भारतीय कम्पनी सचिव संस्थान
THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

SUPPLEMENT
PROFESSIONAL PROGRAMME
(Syllabus 2022)

FOR DECEMBER 2026 EXAMINATION

(Containing updates from 1st June, 2025 to 31st May, 2026)

CORPORATE RESTRUCTURING, VALUATION & INSOLVENCY

GROUP 2

PAPER 6

INDEX

[1] Few important case laws are given for information. For more such case laws, students may refer the IBBI/Court website.

Students appearing in Examination shall note the following:

Students appearing in December, 2026 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, IBBI, RBI or any other regulatory authority / Central Government up to 31st May, 2026.

The students are advised to acquaint themselves with the subject specific updates published by the Institute.

This supplement is to be read with the Corporate Restructuring, Valuation & Insolvency (CRVI) study material (Syllabus 2022) updated up to May, 2025

It may be noted that pursuant to the IBC (Amendment) Act 2026 effective from 26th May, 2026, all the consequential amendments made in various IBBI regulations/circular issued upto 3rd June, 2026 are relevant for Part III of CRVI Study Material and should be read in consonance for a comprehensive understanding of the subject. The updated study material is made available on the Academic Portal of ICSI for easy reference of students.

Part I: Corporate Restructuring

LESSON 1
TYPES OF CORPORATE RESTRUCTURING

Vedanta Demerger

Vedanta Group is a global leader in critical minerals, transition metals, energy, and technology, with operations spanning India, South Africa, Namibia, Liberia, UAE, Saudi Arabia, Korea, Taiwan, and Japan. As the world's largest integrated producer of zinc, the fourth-largest global producer of silver, and one of the top producers of aluminium globally, Vedanta plays a pivotal role in the global supply of essential materials for the energy transition. The Company is also India's only private oil and gas producer and one of the largest private power producers. A global ESG champion, Vedanta is committed to achieving net-zero emissions by 2050 or sooner. Through its transformative social impact initiatives, the company has improved the lives of millions of people in underserved regions.

Vedanta Limited, the world's leading critical minerals, energy transition, metals, oil & gas, power, and technology conglomerate, today announced that the Mumbai Bench of the National Company Law Tribunal (NCLT) has sanctioned the Scheme of Arrangement for the Company's demerger into four independent, pure-play businesses by an order dated December 16, 2025.

With this approval and subject to receipt of certain government, regulatory approvals and other stakeholder clearances, Vedanta enters the execution phase of a transformational demerger that will result in five separate listed companies1 (including already listed Vedanta Limited), each with a clear strategic mandate, focused management teams, and dedicated capital structures. The demerger is designed to unlock long-term value for shareholders and provide investors direct exposure to high-quality, sector-leading assets aligned with India's growth and global energy transition trends. It represents a significant step in simplifying Vedanta's corporate structure while strengthening accountability, transparency, and strategic clarity across the Company's businesses.

Creating focused, world-class companies

Post demerger, Vedanta's businesses will operate as independent, sector specific companies, each positioned to capitalise on its respective market opportunities. The resulting entities will be as follows:

- Vedanta Aluminium
- Vedanta Oil & Gas
- Vedanta Iron & Steel
- Vedanta Power
- **Vedanta Limited** (to continue as the parent Company housing Hindustan Zinc Limited and incubating future-facing businesses)

Shareholders of Vedanta Limited will receive equity shares in each of the four resulting listed entities (in addition to their shareholding in Vedanta Limited) in proportion to their existing holdings, ensuring continuity of ownership while enabling direct participation in the growth trajectories of individual businesses.

Strategic rationale

Each demerged entity will operate with greater strategic flexibility, sharper market focus, and independent access to capital. Management teams in the demerged entities will align decision-making more closely with customer needs, investment cycles, and commodity-specific dynamics, while enabling investors to evaluate and value each business on its own merits.

The demerged entities will benefit from India's continued infrastructure build-out, rapid urbanisation, energy transition, and emphasis on domestic manufacturing and resource security. The new structure positions each Company to respond nimbly to these trends while pursuing disciplined growth and operational excellence.

Overview of the resulting businesses

1. **Vedanta Aluminium**, a leading global fully integrated producer of aluminium, will operate with strong cost competitiveness, a diversified product portfolio, and a growing focus on value-added and low-carbon aluminium solutions.

2. **Vedanta Oil & Gas,** the largest private oil and gas exploration and production company in India, will function as a dedicated upstream exploration and production Company with a large onshore and offshore footprint, focused on enhancing domestic energy security through disciplined development and technology-led resource maximisation.

3. **Vedanta Power,** one of the largest private sector power generators in India**,** will house the existing independent power generation assets and pursue opportunities in India's evolving power market.

4. **Vedanta Iron & Steel,** India's leading producer of iron ore and steel, will bring together iron ore, steel, and value-added ferrous operations, providing a vertically integrated platform with scope for downstream expansion and green steel initiatives.

5. **Vedanta Limited**, as the residual entity, will continue to hold its stake in Hindustan Zinc Limited and act as an incubator for new and emerging businesses, including initiatives that are of strategic importance to India.

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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 3rd December, 2025

SECURITIES AND EXCHANGE BOARD OF INDIA

(SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) (AMENDMENT) REGULATIONS, 2025

F. No. SEBI/LAD-NRO/GN/2025/283.— In exercise of the powers conferred by section 30 read with clause (h) of sub-section (2) of section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, namely, –

1. These regulations may be called the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025**.**
2. They shall come into force on the thirtieth day from the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, –

I. In regulation 2, in sub-regulation (1), after clause (za), the following clause shall be inserted, namely,-

"(zaa) "valuer" shall have the same meaning as assigned to it under section 247 of the Companies Act, 2013 (18 of 2013) as amended from time to time;"

II. In regulation 8,

i. in sub-regulation (2), in clause (e),

(a) the words "the acquirer and the manager to the open offer" shall be substituted with the words "an independent registered valuer";

(b) the word and symbol "; and" shall be substituted with the symbol ":", and thereafter the following proviso shall be inserted:

"Provided that the acquirer and the manager to the open offer shall complete the ongoing valuation assignment which has been undertaken prior to the coming into force of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025 within a period of nine months from the date of coming into force of the said regulations; and"

ii. in sub-regulation (4),

(a) the words "the acquirer and the manager to the open offer" shall be substituted with the words "an independent registered valuer";

(b) the symbol "." shall be substituted with the symbol ":", and thereafter the following proviso shall be inserted:

"Provided that the acquirer and the manager to the open offer shall complete the ongoing valuation assignment which has been undertaken prior to the coming into force of the Securities and Exchange

Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025 within a period of nine months from the date of coming into force of the said regulations."

iii. the existing sub-regulation (16) shall be substituted with the following sub-regulation and proviso, namely,-

"(16) For purposes of clause (e) of sub-regulation (2) and sub-regulation (4), the Board may, at the expense of the acquirer, require valuation of the shares by an independent registered valuer:

Provided that the independent merchant banker other than the manager to the open offer or the independent chartered accountant shall complete the ongoing valuation assignment which has been undertaken prior to the coming into force of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025 within a period of nine months from the date of coming into force of the said regulations."

III. In regulation 9, in sub-regulation (5), in clause (c),

a) the words and symbols "merchant banker (other than the manager to the open offer) or an independent chartered accountant having a minimum experience of ten years." shall be substituted with the words and symbol "registered valuer:";

b) thereafter the following proviso shall be inserted before the Explanation:

"Provided that the independent merchant banker (other than the manager to the open offer) or the independent chartered accountant shall complete the ongoing valuation assignment which has been undertaken prior to the coming into force of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025 within a period of nine months from the date of coming into force of the said regulations."

LESSON 3
Planning & Strategy

FUNDING THROUGH EXTERNAL COMMERCIAL BORROWINGS (ECBs)

The funding through External Commercial Borrowings (ECBs) is governed by Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 issued by RBI. Schedule I and Regulations 4(A)(iv), 4(B)(i), 4(B)(iv), 6(A), 6(B)(i), 6(B)(vii)] of **Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 lays down the following framework for ECBs**.

Eligible borrowers –

(1) Any person resident in India (other than an individual) that is incorporated, established or registered under a Central or State Act is an eligible borrower, subject to the condition that such person is permitted for ECB in terms of applicable Act(s).

(2) An eligible borrower that is under a restructuring scheme or corporate insolvency resolution process may raise ECB only if specifically permitted under the restructuring or resolution plan.

(3) An eligible borrower against whom any investigation, adjudication or appeal by a law enforcement agency for contravention of any rule, regulation or direction issued under the Act is pending, may raise ECB notwithstanding the pending investigation or adjudication or appeal and without prejudice to the outcome of such investigation or adjudication or appeal. The borrower shall, however, disclose information about the pending investigation, adjudication or appeal under 'Form ECB 1' (or 'Revised Form ECB 1' in case there is existing ECB).

Recognised lenders –

An eligible borrower may raise ECB from –

(a) A person resident outside India;

(b) A branch outside India of an entity whose lending business is regulated by the Reserve Bank; and

(c) A financial institution or a branch of a financial institution set up in IFSC.

Explanation: For the purpose of this paragraph, financial institution shall have the same meaning as assigned to it under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015.

Forms of borrowing –

(1) An eligible borrower may raise ECB in any form of commercial borrowing arrangement that involves payment of agreed interest, if any, by whatever name called, and repayment of principal. Explanation: ECB includes borrowing by issuance of a Foreign Currency Convertible Bond (FCCB) and Foreign Currency Exchangeable Bond (FCEB).

(2) Funds received from a person resident outside India, on or after April 30, 2007, against issuance of preference shares or debentures which are not fully and mandatorily convertible to equity shares shall be treated as ECB.

(3) The following funds raised by an eligible borrower shall not be treated as ECB:

(a) Trade Credit with original maturity up to three years, raised in terms of these Regulations;

(b) Export advance received in terms of these Regulations and Foreign Exchange Management (Export of Goods & Services) Regulations, 2015;

(c) Investments received in terms of the Foreign Exchange Management (Debt Instruments) Regulations, 2019;

(d) Investments received through Convertible Notes issued in terms of the Foreign Exchange Management (NonDebt Instrument) Rules, 2019; and

(e) Investments received from Foreign Venture Capital Investor (FVCI) through debt instruments in terms of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Borrowing limit

(1) An eligible borrower may raise ECB up to the higher of (a) outstanding ECB up to USD 1 billion; or (b) total outstanding borrowing (external and domestic) up to 300 per cent of net worth as per the last audited standalone balance sheet of the borrower. Explanation: Outstanding borrowing shall not include non-fund based credit and funds raised through issuance of securities which are mandatorily convertible to equity.

