



INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI

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IIPI Newsletter

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IBBI Amends Liquidation Regulations to Mandate Electronic Filing of Forms

The IBBI has notified the *IBBI (Liquidation Process) (Amendment) Regulations, 2026*. The amendment substitutes Regulation 47B(1) to require liquidators to file all prescribed forms, along with relevant enclosures, on the Board's designated electronic platform. Such filings must be made in accordance with the timelines specified for each form, as notified by the IBBI from time to time. The amendment aims to streamline compliance, enhance transparency, and improve regulatory oversight of liquidation proceedings through digitised reporting mechanisms.

For More Details, Please Visit:

<https://ibbi.gov.in/uploads/legalframework/12057962af7d19fd66eff82351a70e49.pdf>

News Update

**For Internal Circulation Only*

**Knowledge SBU Initiative*

Four Bidders, including Promoter and Mutares Group, Enter Bids for Syska LED Insolvency

The CIRP of Syska LED Lights Pvt Ltd has attracted interest from four resolution applicants, indicating sustained investor appetite for the stressed consumer lighting company. The bidders include the company's existing promoter, Germany-based turnaround investor Mutares Group, Aikyam Stressed Asset Fund, and Cyfuture India Pvt Ltd. However, lenders have expressed concerns over the validity of certain bids, particularly due to the absence of formal board-level authorisation from one bidder. Syska LED has admitted claims aggregating to approximately ₹226 crore. State Bank of India is the largest financial creditor, followed by Union Bank of India, HDFC Bank, IndusInd Bank, and Phoenix ARC. The company was admitted into insolvency in October 2024 after facing prolonged financial stress caused by intense competition, declining margins, and persistent working capital constraints. Lenders are optimistic that competitive bidding will result in recoveries exceeding 50% of the admitted claims, subject to final negotiations and approval by the Committee of Creditors. Significantly, the promoter has submitted a resolution plan under the Micro, Small and Medium Enterprises provisions of the Insolvency and Bankruptcy Code. Such promoter-led bids are often viewed positively in MSME cases, as they allow continuity of operations while remaining compliant with the Code. The final outcome will depend on bid compliance, commercial viability, and creditor consensus.

For More Details, Please Visit: <https://economictimes.indiatimes.com/industry/cons-products/durables/syska-led-insolvency-draws-four-bidders-including-promoter-and-mutares-group/articleshow/126238939.cms?from=mdr>

News Roundup

With Mounting Pendency, Infra Woes, NCLT Struggles As Insolvency Cases Surge Beyond Capacity

In 2025, the Insolvency and Bankruptcy Code framework faced mounting stress as insolvency cases increasingly exceeded statutory timelines due to capacity constraints and systemic delays at the NCLT, despite efforts to manage the workload. Nearly 10,000 cases remain stuck at the admission stage, with over ₹10 lakh crore locked in distressed assets, while many NCLT benches operated on half-day schedules amid infrastructure and staffing shortages. Delays were driven by repeated adjournments, contested defaults, and excessive litigation. Although thousands of CIRPs have been admitted, resolved, withdrawn, or settled since 2016, the average resolution time rose sharply to 688 days by September 2025, far exceeding prescribed limits. Experts noted that while new appointments were made and landmark judgments reinforced the primacy of commercial wisdom, structural issues, regulatory overlaps, and procedural inefficiencies continued to undermine timely resolution under the IBC.

For More Details, Please Visit: <https://economictimes.indiatimes.com/news/company/corporate-trends/with-mounting-pendency-infra-woes-nclt-struggles-as-insolvency-cases-surge-beyond-capacity/articleshow/126267043.cms?from=mdr>

Embassy Developments Sent To Insolvency by NCLT; Firm Challenges Order Before The Appellate Tribunal For Review

The NCLT has admitted Canara Bank's insolvency plea against Embassy Developments Ltd, holding that the company remains liable as a corporate guarantor for loans extended to Sinnar Thermal Power Ltd. The tribunal directed initiation of the CIRP under the IBC, 2016, while rejecting the company's claim that its guarantee obligations ended due to later restructuring arrangements. It ruled that guarantees continue unless expressly and unconditionally released by the creditor, which was not done in this case. Canara Bank stated that Sinnar Thermal owed ₹372.35 crore, excluding interest and penalties, and relied on multiple binding undertakings to establish continuing liability. Embassy Developments has challenged the order before the NCLAT, asserting that the claim arises from historical restructuring and does not constitute a financial guarantee or debt under the Code.

For More Details, Please Visit: https://www.business-standard.com/companies/news/nclt-insolvency-canara-bank-embassy-developments-sinnar-thermal-125121100349_1.html

Belgian Bankruptcies at the Highest Level in 12 Years

Belgium's bankruptcies rose in 2025 due to sharp increases in Flanders and Brussels, while Wallonia saw a slight decline. Construction, real estate, transport, and services had record failures with 26,778 job losses, the second-highest in a decade. New business creation decreased and closures increased, resulting in the lowest net business growth in ten years. Graydon noted a narrowing gap between start-ups and closures and a rise in one-person businesses.

For More Details, Please Visit: <https://www.vrt.be/vrtnws/en/2025/12/31/bankruptcies-at-the-highest-level-in-12-years/>



Corporate Ministry Seeks Cabinet Approval For 50 More NCLT Courts

The Corporate Affairs Ministry has sought Cabinet approval to set up 50 additional NCLT courts and two more NCLAT benches to address delays in insolvency proceedings. It also plans to frame regulations under the Adjudicating Authority Rules to ensure timelines are met, along with infrastructure and administrative strengthening.

Despite adequate sanctioned strength, insolvency applications take over a year to be admitted against the 14-day mandate due to capacity and infrastructure constraints. The committee and stakeholders stressed on expanding benches, improving infrastructure, and fixing a three-month timeline for NCLAT appeals. IBBI data shows CIRPs continue to face prolonged timelines, weakening the IBC's time-bound framework.

For More Details, Please Visit: https://www.business-standard.com/industry/news/mca-seeks-to-add-50-nclt-courts-and-two-nclat-benches-panel-report-125121800739_1.html