



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter



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### **IBBI introduced Regulation on Non-Submission of Repayment Plan by Personal Guarantors**

IBBI through an amendment namely IBBI (Insolvency Resolution Process for PGs to CDs) (Amendment) Regulations, 2025 dated May 19, 2025, has introduced a new Regulation 17 B which states “Non-submission of repayment plan where no repayment plan has been prepared by the debtor under section 105 of the Code, the resolution professional shall file an application, with the approval of creditors, before the Adjudicating Authority intimating the non-submission of a repayment plan and seek appropriate directions.”

**For More Details, Please Visit:**

<https://ibbi.gov.in/uploads/legalframework/115a93d153a21b2507f8663667d600b0.pdf>

## **News Update**

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### **Insolvency Resolutions Exceed Liquidations**

Insolvency and Bankruptcy Board of India (IBBI) has reportedly said that the IBC has resulted in two cases being resolved for every one case that goes into liquidation. However, in 2017-18 for every one resolution, five companies went into liquidation.

This improvement is partly because the legacy cases related to liquidation have come down and also due to better quality of assets when they are admitted for Corporate Insolvency Resolution Process (CIRP), said the IBBI. “Since the law was enacted 30,310 cases with underlying default of ₹13.8 lakh crore were settled pre-admission. Post-admission, the IBC resolved 1,194 cases through resolution plans, 2,430 cases were closed through settlement, withdrawals and appeal, while 978 liquidations,” said IBBI. The IBBI also informed about various initiatives being taken to improve the outcomes of the IBC which include monitoring of cases pending for admission and ongoing CIRPs. Besides, the IBBI has revised its mechanisms for real-time sharing of information, regarding applications for the initiation of CIRP with the information utility. There is also marked improvement in the number of cases being disposed of. However, the time taken in completing the insolvency process is still a matter of concern, said media reports. According to the IBBI data, the time taken in resolution process is 597 days, which is more than twice the extended deadline of 270 days provided under the IBC. About 78% of the pending cases under the IBC have dragged on for over 270 days. Another 9% have been going on for 180-270 days, said media reports.

**For More Details, Please Visit:** <https://timesofindia.indiatimes.com/business/india-business/now-insolvency-resolutions-exceed-liquidations/articleshow/121325791.cms>

## News Roundup

### There has been a 3.3% reduction in the cost of debt for distressed firms since the IBC was adopted: IIM Bangalore

In a study reportedly conducted by the Indian Institute of Management (IIM), Bangalore, it has been revealed that there has been a 3.3% reduction in the cost of debt for distressed firms compared to non-distressed ones since the Insolvency and Bankruptcy Code, 2016 (IBC) was adopted. Citing this study, the IBBI has said that the IBC has prompted borrowers to adhere to loan payment schedules. Creditors have become more willing to lend to distressed firms at lower interest rates since the IBC was adopted, showing they are more confident of recovering dues in case of a default, said IBBI. In another study, according to IBBI, the companies resolved under the IBC witnessed a 50% increase in the average employee cost in the three years indicating IBC contribution to preserving and adding jobs.

**For More Details, Please Visit:** <https://www.livemint.com/news/india/ibc-impact-insolvency-and-bankruptcy-code-ravi-mital-debt-resolution-india-ibbi-update-distressed-firms-india-11747811499757.html>

### IBBI notified amendments in IBBI (CIRP) Regulations

The IBBI (CIRP) (Third Amendment) Regulations, 2025 dated May 19, 2025, will come into effect from June 01, 2025. Through this amendment, the IBBI has substituted Regulation 40B “Filing of Forms”. “The interim resolution professional or resolution professional, as the case may be, shall file the Forms, along with the enclosures thereto, on an electronic platform of the Board, as per the timelines stipulated against each form,” said IBBI in the substituted Regulation 40 B. “The Board shall make available the Forms referred in sub-regulation (1) on the electronic platform and may modify them from time to time,” it added. The Board may take action against the IRP or RP for failure to filing, inaccurate or incomplete filing or delays in filing.

**For More Details, Please Visit:** <https://ibbi.gov.in/uploads/legalframework/2025-05-22-095742-qn7tr-202c20a1bf2d6bd49de67265b1436e3e.pdf>

### USA court grants approval to Rite Aid to close stores and sell most of its pharmacy assets

Rite Aid, the US pharmacy chain, can now sell most of its pharmacy assets in separate transactions to CVS, Walgreens, Albertsons, Kroger and Giant Eagle, among others. The company, which operates about 1,200 medical stores and has some 8 million customers, filed for bankruptcy earlier this month for the second time in two years. Its retail business was performing poorly due to decreased drug sales margins. Rite Aid has buyers for customer files at 810 of its stores but failed to locate buyers for the files at 200 others. CVS is the largest buyer and has also agreed to acquire 64 store locations in addition to taking over prescriptions for Rite Aid customers at 650 other locations.

**For More Details, Please Visit:** <https://www.reuters.com/business/healthcare-pharmaceuticals/court-approves-fire-sale-most-rite-aids-pharmacy-assets-2025-05-21/>



### NCLT approved resolution plans of over 67,000 crores in FY 2024-25 under the IBC

According to media reports, the Adjudicating Authorities across NCLT Benches in the country have approved 284 resolution plans in FY 2024-25 under the Insolvency and Bankruptcy Code, 2016 (IBC). These resolution plans collectively amount to ₹67,176 crores, which is about 42% higher than the ₹47,206 crores resolved through 275 resolution plans in 2023-2024. This is the second highest amount realized through the IBC after ₹1,19,993 crores realized in FY2018-19 from 81 cases.

“Higher levels of recoveries generally indicate that the code is generally better compared to other methods for resolution. However, we should also keep in mind that the data can be skewed by a few high value recoveries,” said the media report citing a research report.

**For More Details, Please Visit:** <https://www.thehindu.com/news/national/tamil-nadu/nclt-gave-nod-for-resolution-plans-to-the-tune-of-over-67000-crore-in-fy2024-25-under-bankruptcy-law/article69579991.ece>

## EVENT PHOTOGRAPHS



*Workshop on "Managing Corporate Debtors as Going Concern under CIRP" organized by IIIPI on May 24, 2025.*



*Webinar on "Recent SC Judgement in JSW Steel-Bhushan Power CIRP" organized by IIIPI on May 13, 2025.*

### **Govt is likely to amend IBC to set aside CCI's prior approval for resolution plans**

The Union Ministry of Corporate Affairs (MCA) is reportedly considering a proposal to amend Section 31(4) of the IBC, which currently mandates prior approval from the Competition Commission of India (CCI) for any resolution plan.

The proposed bill, which is likely to be tabled in Monsoon session of the Parliament, seeks to ease the burden on the CCI by removing the requirement for its prior approval in cases processed under the IBC. The Supreme Court, in January 2025, had rejected the Resolution Plan of AGI Greenpac for Hindustan National Glass due to lack of CCI's prior approval.

#### **For More Details, Please Visit:**

<https://www.cnbcv18.com/business/government-likely-to-table-ibc-amendment-bill-in-parliament-monsoon-session-insolvency-and-bankruptcy-code-cci-19607357.htm>