(2) The proposed ECB (other than ECB for refinancing) shall be taken into consideration while checking for compliance with the borrowing limit.

(3) The borrowing limit specified in the sub-paragraph (1) shall not be applicable on eligible borrowers that are regulated by financial sector regulators.

Maturity –

(1) An eligible borrower shall raise ECB with minimum average maturity period (MAMP) of three years. Explanation: Average Maturity Period for an ECB shall be computed in a manner illustrated in the Annex I to these Regulations.

(2) An eligible borrower engaged in manufacturing sector may also raise ECB with average maturity period between one year and three years, subject to the condition that outstanding amount of such ECBs shall not exceed USD 150 million.

(3) Call and put options, if any, shall not be exercisable prior to completion of MAMP.

(4) The MAMP specified at sub-paragraph (1) and (2) shall not be required to be met in case of –

(a) Conversion of ECB (including FCCB and FCEB) to non-debt instruments in accordance with the rules and regulations issued under the Act;

(b) Repayment of ECB using the proceeds from non-debt instruments issued in terms of Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 on repatriation basis, provided the proceeds are received after the drawdown of the ECB;

(c) Refinance of ECB in terms of these Regulations;

(d) Waiver of debt by the lender; and

(e) Repayment of ECB, if required, for undertaking corporate actions such as closure, merger, demerger, arrangement, acquisition of control, amalgamation, resolution or liquidation by the lender or the borrower.

The Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025 (Notification G.S.R. 603(E) dated 4th September, 2025)

Merger or Amalgamation of Certain Companies

According to the Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016:

(1) The notice of the proposed scheme, under section 233(1)(a) of the Act, to invite objections or suggestions from the Registrar and official liquidator or persons affected by the scheme shall be in ***Form No. CAA.9***.

Provided that in case of a company regulated by a sectoral regulator such as Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India or Pension Fund Regulatory and Development Authority, as the case may be, the notice shall be issued to the concerned regulator and to respective stock exchanges, for listed companies, for objections or suggestions within the period specified in section 233(1)(a).

(1A) A scheme of merger or amalgamation under section 233 of the Act may be entered into between any of the following class of companies, namely: -

(i) two or more start-up companies; or

(ii) one or more start-up company with one or more small company; or

Explanation.- For the purposes of this sub-rule, "start-up company" means a private company incorporated under the Companies Act, 2013 or Companies Act, 1956 and recognised as such in accordance with notification number G.S.R. 127 (E), dated the 19th February, 2019 issued by the Department for Promotion of Industry and Internal Trade.

(iii) one or more unlisted company, (not being company referred to in section 8 of the Act) with one or more unlisted company, (not being company referred to in section 8 of the Act), where every company involved in the merger,-

(a) has, in aggregate, outstanding loans, debentures or deposits not exceeding two hundred crore rupees, and

(b) has no default in repayment of loans, debentures or deposits referred to in sub-clause (a),

on a day, not more than thirty days before the date of notice referred to in section 233(1)(a) of the Act and on the date of filing of scheme under section 233(2) of the Act.

Provided that a certificate from the auditor of the company that the company meets the conditions referred to in this clause shall be filed in **Form No. CAA-10A** along with the copy of the approved scheme referred to in section 233(2) of the Act.

(iv) a holding company (listed or unlisted) and a subsidiary company (listed or unlisted). However, this clause shall not apply where the transferor company or companies are listed;

(v) one or more subsidiary company of a holding company with one or more other subsidiary company of the same holding company where the transferor company or companies are not listed;

Illustration:

*Company **'D'** is the subsidiary of Company **'C'** and Company 'C' is the subsidiary of Company **'B'** and in turn Company '**B**' is the wholly owned subsidiary (WOS) of Company **'A'.** In this case Company '**B'** is the WOS of Company **'A'.** Company **'C'** and Company **'D'** are subsidiaries of the same holding company i.e., Company '**A'.***

*Subject to the condition stated in the clause, schemes of merger or amalgamation or transfer or division between Company **'A',** Company **'B',** Company 'C' and Company '**D'** or any combination thereof would be covered under this clause.*

(vi) merger of the transferor foreign company incorporated outside India being a holding company with the transferee Indian company being its wholly owned subsidiary company incorporated in India referred to in Rule 25A(5).

(2) For the purposes of section 233(1)(c) of the Act the declaration of solvency shall be filed by each of the companies involved in the scheme of merger or amalgamation in **Form No.CAA.10** (as attachment to Form GNL-1) along with the fee as provided in the companies (Registration offices and fees) Rules, 2014, before convening the meeting of members and creditors for approval of the scheme.

(3) For the purpose of section 233(1)(b) and (d) of the Act, the notice of the meeting to the members and creditors shall be accompanied by-

(a) a statement, as far as applicable, referred to in section 230(3) of the Act read with Rule 6(3) hereof;
(b) the declaration of solvency made in pursuance of section 233(1)(c) of the Act in **Form No.CAA.10;**
(c) A copy of the scheme.

(4) (a) For the purposes of section 233(2) of the Act, the transferee company shall, within a period of fifteen days after the conclusion of the meeting of members or class of members or creditors or class of creditors, file a copy of the scheme as agreed to by the members and creditors, along with a report of the result of each of the meetings and the report of the registered valuer in **Form No. CAA.11** (as attachment to **Form RD-1)**, with the Central Government, along with the fees as provided under the Companies (Registration Offices and Fees) Rules, 2014:

Provided that in case of a company referred to in proviso to sub-rule (1), a statement about the manner in which the objections or suggestions, if any, of the sectoral Regulator or the stock exchanges, as the case may be, have been addressed in the scheme shall be attached with the scheme.

(b) Copy of the scheme shall also be filed, along with **Form No. CAA.11** with-

(i) the registrar of companies in **Form No. GNL-1** along with fees provided under the Companies (Registration offices and fees) Rules, 2014; and
(ii) the official liquidator through hand delivery or by registered post or speed post.

(5) Where no objection or suggestion is received within a period of thirty days of receipt of copy of scheme under section 233(2), from the Registrar of Companies and Official Liquidator by the Central Government and the Central Government is of the opinion that the scheme is in the public interest or in the interest of creditors, it may, within a period of fifteen days after the expiry of said thirty days, issue a confirmation order of such scheme of merger or amalgamation in **Form No. CAA.12:**
Provided that if the Central Government does not issue the confirmation order within a period of sixty days of the receipt of the scheme under section 233(2), it shall be deemed that it has no objection to the scheme and a confirmation order shall be issued accordingly.

(6) Where objections or suggestions are received within a period of thirty days of receipt of copy of scheme under section 233(2) from the Registrar of Companies or Official Liquidator or both by the Central Government and –

(a) such objections or suggestions of Registrar of Companies or Official Liquidator, are not sustainable and the Central Government is of the opinion that the scheme is in the public interest or in the interest of creditors, it may within a period of thirty days after expiry of thirty days referred to above, issue a confirmation order of such scheme of merger or amalgamation in **Form No. CAA.12.**

(b) the Central Government is of the opinion, whether on the basis of such objections or otherwise, that the scheme is not in the public interest or in the interest of creditors, it may within sixty days of the receipt of the scheme file an application before the Tribunal in Form No. CAA.13 stating the objections or opinion and requesting that Tribunal may consider the scheme under section 232 of the Act:

Provided that if the Central Government does not issue a confirmation order under clause (a) or does not file any application under clause (b) within a period of sixty days of the receipt of the scheme under section 233(2) of the Act, it shall be deemed that it has no objection to the scheme and a confirmation order shall be issued accordingly.

(7) The confirmation order of the scheme issued by the Central Government or Tribunal under section 233(7) of the Act, shall be filed, within thirty days of the receipt of the order of confirmation, in **Form INC-28** along with the fees as provided under Companies (Registration Offices and Fees) Rules, 2014 with the Registrar of companies respectively.

(8) For the purpose of this rule, it is clarified that with respect to schemes of arrangement or compromise falling within the purview of section 233 of the Act, the concerned companies may, at their discretion, opt to undertake such schemes under sections 230 to 232 of the Act, including where the condition prescribed in section 233(1)(d) of the Act has not been met.

(9) The provisions of this rule shall, mutatis mutandis, apply in respect of a scheme of division or transfer of undertaking of a company referred to in section 232(1)(b) and while passing such order, the Central Government may make provisions of the nature specified in clauses (a) to (j) of section 232(3) to the extent they are applicable.

Definition of Small Company

As per Section 2(85) of the Companies Act, 2013 read with Companies (Specification of definition details) Amendment Rules, 2025 "small company" means a company, other than a public company, having—

- Paid up share capital of not more than Rs. 10 crores and
- Turnover not exceeding Rs. 100 crores as per the profit and loss account for the immediately preceding financial year.

MINISTRY OF CORPORATE AFFAIRS

NOTIFICATION

New Delhi, the 1st December, 2025

G.S.R. 880(E).— In exercise of the powers conferred by sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Specification of definition details) Rules, 2014, namely:-

1. **Short title and commencement.-** (1) These rules may be called the Companies (Specification of definition details) Amendment Rules, 2025.

(2) They shall come into force from the date of their publication in the Official Gazette.

2. In the Companies (Specification of definition details) Rules, 2014, in rule 2, in sub-rule (1), for clause (t), the following clause shall be substituted, namely:-

"(t) For the purposes of sub-clause (i) and sub-clause (ii) of clause (85) of section 2 of the Act, paid up capital and turnover of the small company shall not exceed rupees ten crores and rupees one hundred crores respectively.".

PART-II: Valuation

LESSON 12

OVERVIEW OF BUSINESS VALUATION

Valuation Standards under IBC

Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Connaught Place, New Delhi – 110001

CIRCULAR

No. IBBI/RV/93/2026 **1st April, 2026**

To

All Registered Valuer Organisations
All Registered Valuer Entities
All Registered Valuers
All Registered Insolvency Professional Agencies
All Registered Insolvency Professional Entities, and
All Registered Insolvency Professionals
(By email to registered email addresses and on the website of the IBBI)

Dear Madam/Sir,

Subject: Valuation Standards for the purpose of valuation conducted under the Insolvency and Bankruptcy Code, 2016.

