Implementation of Resolution Plans, Non-receipt of Repayment Plan under Insolvency Resolution of Personal Guarantor, and Sale of Corporate Debtor as a going concern.

**Source:** IBBI Discussion Paper dated 4<sup>th</sup> February 2025.



## PRESS RELEASES

### Dr. Bhushan Kumar Sinha takes charge as WTM-IBBI

Dr. Bhushan Kumar Sinha took charge as Whole Time Member of Insolvency and Bankruptcy Board of India on February 11, 2025. Dr. Sinha holds a PhD in Financial Economics from the University of Delhi (DU) and an MBA from the College of Business Studies, National Graduate School of Management, Australian National University, Canberra. He also holds an LLB from the DU. He joined the Indian Economic Service (IES) in 1993, coinciding with the economic reforms process in India. Over the years, he has held key portfolios in banking & finance, capital & debt markets, external debt management, asset management & strategic divestment, MSMEs, etc., while serving in the Ministry of Finance. He has also served as Joint Development Commissioner for 4 yrs in the Office of Dev Commissioner, Ministry of MSME.

**Source:** IBBI Press Release, No. IBBI/PR/2025/04 dated 12<sup>th</sup> February 2025.

### IBBI published syllabus of phase 9 of the LIE

Pursuant to Regulation 3 of the IBBI (Insolvency Professionals) Regulations, 2016, the Board has published the syllabus of phase 9 of the Limited Insolvency Examination (LIE). The revised syllabus is applicable for the examination to be conducted with effect from 5<sup>th</sup> May 2025. The IBBI commenced LIE on 31<sup>st</sup> December 2016. The Board reviews the Examination continuously to keep it relevant with respect to the dynamics of the market. So far seven phases have been completed, and eighth phase of examination is currently going on, said the IBBI in a press release.

**Source:** IBBI Press Release No. IBBI/PR/2025/03 dated 4<sup>th</sup> February 2025.