



INSOLVENCY PROFESSIONAL AGENCY
OF INSTITUTE OF COST ACCOUNTANTS OF INDIA

IBC AU-COURANT

LATEST UPDATES ON INSOLVENCY AND BANKRUPTCY

"Stay patient and trust the journey."

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➤ IBBI Introduces Major Reforms to Strengthen Insolvency Framework

In May 2025, the Insolvency and Bankruptcy Board of India (IBBI) introduced two key policy reforms to enhance transparency, flexibility, and efficiency in the Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016. The reforms include the Fourth Amendment to the CIRP Regulations and the issuance of new guidelines for the appointment of Insolvency Professionals (IPs).

The Fourth Amendment, effective from May 26, 2025, allows the Committee of Creditors (CoC) to invite interim finance providers as non-voting observers, promoting transparency and attracting critical funding. Another key change empowers resolution professionals to invite Expressions of Interest (EoIs) for specific assets or business divisions, not just the entire corporate debtor. This dual-track approach is expected to improve bidder interest and protect viable business units from liquidation.

To support these changes, the IBBI has issued new guidelines for appointing IPs for the period July–December 2025. It mandates zone-wise panels, EoI submission by June 22, and stringent eligibility norms, including valid AFA and clean disciplinary records. Individual IPs will be empaneled by zone, while IPEs can be listed across all NCLT benches.

Together, these reforms aim to streamline insolvency resolution, boost stakeholder confidence, and improve recovery outcomes.

Source: India Briefing

Read Full news at: <https://www.india-briefing.com/news/indias-ibbi-overhauls-corporate-insolvency-guidelines-37975.html/>

➤ **NCLAT Upholds Termination of CIRP Against Rajasthan Land Holdings Ltd After Debt Repayment**

The New Delhi bench of the National Company Law Appellate Tribunal (NCLAT) upheld the termination of the Corporate Insolvency Resolution Process (CIRP) against Rajasthan Land Holdings Ltd. (RLHL), citing full repayment of dues and misuse of process. The case originated from a Section 9 application by operational creditor Rajputana Constructions Pvt. Ltd. (RCPL) for unpaid dues of ₹23.97 lakhs. The CIRP was initiated in 2019, with a Committee of Creditors (CoC) formed of just three operational creditors.

Later, a financial claim of ₹181 crore was filed by ITNL, a related party, which was disqualified from joining the CoC. Although ITNL proposed a full settlement of admitted dues to operational creditors, RCPL—holding 89.54% voting share—opposed the resolution without clear justification. The NCLAT criticized this dominant conduct and found discrepancies in the conduct of the Resolution Professional (RP), who continued to draw fees during the CIRP suspension period.

The tribunal noted that the CIRP cost had risen to ₹73 lakhs, triple the admitted debt, with little progress achieved. It upheld the NCLT's decision to cap the RP's fee at ₹50,000/month and affirmed the termination of CIRP, emphasizing the Code's purpose of resolution over prolonged insolvency.

Source: Tax Scan

Read Full news at: <https://www.taxscan.in/top-stories/cirp-cannot-be-continued-when-entire-debt-amount-has-been-re-paid-nclat-1421488>

➤ **Lavasa Insolvency: NCLT Grants 90-Day Extension for Resolution Process**

The Mumbai Bench of the NCLT has granted a 90-day extension from May 29, 2025, in the ongoing Corporate Insolvency Resolution Process (CIRP) of Lavasa Corporation Ltd. This extension is aimed at allowing the Committee of Creditors (CoC) more time to evaluate new resolution plans and maximise value for stakeholders. Lavasa, once a flagship township project promoted by Hindustan Construction Company, is undergoing a second round of insolvency after the failure of Darwin Platform Infrastructure Ltd.'s ₹1,814 crore resolution plan. Darwin had committed to repaying creditors, completing township development, and delivering homes to over 800 buyers but failed to honour its obligations, leading to the plan's termination and CIRP reinstatement in September 2024.

Source: Realty Plus

Read Full news at: <https://www.rprealtyplus.com/news-views/renewed-hope-for-reviving-lavasa-through-fresh-bids-120333.html>



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