One of the objectives of the Insolvency and Bankruptcy Code, 2016 ("the Code") is the maximisation of value of assets of the corporate debtor (CD) in a time bound manner. Valuation of the CD serves as a critical input for evaluation of resolution plans and facilitates informed decision-making by stakeholders, including the committee of creditors, resolution applicants, and adjudicating authorities. Therefore, transparent, objective, and credible valuation of assets of the CD is fundamental to the effective functioning of the insolvency framework

2. For the purposes of valuations under the Code, the following provisions of the amended regulations made under the Insolvency and Bankruptcy Code, 2016 provide that valuations shall be conducted in accordance with such valuation standards as notified by the Insolvency and Bankruptcy Board of India (IBBI/Board) through circular:

(i) clause (c) of sub-regulation (1) of regulation 35 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;

(ii) sub-regulation (3) of regulation 35 of the IBBI (Liquidation Process) Regulations, 2016;

(iii) clause (b) of sub-regulation (1) of regulation 3 of the IBBI (Voluntary Liquidation Process) Regulations, 2017;

(iv) clause (c) of sub-regulation (1) of regulation 39 of the IBBI (Pre-packaged Insolvency Resolution Process) Regulations, 2021, and

(iv) sub-regulation (2) of regulation 30 of the IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019.

3. In exercise of the powers conferred by the afore-mentioned regulations, the Board hereby notifies the International Valuation Standards (IVS), as issued and updated from time to time by the International Valuation Standards Council (IVSC), as the valuation standards applicable for the purposes of the valuations conducted under the Code and regulations made thereunder, until further orders.

4. This circular shall come into force from the date of its issue and shall apply to all valuation conducted under the Code and regulations made thereunder.

PART-III: Insolvency, Liquidation and Winding Up

1. Insolvency and Bankruptcy Code (Amendment) Act, 2026

I. Central Government notified effective date of Insolvency and Bankruptcy Code (Amendment) Act, 2026

The Insolvency and Bankruptcy Code (Amendment) Act, 2026 (IBC Amendment Act, 2026) received the assent of the President on 6th April, 2026 and later on the Central Government has appointed **26th May, 2026**, as the date on which the following provisions of the IBC Amendment Act, 2026 shall come into force, namely: –

1. Sections 2 to 6 (both inclusive);
2. Sections 8 to 33 (both inclusive);
3. Sub-clause (iii) of clause (a) and clause (b) of section 34;
4. Sections 35 to 39 (both inclusive);
5. Section 41;
6. Sections 43 to 44 (both inclusive);
7. Section 46;
8. Sections 48 to 59 (both inclusive);
9. Sections 61 to 66 (both inclusive);
10. Section 68;
11. Clause (a) of section 69;
12. Clause (a) of section 70;
13. Sub-clause (i) to sub-clause (xxvi) of clause (b) of section 70 [Except sub-clause (xx) of clause (b) of Section 70]; and
14. Section 72.

For details: https://ibbi.gov.in/legal-framework/notifications

II. Key highlights of IBC Amendment Act, 2026

IBC Amendment Act, 2026 has 72 clauses, introducing a wide range of amendments across the Code, aimed at improving processes, strengthening regulatory oversight, and enhancing the overall efficiency and effectiveness of the insolvency framework. Highlights of some major amendments, as published by the IBBI, is reproduced below:

- **Clarity in Definitions**

(i) **Security interest:** The definition of "security interest" has been clarified to mean that a security interest exists only when the parties to an agreement intentionally create a right, title, interest, or claim over a property as security for a debt. It excludes situations where such a right arises automatically by operation of law without any explicit agreement between the parties. This clarification addresses disputes regarding the treatment of statutory dues as secured claims.

(ii) **Service provider**: The term "service provider" has been introduced to include all categories of service providers such as IPs, IPAs, IUs, RVs, and other notified persons. This expands the regulatory scope of the Board and ensures that all key participants in the insolvency ecosystem are brought within a unified framework of oversight.

(iii) **Registered Valuer**: The term "registered valuer" has been defined to clarify that a registered valuer shall carry the same meaning as assigned under Chapter XVII of the Companies Act, 2013.

(iv) **Avoidance Transactions**: New definitions of "avoidance transaction" and "fraudulent or wrongful trading" have been inserted to consolidate references across the Code under the relevant sections - 43, 45, 49, 50 and 66.

(v) **Initiation date**: It has been clarified that where multiple applications for CIRP are pending against a CD, the "initiation date" shall be the date of filing of the first such application. This ensures uniformity in determining relevant timelines, particularly with respect to the look-back period for avoidance transactions.

❖ **Admission timeline and reliance on Information Utility (IU) records**

IBC Amendment Act, 2026 provides that the Adjudicating Authority (AA) shall pass an order admitting or rejecting applications under sections 7, 9, and 10 within fourteen days of receipt of application. If the order is not passed within this period, reasons must be recorded in writing. It is further clarified that where a financial institution submits a record of default obtained from an IU along with the CIRP application, such record shall be treated as sufficient evidence for the AA to establish the existence of default. These amendments reduce delays at the admission stage and minimise disputes on proof of default.

❖ **Limitation on grounds for rejection of application**

It is clarified that once the AA is satisfied regarding the existence of default, completeness of the application, and absence of disciplinary proceedings against the proposed RP, the application must be admitted. No additional or extraneous grounds can be used for rejection. This ensures that admission is based on objective criteria and reduces scope for discretion.

❖ **Proposal to appoint IRP by Corporate Debtor (CD)**

In cases where the CIRP application is filed by the CD, the CD is no longer permitted to propose the name of the IRP for appointment. Instead, the AA shall refer the matter to the IBBI for recommending an IRP. This change ensures independence in appointment of IRP, impartial discharge of duties by the IRP and maintaining the confidence of creditors in the process.

❖ **Submission and verification of claims**

The provisions relating to submission of claims have been strengthened by empowering the IBBI to specify the manner in which claims are to be submitted by creditors. It is also clarified that the IRP is responsible not only for collating claims but also for verifying and determining their value. These changes standardize the claims process and improve accuracy.

- **Duty to cooperate with RP**

  The scope of persons required to cooperate with the IRP/ RP has been expanded from "personnel" to "persons," including promoters, management, and persons engaged with the CD through contracts. This ensures access to information and strengthens cooperation and assistance extended to the IRP/ RP during CIRP.

- **Withdrawal under section 12A**

  The Amendment Act has placed restrictions on withdrawal of CIRP under section 12A. The amendment provides that an admitted CIRP application cannot be withdrawn before the constitution of CoC or after the RP has issued the first invitation for submission of resolution plans. Further, the RP is now empowered to file the withdrawal application, and the AA must dispose of such applications within thirty days, recording reasons for delay if this timeline is not met. These changes regulate withdrawal at defined stages and prevent misuse of the process.

- **Streamlining Resolution**

  (i) **Expanded Scope of Resolution Plan**: The definition of resolution plan has been expanded to explicitly include the sale of one or more assets of the CD through one or more resolution applicants. This enables asset-wise or part resolution, allowing different bidders to acquire specific business units or assets. The amendment facilitates flexible structuring of resolution plans, particularly in complex or diversified businesses.

  (ii) **Plan Approval by CoC:** An amendment has been made requiring that when the CoC approves a resolution plan, it must also record reasons for such approval. This introduces greater transparency and accountability in CoC decision making.

  (iii) **Two-step Approval of Resolution Plan:** A new proviso has been inserted empowering the AA to first approve the implementation of a resolution plan and thereafter approve the manner of distribution under the plan. This can be done on an application by the RP, with approval of at least 66% voting share of the CoC.

  (iv) **Time-bound Approval of Resolution Plan:** The AA is required to approve or reject a resolution plan within thirty days of receipt. Reasons must be recorded for any delay. In case of a two-step plan, the AA must approve the manner of distribution within 30 days from approval of implementation.

  (v) **Rectification of Defects in Resolution Plan:** Before rejecting a resolution plan, the AA may provide an opportunity to the CoC to rectify defects. This prevents rejection of plans on technical grounds and promotes resolution.

  (vi) **Dissenting Financial Creditors' Entitlement**: The resolution plan must provide that dissenting financial creditors receive at least the lower of (i) the amount receivable in liquidation under section 53, or (ii) the amount receivable if distribution follows the priority under section 53. This ensures a minimum protected payout for dissenting creditors while not obstructing the approval of a feasible and viable resolution plan.

(vii) **CCI Approval:** The Amendment Act now provides that only the successful resolution applicant, where required, shall obtain prior approval of the Competition Commission of India (CCI) before the resolution plan is submitted to the AA for approval. The earlier requirement mandating prior approval from CCI for all prospective resolution applicants has been dispensed with. This amendment will reduce procedural delay, streamline the resolution process, and ease the regulatory burden on the CCI.

(viii) **Monitoring of Resolution Plan:** The resolution plan is required to provide for a monitoring committee comprising of the RP or another IP, representatives of creditors, and the resolution applicant. This ensures proper supervision of implementation of plan.

(ix) **Clean Slate and Continuity of Licences:** Upon approval of a resolution plan, all prior claims against the CD stand extinguished unless otherwise provided in the plan. Licences, permits, registrations, and approvals shall continue subject to compliance.

(x) **Non-extinguishment of liability or proceedings against Promoters and Guarantors:** It is clarified that the extinguishment of claims under the resolution plan does not affect liability or proceedings against promoters, management, guarantors, or persons jointly or severally liable with the CD. This preserves creditor rights against third parties.

- **Transfer of assets of guarantor**

A new provision now allows the transfer of assets of a personal guarantor or corporate guarantor during the CIRP of the CD. It provides that where a creditor has already taken possession of such an asset by enforcing security interest, the asset may be transferred as part of the insolvency resolution process with prior approval of the CoC. Further, once the asset is transferred under a resolution plan, all rights in relation to the asset vest in the transferee as if the transfer had been made by the owner.

- **Avoidance transactions**

(i) **Look-back period:** The look-back period for preferential, undervalued, and extortionate transactions is revised to be calculated from the CIRP initiation date (date of filing of application) instead of the insolvency commencement date. This expands the scope to capture transactions occurring prior to admission.

(ii) **Fraudulent and Wrongful Trading:** The scope of fraudulent and wrongful trading provisions has been clarified to apply during both CIRP and liquidation. This ensures continued accountability.

(iii) **Pursuance of Avoidance and Fraudulent and wrongful transactions during liquidation:** The liquidator has been empowered to continue or initiate proceedings relating to avoidance transactions and fraudulent or wrongful trading. This strengthens enforcement powers during liquidation and ensures that recovery actions remain active.

(iv) **Continuation of Avoidance Proceedings:** Proceedings relating to avoidance transactions and fraudulent or wrongful trading shall continue even after completion of CIRP or liquidation. Even after dissolution, proceedings relating to avoidance transactions shall continue. The CoC shall determine the manner of pursuing such proceedings and distribution of proceeds.

