



## INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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# IIPI Newsletter



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### Fewer Cases Filed by Operational Creditors in April - June 2025 Quarter

Till June 2025, a total of 8,487 insolvency cases were initiated—3,963 by operational creditors, 4,002 by financial creditors, and 522 voluntarily by companies. During the June 2025 quarter alone, 175 cases were filed, with 64 initiated by operational creditors, 100 by financial creditors, and 11 by companies themselves. However, their share of new cases has recently declined. This fall is largely attributed to out-of-court settlements, as MSMEs increasingly prefer quicker dispute resolution mechanisms to avoid lengthy insolvency proceedings and preserve business relationships.

**For More Details, Please Visit:**

<https://economictimes.indiatimes.com/industry/banking/finance/operational-creditors-trail-financial-lenders-in-spurring-insolvency-cases/articleshow/123620724.cms?from=mdr>

## News Update

*\*For Internal Circulation Only*

*\*Knowledge SBU Initiative*

### Resolution Professionals empowered to seek information from previous employees under the IBC: Media Report

Former employees and service providers of companies under insolvency process will now be required to share information with resolution professionals (RPs), following recent amendments to the Insolvency and Bankruptcy Code (IBC) reportedly cleared by Parliament.

“As per the latest amendments, in case these persons fail to cooperate, RPs can submit an application with the adjudicating authority to direct them to comply,” said a media report. The change reportedly aims to ease the work of RPs, who often face delays due to non-cooperation from ex-employees and directors. Currently, the Corporate Insolvency Resolution Process (CIRP) is mandated to be completed within 180 days, extending to 270 days. These strict timelines were introduced to ensure speedy resolution of stressed companies and protect stakeholder value. However, most cases exceed these limits, leading to prolonged uncertainty and, ultimately, more liquidation. The amendment is expected to strengthen compliance and improve resolution efficiency.

Previously, resolution professionals (RPs) were permitted to obtain information only from the current “personnel” involved in the corporate insolvency resolution process (CIRP). In August, Finance Minister Nirmala Sitharaman tabled the Insolvency and Bankruptcy Code (Amendment) Bill, 2025 in the Lok Sabha proposing measures on group insolvency, cross-border insolvency, Pre-Pack etc.

**For More Details, Please Visit:** <https://www.financialexpress.com/business/banking-finance-past-employees-service-providers-now-under-ibc-law-ambit-3962805/>

## News Roundup

### IBC has transformed the approach towards corporate distress: Supreme Court Judge

Speaking in at book launch event, Justice N. Kotiswar Singh said “IBC resolution process is not of liquidation but of resurrection. It was needed because earlier processes were in fragments. IBC prevents forum shopping also, delay has also been prevented to a great extent”. According to a media report, he compared the IBC with a hospital and said, "I consider this entire process to be a specialist hospital. You see reflection of all this in IBC. When a company is going down, the immediate response is for them to rush to NCLT. Professionals will diagnose what is to be done. It provides an organic systematic platform”. He emphasised that the IBC had immense impact on employees and urged law students to develop technical proficiency alongside legal knowledge.

**For More Details, Please Visit:** <https://www.barandbench.com/news/ibc-is-a-specialist-hospital-for-distressed-companies-supreme-court-justice-n-kotiswar-singh>

### AGS Transact, ATM manager, faces Insolvency Proceedings over Mounting Debt

The Mumbai bench of NCLT has admitted AGS Transact Technologies Ltd., a leading payments solutions provider, into insolvency following a plea by operational creditor Securitrans India Pvt. over unpaid dues of ₹2.4 crore. As of April 2025, AGS owed over ₹592 crore to banks, with overdue payments of ₹17 crore. Its subsidiary Securevalue India defaulted on loans and statutory dues of nearly ₹127 crore with a default of ₹4.2 crore. Another operational creditor, Maxwell Aircon India Pvt. Ltd., has also filed an insolvency petition against the company. On May 30, 2025, AGS reportedly informed the stock exchanges that it would be unable to publish its quarterly financial results within the mandated timeframe.

**For More Details, Please Visit:** <https://www.ndtvprofit.com/business/cash-strapped-atm-manager-ags-transact-admitted-into-insolvency>

### Vienna's Art forum closes Amid Signa's Insolvency

Spirit Airlines has filed for bankruptcy protection for the second time in a year after its earlier restructuring failed to stabilize operations. The Florida-based budget carrier, which exited its first bankruptcy in March, continues to face severe cash shortages and mounting losses, reporting a \$246 million net loss in the June quarter. The airline recently drew its full \$275 million revolving credit facility but remains burdened by a bloated cost structure, with quarterly expenses of \$1.2 billion, or 118% of revenue. Spirit is also in dispute with AerCap Holdings over a deal involving 36 aircrafts.

**For More Details, Please Visit:** <https://www.reuters.com/business/spirit-airlines-files-second-bankruptcy-year-financial-challenges-persist-2025-08-29/>



### NCLT Clears ₹614 Crore Resolution Plan to compete housing project in Mumbai

NCLT Mumbai bench has approved Pune based Mantra Properties' ₹614-crore Resolution Plan for the stalled redevelopment a colony in Jogeshwari East, Mumbai.

The project, initiated in 2008 by Acme Realities, involved rehabilitating 576 families of M. S. Co-operative Housing Society and constructing saleable towers. Acme, however, defaulted, leaving debts of over ₹4,326 crore. Aggrieved homebuyers filed insolvency petition under Section 7 of the IBC.

The Plan includes completing two partially built sale towers within 18 months, paying pending rent, and finishing rehabilitation of 300 families within 42 months. Post-completion, Mantra will gain nearly six acres land for commercial development.

**For More Details, Please Visit:** <https://www.thehindu.com/business/nclt-clears-way-for-completion-of-struck-redevelopment-project-in-mumbai-approves-pune-realtors-resolution-plan/article69990306.ece>

## EVENT PHOTOGRAPH



*Webinar on “IBC Amendment Bill 2025-Debate (PART 2)” conducted by IIPI on August 22, 2025.*

### **IIPI Announces September 2025 Webinars**

The IIPI will host three webinars in September 2025 to strengthen professional knowledge under the IBC.

Webinars include “*Common Issues on Monitoring/ Inspection & Peer Review*” on 04<sup>th</sup> September 2025, “*IIPI’s Research Web Conference on IBC*” on September 19, “*Emerging Jurisprudence – Recent Case Laws*” on September 26, 2025. All the three Webinars will be conducted from 3 PM to 6 PM.

The IPs participating in these webinars will be eligible for CPE: 2 hours each while Registered Valuers (RVs) for CPE: 3 hours each. Registrations can be made via [app.iiipicai.in/regpayments](https://app.iiipicai.in/regpayments).

**For More Details, Please Visit:** <https://www.iiipicai.in/wp-content/uploads/2025/08/Sept-2025-webinars.pdf>