

# Legal Framework

## CIRCULARS

### IBBI launched Revised Forms for CIRP

IBBI, through a Circular dated May 26, 2025, has introduced a revised framework of forms for monitoring Corporate Insolvency Resolution Process (CIRP). Under the revised framework, the existing nine forms have been consolidated into five forms. “This consolidation has been achieved by removing duplications, streamlining data requirements, and leveraging technology for auto-population of information already available on portal,” said the IBBI. These new forms have been made available on IBBI’s website since June 01, 2025, and the existing forms were discontinued. The IBBI has also decided not to levy penalty on IPs during the initiation quarter (July – September 2025) to familiarize themselves with the new forms and resolve technical issue(s) that may arise, if any.

**Source:** Circular No. IBBI/CIRP/85/2025, May 26, 2025.

### IBBI makes the use of Baanknet (formerly eBKray) Auction Platform for Liquidation, mandatory from April 01, 2025

Through a Circular dated March 28, 2025, the Insolvency and Bankruptcy Board of India (IBBI) has said that (i) all IPs shall exclusively use the Baanknet auction platform for conducting auctions for the sale of assets during the liquidation process where an auction notice is issued on or after 1st April 2025. (ii) All IPs shall clearly mention in the auction notice that: Prospective bidders shall submit the requisite documents, including a declaration of eligibility under Section 29A of the IBC through the electronic auction platform; Prospective bidders shall deposit the Earnest Money Deposit (EMD) through the Baanknet auction platform; It shall also be specified that if the bidder is found ineligible, EMD shall be forfeited.

**Source:** Circular No. IBBI/LIQ/84/2025, March 28, 2025.

## REGULATIONS

### IBBI introduces stricter disclosure of Avoidance Transactions

The Insolvency and Bankruptcy Board of India (IBBI) through IBBI (CIRP) (Fifth Amendment) Regulations, 2025 dated July 04, 2025, has inserted provisions for stricter disclosure of “Avoidance Transactions” and restricted their post-facto inclusion in resolution plans if not disclosed previously in the information memorandum.

In the IBBI (CIRP) Regulations, 2016 (principal regulations), in Regulation 36, (i) in sub-regulation (1),



after the words “insolvency commencement date”, the words and mark “, and its subsequent updates thereof”, shall be inserted. (ii) in sub-regulation (2), after clause (h), the following clause shall be inserted, namely: - “(ha) details of all identified avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code and subsequent filings before Adjudicating Authority, as referred under sub-regulation (3A) of regulation 35A;” In the principal regulations, in Regulation 38, after sub-regulation (2), the following sub-regulation shall be inserted, namely: - “(2A) A resolution plan shall not provide for assignment of any avoidance transactions under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code that were not: (a) disclosed in the information memorandum; and (b) intimated to all prospective resolution applicants under sub-regulation (3A) of regulation 35A before the last date for submission of resolution plans.

**Source:** Gazette Notification, F. No. IBBI/2025-26/GN/REG128, dated July 04, 2025.

### IBBI amends Regulations to facilitate part-wise Resolution of Corporate Debtor

Insolvency and Bankruptcy Board of India (BBI) has notified IBBI (CIRP) (Fourth Amendment) Regulations 2025 through a Notification dated May 26, 2025. This amendment has introduced crucial changes in Regulations 18, 36A, 36 B, 38, and 39.

As per the newly inserted Regulation 18 (5), the Committee of Creditors (CoC) has been empowered to direct the Resolution Professional to invite the providers of interim finance to attend as observers without voting rights, such meeting(s) of the committee, as the committee may decide. This provision is aimed at providing more information to the providers of interim finance regarding the Corporate Debtor (CD) thereby helping it with informed decision making. Furthermore, sub-regulation (1 A) has been inserted after Regulation 36 A (1) which

makes a provision for partwise sale of the CD. It says, “The Resolution Professional may, with the approval of the CoC, invite expression of interest for submission of resolution plans for the CD as a whole, or for sale of one or more of assets of the CD, or for both”. However, sub-regulation (6A) of Regulation 36B has been omitted. It also inserts a proviso in Regulation 38 (1) (b) to clarify the payment plan for dissenting financial creditors. As per this amended proviso “where a Resolution Plan provides for payment in stages, the financial creditors who did not vote in favour of the Resolution Plan shall be paid at least pro rata and in priority over financial creditors who voted in favour of the plan, in each stage”.

**Source:** *Gazette Notification, F. No. IBBI/2025-26/GN/REG127, dated May 26, 2025.*

### **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.

**Source:** *Gazette Notification, No. IBBI/2025-26/GN/REG126, dated May 19, 2025.*

### **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.”

**Source:** *Gazette Notification, F. No. IBBI/2025-26/GN/REG125, dated May 19, 2025.*

### **Amendment in IBBI (IPs) Regulations**

The Insolvency and Bankruptcy Board of India (IBBI) has issued a Notification dated April 03, 2025, titled BBI (Insolvency Professionals) (Amendment) Regulations, 2025. As per this amendment, in the IBBI (Insolvency Professionals) Regulations, 2016, in Regulation 5, in clause (a), for the word “twelve”, the words and the mark “twenty-four” shall be substituted. This amendment has been made by the IBBI in exercise of the powers conferred to it by sections 196 and 207 read with section 240 of the IBC, 2016.

**Source:** *Gazette Notification, F. No. IBBI/2025-26/GN/REG123, dated April 03, 2025.*

### **IBBI Amends “Form H” under Schedule I of IBBI (CIRP) Regulations 2016**

Through a Gazette Notification dated April 03, 2025, the IBBI has substituted “Form H” in IBBI (CIRP) Regulations, 2016 in Schedule -I, with “Form H Compliance Certificate”. These amendments have been made in exercise of the powers conferred to the IBBI by clause (t) of sub-section (1) of section 196 read with Section 240 of the Insolvency and Bankruptcy Code, 2016. The amended Form comprised of details of the CIRP, reasons for not filing application for approval of Resolution Plan within 180 days of CIRP initiation, details of documents related to Successful Resolution Applicant (SRA), details of implementation of the Resolution Plan, Realizable Amount etc.

**Source:** *Gazette Notification, F. No. IBBI/2025-26/GN/REG124, dated April 03, 2025.*

## **PRESS RELEASES**

### **IIPI Releases Report on Developing Market for Stressed Assets in India**

IIPI has released a Study Group Report titled “Developing Market for Stressed Assets in India” during a web-conference attended by key dignitaries including Shri Atul Kumar Goel, Chief Executive of IBA and former MD of PNB. Prepared under the chairmanship of CA. Dhinal Shah, the report highlights the low-resolution rate under IBC compared to liquidations, citing the lack of a developed market for stressed assets as a major hurdle. The report recommends key reforms such as amendments in IBC and easing RERA norms during CIRP, cross-border and group insolvency frameworks etc. Dr. A.K. Mishra-Chairman IIPI stressed the need for greater institutional and academic support to strengthen India’s stressed asset market.

**Source:** *IIPI Press Release, May 02, 2025.*