(v) **Empowering creditors to file:** Creditors (individually or jointly), members, or partners of the CD can directly approach the AA where the liquidator or RP has failed to report avoidance transactions.

(vi) **Inclusion of Related Party in proviso to Section 49:** The amendment prevents the transactions wherein the asset of the CD is transferred to its related party, and consequently, such an asset is transferred from the related party to a third party, from being exempted as "transactions defrauding creditors". This ensures that the transfer of the property through a related party does not gain protection under clause (a) of the proviso to section 49.

❖ **Streamlining liquidation**

(i) **Appointment of liquidator:** Upon passing of liquidation order, the AA shall refer the matter to the Board for recommending an IP to act as liquidator other than the RP appointed during CIRP. Further, a new provision clarifies that the RP appointed during CIRP cannot be appointed or replaced as the liquidator for the same CD. This ensures separation of roles between resolution and liquidation stages.

(ii) **Moratorium during Liquidation:** The AA may declare a moratorium during liquidation, applying relevant provisions of section 14. This restricts initiation or continuation of legal proceedings during liquidation.

(iii) **CoC Supervision during Liquidation:** The CoC shall supervise the conduct of the liquidation process and may also choose to replace the liquidator with 66% voting share. This strengthens oversight and accountability even during liquidation.

(iv) **Direct Dissolution:** The CoC may decide to directly dissolve the CD where there are no meaningful assets, without undergoing full liquidation. This avoids unnecessary delay and cost.

(v) **Time-bound Liquidation:** The liquidator must complete liquidation and apply for dissolution within 180 days, extendable by up to 90 days. The AA must pass the dissolution order within thirty days. This introduces timelines in liquidation.

(vi) **Omission of duplicate activities in CIRP and Liquidation:** Provisions relating to fresh collation and verification of claims in liquidation have been omitted as these activities have already been completed during CIRP. The claims collated during the CIRP will be maintained and updated by the liquidator during the liquidation process. Similarly, sections 38, 39, 40, 41, and 42 have been omitted. This would avoid repetition of common activities between CIRP and liquidation process and ensure faster completion of the liquidation process.

(vii) **Realisation of Security Interest:** Secured creditors must intimate the liquidator within fourteen days from liquidation commencement of their intention to realise security interest, failing which the asset is deemed relinquished. Secured creditors who realise their security interest are also required to contribute towards insolvency resolution process and liquidation costs and workmen's dues from the proceeds of such realisation.

- **Secured Creditor is secured to the extent value of Security**

An Explanation has been inserted to clarify that where a secured creditor relinquishes security interest of a value lower than the total debt owed, such creditor will be treated as a secured creditor only to the extent of the value of the security interest determined in the manner specified. For the remaining unpaid portion of the debt, the creditor will be treated as an unsecured creditor.

- **Distribution of government dues**

An Explanation has been inserted clarifying that all amounts due to the Central and State Governments, whether or not secured by contract or operation of law, relating to the two-year period preceding liquidation commencement, shall be distributed under sub-clause (i) of Section 53. Any remaining government dues, regardless of security status, shall be distributed under clause (f). This provides clarity to the priority of statutory dues in liquidation.

- **Restoration of CIRP**

The CoC may, with 66% voting share, apply for restoration of CIRP before a liquidation order is passed. The restored process must be completed within 120 days and is permitted only once. This provides an additional opportunity for resolution.

- **Penalty for frivolous proceedings**

The AA is empowered to impose penalties ranging from one lakh to two crore rupees for initiating frivolous or vexatious proceedings.

- **Contravention of moratorium and resolution plan**

Penalties are introduced for violation of moratorium and breach of resolution plan, applicable to CD, officers, and creditors. This strengthens compliance.

- **Strengthening Information Utility system**

The Amendment Act has made it mandatory for an Operation Creditor to first submit financial information through IUs before filing an application under Section 9. Furthermore, the Amendment Act requires the CD or debtor to authenticate submitted financial information within a specified timeframe. In case no response is provided within the specified time, the information will be deemed to be authenticated.

- **Electronic Platform for Insolvency Processes**

New Section 240B empowers the Central Government to provide, by way of notification, an electronic portal and the procedures related to the insolvency and bankruptcy processes under the Code, which shall be carried out on such an electronic portal.

- **Interim Moratorium - Personal Guarantors**

  It is clarified that interim moratorium provisions do not apply to insolvency proceedings against personal guarantors to corporate debtors. This enables continuation of creditor actions.

- **Strengthening regulatory powers of the Board**

  The Amendment Act expressly empowers the Board to frame regulations and issue guidelines relating to insolvency and bankruptcy, as may be necessary for carrying out the purposes of the Code. The Board is also empowered to regulate service providers as per the revised definition of service providers, specify standards of conduct for the CoC, and levy fees in relation to all processes under the Code. Furthermore, the disciplinary framework has been strengthened, including imposition of higher penalties and an appellate mechanism against disciplinary orders.

- **Cross-border Insolvency**

  The Central Government is now empowered to frame rules for administering cross-border insolvency proceedings. This includes provisions for recognition of foreign proceedings, granting of relief, judicial cooperation, and coordination with foreign jurisdictions for specified classes of debtors or countries as notified. It further allows the application of provisions of the Code or the Companies Act with necessary exceptions, modifications, and adaptations, including the designation of specific benches to handle such cases. Additionally, for the purpose of this section, the term "corporate debtor" is expanded to include persons incorporated with limited liability outside India

- **Group Insolvency & Creditor-Initiated Insolvency Resolution Process (CIIRP)[1]**

  The Amendment Act empowers the Central Government to prescribe rules for insolvency proceedings initiated against two or more corporate debtors that form part of a group. The new framework enables coordinated insolvency proceedings for group entities, including common adjudicating authority (bench), common insolvency professional, group committee of creditors and coordination agreement between group companies.

  One of the most significant reforms introduced through the Amendment Act is the introduction of the CIIRP under a new Chapter IV-A of the Code. The new framework provides an additional resolution mechanism that is designed to enable faster and more efficient resolution of stress through a creditor-driven process with limited judicial intervention.

For detailed amendments, students are advised to refer the IBC (Amendment) Act, 2026 available at the link https://ibbi.gov.in/legal-framework/act .

The text of amendments from IBC (Amendment) Act, 2026 is reproduced below for reference:

[1] **Note:** Effective date of provisions relating to Group Insolvency and CIIRP in the IBC (Amendment) Act, 2026 are yet to be notified by the Central Government.

THE INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) ACT, 2026

No. 6 of 2026

An Act further to amend the Insolvency and Bankruptcy Code, 2016.

Be it enacted by Parliament in the Seventy-seventh Year of the Republic of India as follows:—

1. (*1*) This Act may be called the Insolvency and Bankruptcy Code (Amendment) Act, 2026.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

2. In section 3 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the principal Act),—

(*a*) after clause (*27*), the following clause shall be inserted, namely:—

'(*27A*) "registered valuer" shall have the same meaning as assigned to it under Chapter XVII of the Companies Act, 2013;';

(*b*) in clause (*31*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the removal of doubts, it is hereby clarified that the security interest shall exist only if it creates a right, title or interest or a claim to a property pursuant to an agreement or arrangement, by the act of two or more parties, and shall not include a security interest created merely by operation of any law for the time being in force;";

(*c*) after clause (*31*), the following clause shall be inserted, namely:—

'(*31A*) "service provider" means an insolvency professional, insolvency professional agency, information utility, registered valuer and any person falling within the category of persons notified by the Central Government, for rendering services in relation to insolvency and bankruptcy processes under this Code and is registered with the Board;'.

3. In section 5 of the principal Act,—

(*a*) clause (*2A*) shall be re-numbered as clause (*2B*) thereof and before clause (*2B*) as so re-numbered, the following clause shall be inserted, namely:—

‘(*2A*) “avoidance transaction” means a transaction as referred to in sections 43, 45, 49 and 50;’;

(*b*) after clause (*9*), the following clause shall be inserted, namely:—

‘(*9A*) “fraudulent or wrongful trading” means the fraudulent or wrongful trading as referred to in section 66;’;

(*c*) in clause (*11*), the following proviso shall be inserted, namely:—

“Provided that where multiple applications for initiation of the corporate insolvency resolution process in respect of a corporate debtor are pending before the Adjudicating Authority on the insolvency commencement date, the initiation date shall be the date on which the first such application was made before the Adjudicating Authority.”;

(*d*) in clause (*26*), in the *Explanation*, for the words “merger, amalgamation and demerger”, the words “merger, amalgamation, demerger and sale of one or more assets of the corporate debtor through one or more plans proposed by one or more resolution applicants subject to such conditions as may be specified” shall be substituted;

(*e*) in clause (*28*), after the words “owed by the corporate debtor” occurring at the end, the words “to the members of the committee of creditors who are eligible to vote” shall be inserted.

4. In section 7 of the principal Act,—

(*a*) in sub-section (*4*), the proviso shall be omitted;

(*b*) for sub-section (*5*), the following sub-section shall be substituted, namely:—

"(*5*) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (*2*), by an order—

(*a*) admit the application, if it is satisfied that a default has occurred and the application under sub-section (*2*) is complete, and there is no disciplinary proceeding pending against the proposed resolution professional; or

(*b*) reject the application, if it is satisfied that a default has not occurred or the application under sub-section (*2*) is incomplete or a disciplinary proceeding is pending against the proposed resolution professional:

Provided that the Adjudicating Authority shall, before rejecting the application under clause (*b*), give a notice to the applicant to rectify the defect in his application within seven days from the date of receipt of such notice from the Adjudicating Authority:

Provided further that if the Adjudicating Authority has not passed an order under this sub-section within a period of fourteen days from the date of receipt of the application under sub-section (*2*), it shall record the reasons for such delay in writing.

Explanation I.—For the purposes of this sub-section, it is hereby clarified that where the requirements under clause (*a*) have been complied with, no other ground shall be considered to reject an application filed under this section.

Explanation II.—For the removal of doubts, it is hereby clarified that where a record of default in respect of a financial debt owed to a financial institution recorded with the information utility has been furnished along with the application filed by such financial institution under this section, such record shall be considered sufficient for the Adjudicating Authority to ascertain the existence of default under this section.".

5. In section 9 of the principal Act,—

(*a*) in sub-section (*3*), in clause (*e*), for the words "such other information, as may be prescribed", the words "any other information, as may be specified" shall be substituted;

(*b*) in sub-section (*5*), after the existing proviso, the following proviso shall be inserted, namely:—

"Provided further that if the Adjudicating Authority has not passed an order under this sub-section within a period of fourteen days from the date of receipt of application under sub-section (*2*), it shall record the reasons for such delay in writing.".

6. In section 10 of the principal Act,—

(*a*) in sub-section (*3*),—

(*i*) in clause (*a*), for the words "for such period as may be specified;", the words "and any other information, as may be specified; and" shall be substituted;

(*ii*) clause (*b*) shall be omitted;

(*b*) in sub-section (*4*),—

(*i*) in clause (*a*), the words "and no disciplinary proceeding is pending against the proposed resolution professional" shall be omitted;

(*ii*) in clause (*b*), the words "or any disciplinary proceeding is pending against the proposed resolution professional" shall be omitted;

(*iii*) after the existing proviso, the following proviso shall be inserted, namely:—

"Provided further that if the Adjudicating Authority has not passed an order under this sub-section within a period of fourteen days from the date of receipt of the application under sub-section (*2*), it shall record the reasons for such delay in writing.".

7. In section 11 of the principal Act, in clause (*ba*), after the words, figures and letter "under Chapter III-A", the words, figures and letter "or Chapter IV-A" shall be inserted.

8. For section 12A of the principal Act, the following section shall be substituted, namely:—

"12A. (*1*) Subject to sub-section (*2*), the Adjudicating Authority may allow the withdrawal of an application admitted under section 7, 9 or 10, on an application made by the resolution professional, with the approval of ninety per cent. voting share of the committee of creditors in such manner as may be specified.

(*2*) Notwithstanding anything contained in any law for the time being in force, an application admitted under section 7, 9 or 10 shall not be withdrawn—

(*a*) before the constitution of the committee of creditors under sub-section (*1*) of section 21; and

(*b*) after the first invitation for submission of a resolution plan has been issued by the resolution professional.

(*3*) The Adjudicating Authority shall pass an order under sub-section (*1*) within a period of thirty days from the date of receipt of the application:

Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.".

9. In section 14 of the principal Act,—

(*a*) in sub-section (*1*), for the words, brackets and figures "sub-sections (*2*) and (*3*)", the words, brackets, figures and letter "sub-sections (*2*), (*2A*) and (*3*)" shall be substituted;

(*b*) in sub-section (*3*), in clause (*b*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the removal of doubts, it is hereby clarified that the provisions of sub-section (*1*) shall also apply where the surety seeks to initiate or continue any action or proceedings against the corporate debtor pursuant to a contract of guarantee.".

10. In section 16 of the principal Act,—

(*a*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Where the application for corporate insolvency resolution process is made by a financial creditor, the resolution professional, as proposed in the application under section 7, shall be appointed as the interim resolution professional, if no disciplinary proceedings are pending against him.";

(*b*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*3A*) Where an application for the corporate insolvency resolution process is made under section 10, the Adjudicating Authority shall make a reference to the Board for the recommendation of an insolvency professional who may act as an interim resolution professional.";

(*c*) in sub-section (*4*), after the word, brackets and figure "sub-section (*3*)", the words, brackets, figure and letter "or sub-section (*3A*), as the case may be," shall be inserted.

11. In section 18 of the principal Act, in clause (*b*),—

(*a*) after the words "submitted by creditors to him", the words "in such manner as may be specified" shall be inserted;

(*b*) the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the removal of doubts, it is hereby clarified that the interim resolution professional, while collating the claims, shall verify them, and, if required, determine the value of such verified claims.".

12. In section 19 of the principal Act,—

(*a*) in the marginal heading, for the word "Personnel", the word "Persons" shall be substituted;

(*b*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Any person who is or has been a personnel of the corporate debtor or its promoter or associated with the management of the corporate debtor, or engaged in a contract for service with the corporate debtor, shall extend all assistance and cooperation to the interim resolution professional as may be required by him for the purposes of managing the affairs of the corporate debtor or performing the duties conferred on him under this Chapter.";

(*c*) in sub-section (*2*), for the words "any personnel of the corporate debtor, its promoter", the words, brackets and figure "any person referred to in sub-section (*1*)" shall be substituted;

(*d*) in sub-section (*3*)—

(*i*) for the words "direct such personnel", the words, brackets and figure "direct such person referred to in sub-section (*1*)" shall be substituted;

(*ii*) for the words "resolution professional", the words "interim resolution professional" shall be substituted;

(*e*) after sub-section (*3*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the purposes of this section, it is hereby clarified that references to the interim resolution professional shall also include references to the resolution professional.".

13. In section 21 of the principal Act, after sub-section (*10*), the following sub-section shall be inserted, namely:—

"(*11*) Where the liquidation process of the corporate debtor is initiated under Chapter III, the committee of creditors constituted under this section shall also supervise the conduct of the liquidation process by the liquidator, and the provisions of this section and section 24 shall apply to such liquidation process under Chapter III as the context may require:

Provided that the Board may specify any other class or classes of creditors, who may attend the meetings of the committee of creditors during liquidation process, but shall not have any right to vote in such meetings.

Explanation.—For the purposes of Chapter III, it is hereby declared that the provisions of sub-section (*11*) of this section, section 34A and sub-section (*2*) of section 35, as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall apply to—

(*a*) the liquidation process of a corporate debtor initiated after the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026; and

(*b*) the ongoing liquidation process of a corporate debtor as on such date of commencement, where the liquidator has not made an application under section 54, for which the committee of creditors shall continue for the remainder of the liquidation process.".

14. In section 22 of the principal Act, in sub-section (*3*), in clause (*a*), for the words "it shall communicate its decision to the interim resolution professional, the corporate debtor and the Adjudicating Authority", the words "such person shall be deemed to be appointed as the resolution professional from the date of such resolution, and this decision shall be communicated to the interim resolution professional, the corporate debtor, and the Board" shall be substituted.

15. In section 25 of the principal Act, in sub-section (*2*), for clause (*j*), the following clause shall be substituted, namely:—

"(*j*) file an application to the Adjudicating Authority in respect of an avoidance transaction or fraudulent or wrongful trading, if any; and".

16. For section 26 of the principal Act, the following section shall be substituted, namely:—

"26. The filing of an application in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47, shall not affect the proceedings of the corporate insolvency resolution process or the liquidation process, as the case may be.

Explanation.—For the removal of doubts, it is hereby clarified that the completion of the corporate insolvency resolution process or the liquidation process shall not affect the continuation of proceedings in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47, as the case may be.".

17. After section 28 of the principal Act, the following section shall be inserted, namely:—

"28A. (*1*) Notwithstanding anything contained in this Code or any other law for the time being in force, where a creditor of the corporate debtor has taken possession of an asset of a personal guarantor or corporate guarantor of the corporate debtor by enforcing its security interest over such asset under any law for the time being in force which empowers the creditor to transfer the asset, the creditor may, during the corporate insolvency resolution process of the corporate debtor, permit the transfer of such an asset as part of its insolvency resolution with prior approval of the committee of creditors in such manner and subject to such conditions as may be specified:

Provided that where the corporate guarantor is undergoing a corporate insolvency resolution process or the liquidation process, transfer of the asset under this sub-section shall take place upon approval of the committee of creditors of the corporate guarantor, by a vote of not less than sixty-six per cent. of the voting share, and the amount received pursuant to the transfer shall form part of the corporate insolvency resolution process or the liquidation estate of the corporate guarantor, as the case may be:

Provided further that during the liquidation process of the corporate guarantor, the approval of the committee of creditors under the first proviso is required only where the creditor has relinquished such asset to the liquidation estate under section 52:

Provided also that where the personal guarantor is undergoing an insolvency resolution process or the bankruptcy process and the creditor has forfeited or surrendered his right in relation to an asset, the transfer of such asset under this sub-section shall take place upon approval by a majority of more than three-fourths in value of the creditors of the personal guarantor, and the amount received pursuant to the transfer shall form part of the insolvency resolution process or the bankruptcy process of the personal guarantor, as the case may be.

(*2*) The transfer of an asset referred to in sub-section (*1*) under a resolution plan shall vest in the transferee all rights in, or in relation to the asset, as if the transfer had been made by the owner of such asset.

(*3*) The amount received pursuant to the transfer of the asset shall be adjusted towards the amount of debt owed by the guarantor in accordance with the applicable law, subject to any costs, charges and expenses incurred in respect of the preservation and protection of the asset before its transfer, and where such amount is more than the debt owed, the surplus shall be paid to the guarantor.".

18. In section 30 of the principal Act,—

(*a*) in sub-section (*2*),—

(*i*) in clause (*b*), in the long line, the portion beginning with ", and provides for the payment of debts of financial creditors", and ending with "liquidation of the corporate debtor" shall be omitted;

(*ii*) after clause (*b*), the following clause shall be inserted, namely:—

"(*ba*) provides for the payment of debts of the financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified, which shall not be less than the lower of the amount—

(*i*) to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or

(*ii*) that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed, in accordance with the order of priority in sub-section (*1*) of section 53,

as the case may be.

Explanation I.—For the removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.

Explanation II.—For the purposes of this sub-section, it is hereby declared that the provisions of this sub-section as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall not apply to the corporate insolvency resolution process where any of the following acts have first occurred,—

(*i*) the committee of creditors has approved a resolution plan under sub-section (*4*);

(*ii*) the Adjudicating Authority has passed a liquidation order under sub-section (*1*) of section 33; or

(*iii*) the committee of creditors has approved intimation to the Adjudicating Authority to initiate the liquidation under sub-section (*2*) of section 33,

as the case may be, on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026;";

(*iii*) for clause (*d*), the following clause shall be substituted, namely:—

"(*d*) provides for the implementation and supervision of the resolution plan and constitution of a committee for this purpose consisting of a resolution professional or any other insolvency professional, representatives of a class or classes of creditors and the resolution applicant, subject to such conditions and in such manner as may be specified;";

(*b*) in sub-section (*4*), after the words "voting share of the financial creditors", the words "and record reasons for its approval" shall be inserted.

19. In section 31 of the principal Act,—

(*a*) in sub-section (*1*), after the existing proviso, the following proviso shall be inserted, namely:—

"Provided further that the Adjudicating Authority may, on an application made by the resolution professional, with the approval of the committee of creditors, by a vote of not less than sixty-six per cent. of the voting share, in such form and manner, and subject to such conditions as may be specified, first approve the implementation of the resolution plan and thereafter approve the manner of distribution provided therein within a period of thirty days from the date of approval of implementation of such resolution plan.";

(*b*) in sub-section (*2*), the following proviso shall be inserted, namely:—

"Provided that the Adjudicating Authority may, before rejecting the resolution plan, give notice to the committee of creditors to rectify any defects in the resolution plan.";

(*c*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) The Adjudicating Authority shall pass an order under sub-section (*1*) or (*2*), within a period of thirty days from the date of receipt of the resolution plan:

Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.";

(*d*) in sub-section (*4*), in the proviso, for the words "prior to the approval of such resolution plan by the committee of creditors", the words, brackets and figures "before the resolution plan is submitted to the Adjudicating Authority under sub-section (*6*) of section 30" shall be substituted;

(*e*) after sub-section (*4*), the following sub-sections shall be inserted, namely:—

"(*5*) Notwithstanding anything contained in any other law for the time being in force and subject to sub-section (*6*), where a resolution plan has been approved under sub-section (*1*), a licence, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, associated with such resolution plan, shall not be suspended or terminated during the subsistence of the remaining period of such grants or rights, if the corporate debtor or, if applicable, the person whose resolution plan is approved under sub-section (*1*), complies with the obligations in respect of the remaining period of such grants or rights.

(*6*) Where the Adjudicating Authority approves the resolution plan under sub-section (*1*),—

(*a*) unless otherwise provided in the resolution plan, any claim, against the corporate debtor and its assets under any other law for the time being in force, prior to the date of approval, shall be extinguished; and

(*b*) no proceedings shall be continued or instituted against the corporate debtor or its assets on the basis of such claims, including proceedings for assessment of the claims.

Explanation I.—For the purposes of this section, it is hereby clarified that nothing in this section shall affect a claim or any proceeding in respect of a person who was a promoter or in the management or control of the corporate debtor, a guarantor of the corporate debtor or any person having a joint liability or a joint and several liability with the corporate debtor, as the case may be.

Explanation II.—For the purposes of this section, it is hereby clarified that if a person has a joint liability or a joint and several liability with the corporate debtor for payment of debt owed to a creditor before the approval of resolution plan, and such person makes a payment for such debt after the approval of the resolution plan, then any right of such person to be indemnified by the corporate debtor shall be extinguished.

Explanation III.—For the removal of doubts, it is hereby clarified that the provisions of sub-sections (*5*) and (*6*) shall be deemed to apply to the resolution plan that is approved under sub-section (*1*), on and from the date of commencement of this Code, except for matters that have attained finality under this Code.".

20. In section 33 of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) in clause (*a*), the words and figures "or the fast-track corporate insolvency resolution process under section 56" shall be omitted;

(*ii*) in clause (*b*),—

(*I*) in sub-clause (*ii*), after the words "in liquidation,", the word "and" shall be omitted;

(*II*) after sub-clause (*iii*), the following sub-clauses shall be inserted, namely:—

"(*iv*) subject to the provisions of section 52, declare a moratorium for the purposes referred to in clauses (*a*) and (*c*) of sub-section (*1*) read with sub-section (*3*) of section 14, which shall, *mutatis mutandis*, apply to the proceedings under this Chapter:

Provided that provisions of this sub-clause shall not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator or any other authority; and

(*v*) pass an order appointing a liquidator for the liquidation process in accordance with section 34.";

(*b*) after sub-section (*1*), the following sub-sections shall be inserted, namely:—

"(*1A*) Notwithstanding anything contained in sub-section (*1*), where the Adjudicating Authority is satisfied that the grounds mentioned in clause (*a*) or clause (*b*) of sub-section (*1*) of this section exist, it shall, before passing the liquidation order, consider an application made by the committee of creditors, in such manner and subject to such conditions as may be specified, by not less than sixty-six per cent. of the voting share, for restoring the corporate insolvency resolution process, and after considering such application, it may, by an order—

(*a*) if the ground mentioned in clause (*a*) of sub-section (*1*) exists, restore the corporate insolvency resolution process to be completed within such duration as it deems fit, but not exceeding one hundred and twenty days; or

(*b*) if the ground mentioned in clause (*b*) of sub-section (*1*) exists,—

(*i*) restore the corporate insolvency resolution process to the stage of invitation for submission of a resolution plan, which shall be completed in such manner and subject to such conditions as may be specified; and

(*ii*) provide the duration for completion of such restored corporate insolvency resolution process as it deems fit, but not exceeding one hundred and twenty days.

Explanation.—For the purposes of this section, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026, the provisions of sub-sections (*1A*) and (*1B*) shall also apply to the corporate insolvency resolution process of a corporate debtor initiated under Chapter II before such date of commencement, where the Adjudicating Authority has not passed a liquidation order under sub-section (*1*) of this section, and shall not apply where the liquidation order is passed.

(*1B*) The corporate insolvency resolution process of a corporate debtor may be restored in accordance with sub-section (*1A*) only once.

Explanation.—For the purposes of this section, it is hereby clarified that where the Adjudicating Authority does not receive a resolution plan under sub-section (*6*) of section 30 within the period provided under clause (*a*) or clause (*b*) of sub-section (*1A*) or rejects the resolution plan received by it during such period under sub-section (*2*) of section 31, it shall pass a liquidation order under sub-section (*1*).";

(*c*) in sub-section (*2*),—

(*i*) after the word "liquidate", the words "or dissolve" shall be inserted;

(*ii*) for the brackets, figures and word "(*ii*) and (*iii*)", the brackets, figures and word "(*ii*), (*iii*), (*iv*) and (*v*)" shall be substituted;

(*iii*) for the words, brackets and figure "of sub-section (*1*).", the words, brackets, figures and letter "of sub-section (*1*) or a dissolution order under sub-section (*2A*) of section 54, as the case may be:" shall be substituted;

(*iv*) the following proviso shall be inserted, namely:—

"Provided that the committee of creditors shall, before taking the decision to dissolve the corporate debtor, comply with such conditions, as may be specified.";

(*v*) in the *Explanation*, after the word "liquidate", the words "or dissolve" shall be inserted;

(*d*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) The Adjudicating Authority shall pass a liquidation order under this section within a period of thirty days from the date of receipt of an intimation or application, as the case may be, to initiate the liquidation process under this section:

Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.";

(*e*) in sub-section (*3*), for the brackets, letters and word "(*ii*) and (*iii*)", the brackets, letters and word "(*ii*), (*iii*), (*iv*) and (*v*)" shall be substituted;

(*f*) in sub-section (*4*),—

(*i*) for the words, brackets, letters and figure "sub-clauses (*i*), (*ii*) and (*iii*) of clause (*b*) of sub-section (*1*)", the words, brackets, letters and figure "sub-clauses (*i*), (*ii*), (*iii*), (*iv*) and (*v*) of clause (*b*) of sub-section (*1*) and pass any other order as it deems fit" shall be substituted;

(*ii*) the following proviso shall be inserted, namely:—

"Provided that where an application under sub-section (*3*) is made, the Adjudicating Authority may, if it deems fit, reinstate the corporate insolvency resolution process and pass appropriate orders.";

(*g*) sub-section (*5*) shall be omitted;

(*h*) for sub-section (*6*), the following sub-section shall be substituted, namely:—

"(*6*) Where a liquidation order has been passed, no suit or other legal proceeding shall be commenced, or if pending at the date of the liquidation order, shall be proceeded with by the liquidator, on behalf of the corporate debtor, except with the leave of the Adjudicating Authority and subject to such terms as the Adjudicating Authority may impose.".

21. In section 34 of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Where the Adjudicating Authority passes an order for liquidation of the corporate debtor under section 33, it shall refer to the Board for making recommendation of an insolvency professional to be appointed as the liquidator and on receipt of the recommendation, appoint such insolvency professional as the liquidator.";

(*b*) for sub-sections (*3*), (*4*), (*5*) and (*6*), the following sub-sections shall be substituted, namely:—

"(*3*) Any person who is or has been a personnel of the corporate debtor, or its promoter, or associated with the management of the corporate debtor, or engaged in a contract for service with the corporate debtor, shall extend all assistance and cooperation to the liquidator as may be required by him for the purposes of managing the affairs of the corporate debtor or performing the duties conferred on him under this Chapter and the provisions of section 19 shall apply in relation to liquidation and voluntary liquidation process as they apply in relation to corporate insolvency resolution process with the substitution of references to the liquidator for references to the interim resolution professional and resolution professional and references to the corporate insolvency resolution process with liquidation and voluntary liquidation process, respectively.

(*4*) Notwithstanding anything contained in this section and section 34A, an insolvency professional appointed as a resolution professional for the corporate insolvency resolution process under Chapter II, shall not be appointed or replaced as the liquidator for the liquidation process of such corporate debtor.

(*5*) After an order of liquidation has been passed, the resolution professional shall forward to the liquidator, all records relating to the conduct of the corporate insolvency resolution process.

(*6*) The Board shall propose the name of an insolvency professional, other than the resolution professional appointed for the corporate insolvency resolution process under Chapter II, along with written consent from such insolvency professional in the specified form, within ten days of the reference made by the Adjudicating Authority under sub-section (*1*).";

(*c*) in sub-section (*7*), the words "by an order" shall be omitted.

22. After section 34 of the principal Act, the following section shall be inserted, namely:—

"34A. (*1*) Where, at any time during the liquidation process, the committee of creditors is of the opinion that a liquidator appointed under section 34 or this section is required to be replaced, it may, by a vote of not less than sixty-six per cent. of the voting share, resolve to replace the liquidator with another insolvency professional, subject to a written consent from such proposed liquidator in such form as may be specified.

(*2*) Where the committee of creditors resolves under sub-section (*1*) to replace a liquidator, it shall apply to the Adjudicating Authority for the appointment of the proposed liquidator, and if no disciplinary proceedings are pending against him, the Adjudicating Authority shall, by an order, replace the liquidator appointed under section 34 or this section and appoint the proposed liquidator as the liquidator.".

23. In section 35 of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) for clause (*a*), the following clause shall be substituted, namely:—

"(*a*) to maintain an updated list of claims of creditors in such manner as may be specified;";

(*ii*) in clause (*j*), the words "invite and" shall be omitted;

(*iii*) for clause (*l*), the following clause shall be substituted, namely:—

"(*l*) continue or institute proceedings in respect of an avoidance transaction or fraudulent or wrongful trading;";

(*iv*) the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the purposes of this Chapter, it is hereby declared that the provisions of clauses (*a*) and (*j*) of this sub-section and sections 38 to 42 as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall not apply to the liquidation process and voluntary liquidation process initiated on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026.";

(*b*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) The committee of creditors shall supervise the conduct of the liquidation process by the liquidator under Chapter III in such manner as may be specified.".

24. In section 36 of the principal Act, in sub-section (*3*), in clause (*f*), for the words "proceedings for avoidance of transactions in accordance with this Chapter", the words and figures "proceedings in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47" shall be substituted.

25. Sections 38, 39, 40, 41 and 42 of the principal Act shall be omitted.

26. In section 43 of the principal Act, in sub-section (*4*), in clauses (*a*) and (*b*),—

(*i*) for the words "period of", the words "period starting from" shall be substituted;

(*ii*) for the words "insolvency commencement date", the words "initiation date and ending on the insolvency commencement date" shall be substituted.

27. In section 46 of the principal Act,—

(*a*) in the marginal heading, for the word "avoidable", the word "undervalued" shall be substituted;

(*b*) in sub-section (*1*),—

(*i*) for the words "avoiding a transaction at undervalue", the words "avoidance of an undervalued transaction" shall be substituted;

(*ii*) in clauses (*i*) and (*ii*),—

(*A*) for the words "period of", the words "period starting from" shall be substituted;

(*B*) for the words "insolvency commencement date", the words "initiation date and ending on the insolvency commencement date" shall be substituted.

28. For section 47 of the principal Act, the following section shall be substituted, namely:—

"47. (*1*) Where—

(*a*) a preferential transaction under section 43;

(*b*) an undervalued transaction under section 45;

(*c*) an extortionate credit transaction under section 50; or

(*d*) fraudulent or wrongful trading under section 66,

has occurred and the liquidator or the resolution professional, as the case may be, has not reported it to the Adjudicating Authority, a creditor, either by itself or jointly with other creditors, a member, or a partner of the corporate debtor, as the case may be, may make an application to the Adjudicating Authority to pass orders in accordance with the respective provisions of this Chapter or Chapter VI, as the case may be.

(*2*) Where the Adjudicating Authority, after examination of the application made under sub-section (*1*), is satisfied that the relevant transaction or trading under clause (*a*) or (*b*) or (*c*) or (*d*) of sub-section (*1*) has occurred, it shall pass an order, for the avoidance of such transaction or trading, as the case may be, as if such an application had been filed by a liquidator or a resolution professional in accordance with the relevant provisions of this Chapter or Chapter VI.

(*3*) After passing an order under sub-section (*2*), where Adjudicating Authority is satisfied that the liquidator or the resolution professional, as the case may be, after having sufficient information or opportunity to avail information of such transaction or trading, did not report such transaction or trading to the Adjudicating Authority, it shall pass an order requiring the Board to initiate disciplinary proceedings against the liquidator or the resolution professional, as the case may be.".

29. In section 49 of the principal Act, in the proviso, in clause (*a*), after the words "corporate debtor", the words "or a related party of the corporate debtor, as the case may be," shall be inserted.

30. In section 50 of the principal Act, in sub-section (*1*), for the words "period within two years preceding", the words "period starting from two years preceding the initiation date and ending on" shall be substituted.

31. In section 52 of the principal Act,—

(*a*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Where the secured creditor intends to realise the security interest under clause (*b*) of sub-section (*1*), he shall inform the liquidator of such security interest and identify the asset subject to such security interest to be realised within a period of fourteen days from the liquidation commencement date, and if he fails to do so, such security interest shall be deemed to be relinquished to the liquidation estate:

Provided that where more than one secured creditor has any security interest over an asset of the corporate debtor, no secured creditor shall be entitled to realise its security interest, unless the realisation is agreed upon by the secured creditors representing not less than sixty-six per cent. of the value of all claims that are secured by such security interests.";

(*b*) for sub-section (*8*), the following sub-section shall be substituted, namely:—

"(*8*) The amount of insolvency resolution process, costs and the liquidation costs, and workmen's dues as referred to in clause (*a*) and sub-clause (*i*) of clause (*b*) of sub-section (*1*) of section 53, respectively, shall be deducted from the proceeds of any realisation by the secured creditors who realise their security interests in the manner provided in this section, and they shall transfer such amounts to the liquidator to be included in the liquidation estate in such manner, within such period and subject to such conditions to secure the payment as may be specified.";

(*c*) after sub-section (*9*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the purposes of this section, it is hereby declared that the provisions of sub-section (*2*) as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall not apply to the liquidation process initiated on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026.".

32. In section 53 of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) in clause (*b*), in sub-clause (*ii*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the removal of doubts, it is hereby clarified that where the value of the security interest relinquished by the secured creditor is less than the total debt owed to such secured creditor by the corporate debtor, he shall be a secured creditor to the extent of the value of such security interest, determined in such manner as may be specified, and for the remaining value of such debt, he shall be considered to be an unsecured creditor;";

(*ii*) in clause (*e*), in sub-clause (*i*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the removal of doubts, it is hereby clarified that any amount, whether or not a security interest is created to secure such amount by an act of two or more parties or merely by operation of law, due to the Central Government and the State Government, in respect of the whole or any part of the period of two years preceding the liquidation commencement date, shall be distributed under this sub-clause and any remaining amount, whether or not such security interest is created to secure the amount, due to the Central Government and the State Government, shall be distributed under clause (*f*);";

(*b*) in sub-section (*2*), the following *Illustrations* shall be inserted, namely:—

'*Illustration* I.

The workmen and the secured creditors of the corporate debtor have a contractual arrangement which provides that in the event of insolvency or liquidation of the corporate debtor, all debt owed to the secured creditors shall be cleared before clearing any debt owed to the workmen. Such a contractual arrangement shall be disregarded.

Illustration II.

"X", a secured creditor of the corporate debtor, has a contractual arrangement with "Y", another secured creditor of the corporate debtor. As per the contractual arrangement, in the event of insolvency or liquidation of the corporate debtor, the debt owed to "X" shall be cleared before clearing any debt owed to "Y". Such a contractual arrangement shall not be disregarded.'.

33. In section 54 of the principal Act,—

(*a*) for sub-section (*1*), the following sub-sections shall be substituted, namely:—

"(*1*) The liquidator shall completely liquidate the assets of the corporate debtor and make an application for its dissolution to the Adjudicating Authority within a period of one hundred and eighty days from the liquidation commencement date in such manner as may be specified:

Provided that the Adjudicating Authority may, on an application by the liquidator along with sufficient reasons, extend the stipulated time by such period as it deems fit, but not exceeding a period of ninety days.

(*1A*) Where a proceeding in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47 is pending before an application is made under sub-section (*1*) or a decision is made to dissolve the corporate debtor under sub-section (*2*) of section 33, the committee of creditors shall determine the manner of pursuing such proceedings and the distribution of the proceeds arising out of such proceedings, in such manner and subject to such conditions as may be specified.

(*1B*) Where any suit or other legal proceeding against the corporate debtor in respect of any proceeds to be distributed under section 53 is pending before application is made under sub-section (*1*) or a decision is made to dissolve the corporate debtor under sub-section (*2*) of section 33, the committee of creditors shall make appropriate arrangements for pursuing such suit or proceeding, and distribution of proceeds to the parties in such suit or proceedings, in such manner and subject to such conditions as may be specified.";

(*b*) after sub-section (*2*), the following sub-sections shall be inserted, namely:—

"(*2A*) Without prejudice to the provisions of sub-section (*2*), the Adjudicating Authority may, on receipt of the decision of the committee of creditors to dissolve the corporate debtor under sub-section (*2*) of section 33, order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly:

Provided that if, on the passing of an order under this sub-section, any asset of the corporate debtor remains with it, such asset may be disposed of in such manner as may be specified, and the proceeds thereof shall be distributed for payment of the insolvency resolution process costs and any surplus remaining after payment of such costs shall be credited to the Insolvency and Bankruptcy Fund formed under section 224.

(*2B*) Notwithstanding anything contained in sub-section (*2*) and sub-section (*2A*), the passing of the dissolution order shall not affect the continuation of proceedings referred to in sub-sections (*1A*) and (*1B*).";

(*c*) in sub-section (*3*), after the word, brackets and figure "sub-section (*2*)", the words, brackets, figure and letter "or sub-section (*2A*)" shall be inserted;

(*d*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) The Adjudicating Authority shall pass a dissolution order under this section within a period of thirty days from the date of receipt of the application under sub-section (*1*) or the intimation of the decision of the committee of creditors to dissolve the corporate debtor under sub-section (*2*) of section 33:

Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.".

34. In section 54A of the principal Act,—

(*a*) in sub-section (*2*),—

(*i*) in clause (*a*), for the words "pre-packaged insolvency resolution process or", the words "pre-packaged insolvency resolution process or creditor-initiated insolvency resolution process, or" shall be substituted;

(*ii*) in clause (*b*), after the words "resolution process", the words "or a creditor-initiated insolvency resolution process" shall be inserted;

(*iii*) in clause (*e*), for the words "sixty-six per cent.", the words "fifty-one per cent." shall be substituted;

(*b*) in sub-section (*3*), for the words "sixty-six per cent.", the words "fifty-one per cent." shall be substituted.

35. In section 54C of the principal Act, for sub-section (*3*), the following ub-section shall be substituted, namely:—

"(*3*) The corporate applicant shall, along with the application, furnish such information as may be specified.".

36. In section 54F of the principal Act, for sub-section (*5*), the following ub-section shall be substituted, namely:—

"(*5*) Any person who is or has been a personnel of the corporate debtor or its promoter or associated with the management of the corporate debtor or engaged in a contract for service with the corporate debtor, shall extend all assistance and cooperation to the resolution professional as may be required by him to perform his duties and exercise his powers, and for such purposes, the provisions of sub-sections (*2*) and (*3*) of section 19 shall, *mutatis mutandis*, apply in relation to the proceedings under this Chapter.".

37. In section 54L of the principal Act,—

(*a*) in sub-section (*2*), for the word, brackets and figure "and (*4*)", the brackets, figures and word ", (*4*), (*5*) and (*6*)" shall be substituted;

(*b*) in sub-section (*3*), the following proviso shall be inserted, namely:—

"Provided that the Adjudicating Authority may, before rejecting the resolution plan, give notice to the committee of creditors to rectify any defects in the resolution plan.";

(*c*) in sub-section (*4*), in clause (*b*), for the brackets, figures and word "(*ii*) and (*iii*)", the brackets, figures and word "(*ii*), (*iii*), (*iv*) and (*v*)" shall be substituted.

38. In section 54N of the principal Act, in sub-section (*4*), in clause (*a*), for the brackets, figures and word "(*ii*) and (*iii*)", the brackets, figures and word "(*ii*), (*iii*), (*iv*) and (*v*)" shall be substituted.

39. In Part II of the principal Act, Chapter IV shall be omitted.

40. After Chapter IV of the principal Act, the following Chapter shall be inserted, namely:—

'CHAPTER IV-A

CREDITOR-INITIATED INSOLVENCY RESOLUTION PROCESS

58A. (*1*) A creditor-initiated insolvency resolution process may be initiated in respect of the following corporate debtors under this Chapter, namely:—

(*a*) a corporate debtor with assets or income or both, below such levels;

(*b*) a corporate debtor with such class of creditors or such amount of debt; or

(*c*) such other category of corporate debtors,

as may be notified by the Central Government.

(*2*) Without prejudice to sub-section (*1*), a creditor-initiated insolvency resolution process shall not be initiated in respect of a corporate debtor—

(*a*) for which an insolvency resolution or liquidation proceeding has been commenced and is still undergoing under the provisions of Part II; and

(*b*) that has undergone a creditor-initiated insolvency resolution process, pre-packaged insolvency resolution process or completed a corporate insolvency resolution process, during the period of three years preceding the creditor-initiated insolvency commencement date.

58B. (*1*) A financial creditor, belonging to such class of financial institutions as may be notified by the Central Government, in respect of which a default is committed by a corporate debtor, may initiate the creditor-initiated insolvency resolution process for such corporate debtor by appointing a resolution professional in accordance with the provisions of this section, and subject to such conditions, as may be prescribed.

(*2*) The financial creditor seeking to initiate the creditor-initiated insolvency resolution process shall, before appointing the resolution professional,—

(*a*) obtain the approval of the financial creditors of the corporate debtor belonging to the class of financial institutions notified under sub-section (*1*), who represent not less than fifty-one per cent. in value of the debt due to such financial creditors, in such manner as may be specified;

(*b*) inform the corporate debtor of its intention to initiate the creditor-initiated insolvency resolution process and give it a period of at least thirty days to make any representation in such form and manner as may be specified; and

(*c*) after consideration of the representation received under clause (*b*), if any, where the financial creditor continues to pursue the initiation of the process, it shall obtain approval of the financial creditors of the corporate debtor belonging to such class as notified under sub-section (*1*), who represent not less than fifty-one per cent. in value of the debt due to such financial creditors, within a period of thirty days from the date of receipt of the representation, in such manner as may be specified:

Provided that where no approval is obtained under clause (*c*) within the stipulated period of thirty days, the financial creditor shall, if it seeks to initiate the creditor-initiated insolvency resolution process, obtain fresh approval under clause (*a*) and comply with the procedure under this sub-section.

Explanation.—For the purposes of this section, it is hereby clarified that where the corporate debtor does not make a representation within the period given by the financial creditor under clause (*b*), the financial creditor may, after the expiry of such period proceed to appoint the resolution professional in accordance with the provisions of sub-section (*3*).

(*3*) Where the financial creditor, who seeks to initiate the creditor-initiated insolvency resolution process, meets the requirements under sub-sections (*1*) and (*2*), it may appoint an insolvency professional as the resolution professional, if no disciplinary proceedings are pending against him, immediately after fulfilling all the requirements under sub-section (*2*).

(*4*) Where the resolution professional is appointed under sub-section (*3*), he shall—

(*a*) make a public announcement of the initiation of the creditor-initiated insolvency resolution process; and

(*b*) communicate the same along with a report confirming whether the financial creditor meets the requirements under sections 58A and 58B, to the Adjudicating Authority and the Board,

within such period and in such form and manner as may be specified, and the creditor-initiated insolvency resolution process shall be deemed to have commenced from the date of such public announcement.

(*5*) Notwithstanding anything contained in sections 7, 9, 10 and 54C, no application for initiation of the corporate insolvency resolution process or the pre-packaged insolvency resolution process in respect of the corporate debtor shall be filed or admitted during the creditor-initiated insolvency resolution process period.

Explanation.—For the purposes of this Chapter,—

(*i*) "creditor-initiated insolvency commencement date" means the date of the public announcement referred to in sub-section (*4*) of section 58B; and (*ii*) "creditor-initiated insolvency resolution process period" means the period beginning from the creditor-initiated insolvency commencement date and ending on the date on which an order is passed under sub-section (*1*) of section 58H or under sub-section (*1*) of section 58-I or under section 58J read with section 31.

58C. (*1*) If the corporate debtor has any objection to the commencement of the process under section 58B, it may file an application to the Adjudicating Authority within a period of thirty days from the creditor-initiated insolvency commencement date in such form and manner as may be specified, accompanied with such fee as may be prescribed.

(*2*) Where the Adjudicating Authority, pursuant to an application under sub-section (*1*) is satisfied that—

(*a*) a default has not occurred or both a default has not occurred and the initiation of the creditor-initiated insolvency resolution process was in contravention of section 58A or 58B, it may, by order, declare the commencement of the process to be *void ab-initio*;

(*b*) a default has occurred, however, the initiation of the creditor-initiated insolvency resolution process was in contravention of section 58A or 58B, it shall, convert the creditor-initiated insolvency resolution process to corporate insolvency resolution process and pass an order as referred to in sub-clauses (*i*) to (*v*) of sub-section (*1*) of section 58H.

(*3*) The Adjudicating Authority shall pass an order under sub-section (*2*), within a period of thirty days from the date of receipt of the application under sub-section (*1*):

Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.

58D. (*1*) Subject to sub-section (*2*), the creditor-initiated insolvency resolution process shall be completed within a period of one hundred and fifty days from the creditor-initiated insolvency commencement date.

(*2*) The Adjudicating Authority may, on the application made by the resolution professional, with the approval of the committee of creditors, by a vote of not less than sixty-six per cent. of the voting share, extend the period under sub-section (*1*), by a period of not more than forty-five days:

Provided that any extension of the period of the creditor-initiated insolvency resolution process under this section shall not be granted more than once.

(*3*) Where no resolution plan is approved by the committee of creditors within the period stipulated in sub-section (*1*) or the extended period under sub-section (*2*), the Adjudicating Authority shall pass an order under sub-section (*1*) of section 58H.

58E. (*1*) The resolution professional, shall exercise and perform the following powers and duties during the creditor-initiated insolvency resolution process period, in such manner and subject to such conditions as may be specified, namely:—

(*a*) call for the submission of claims;

(*b*) prepare the information memorandum;

(*c*) prepare a report in such form as may be specified, confirming whether the conduct of the creditor-initiated insolvency resolution process is in accordance with the procedural requirements and that the resolution plan, filed along with it, complies with the requirements of sections 29A and 30 which shall, *mutatis mutandis*, apply to the proceedings under this Chapter;

(*d*) duties referred to in clauses (*a*) to (*c*) of section 18 and clauses (*e*) to (*j*) of sub-section (*2*) of section 25 which shall, *mutatis mutandis*, apply to the proceedings under this Chapter;

(*e*) powers as referred to in sub-sections (*3*) and (*4*) of section 54F which shall, *mutatis mutandis*, apply to the proceedings under this Chapter;

(*f*) file such report and documents with the Board, as may be specified; and

(*g*) perform such other duties, as may be specified.

(*2*) Any person who is or has been a personnel of the corporate debtor, or its promoter, or associated with the management of the corporate debtor, or engaged in a contract for service with the corporate debtor, shall extend all assistance and cooperation to the resolution professional, as may be required by him to perform his duties and exercise his powers, and for such purposes, the provisions of sub-sections (*2*) and (*3*) of section 19 shall, *mutatis mutandis*, apply in relation to the proceedings under this Chapter.

58F. (*1*) Subject to the provisions of this section, during the creditor-initiated insolvency resolution process period, the management of the affairs of the corporate debtor shall continue to vest in the Board of Directors or the partners, of the corporate debtor as the case may be, and the provisions of section 54H shall, *mutatis mutandis*, apply to the proceedings under this Chapter.

(*2*) Notwithstanding anything contained in any other law, from the creditor-initiated insolvency commencement date, the resolution professional shall attend meetings of members, Board of Directors and committee of directors, or partners, of the corporate debtor, and he shall have the right to reject any resolutions passed in these meetings, subject to such conditions and in such manner as may be specified, and once he rejects a resolution, it shall not be approved.

(*3*) The promoter and personnel of the corporate debtor shall provide relevant information related to the corporate debtor for preparing the information memorandum to the resolution professional in such form and manner and within such period as may be specified, and where any person has sustained loss or damage as a consequence of the omission of any material information or inclusion of any misleading information or false information provided by such persons, they shall be liable and in this regard, the provisions of sub-sections (*2*) to (*4*) of section 54G and section 77A, shall, *mutatis mutandis*, apply to the proceedings under this Chapter.

58G. (*1*) During the creditor-initiated insolvency resolution process period, the resolution professional may, after obtaining the approval of the committee of creditors, make an application to the Adjudicating Authority for a moratorium for the purposes referred to in sub-section (*1*) read with sub-section (*3*) of section 14, which shall, *mutatis mutandis* apply, to the proceedings under this Chapter:

Provided that the resolution professional may file such application before the constitution of the committee of creditors, after obtaining approval of the financial creditors of the corporate debtor belonging to the class of financial institutions notified under sub-section (*1*) of section 58B, who represent not less than fifty-one per cent. in value of the debt due to such financial creditors, in such manner as may be specified.

(*2*) Where an application has been made in sub-section (*1*), a moratorium for the purposes referred to in sub-section (*1*) read with sub-section (*3*) of section 14 shall commence from the date of the application and continue to be in operation during the creditor-initiated insolvency resolution process period, and the Adjudicating Authority may confirm the moratorium, if it is satisfied that the moratorium is required for the proper and efficient conduct of the creditor-initiated insolvency resolution process, or reject the application.

(*3*) The resolution professional shall make public announcement of the following, in such form and manner as may be specified, namely:—

(*a*) filing of application under sub-section (*1*); and

(*b*) order of the Adjudicating Authority rejecting the application under sub-section (*2*), if any.

58H. (*1*) Where the Adjudicating Authority,—

(*a*) does not receive a resolution plan for approval, within the period stipulated under section 58D;

(*b*) is satisfied that the corporate debtor or its personnel have failed to assist or cooperate with the resolution professional; or

(*c*) rejects the resolution plan under sub-section (*2*) of section 58J read with sub-section (*2*) of section 31,

it shall, by an order,—

(*i*) convert the creditor-initiated insolvency resolution process to corporate insolvency resolution process under Chapter II and provisions of such Chapter shall apply;

(*ii*) decide the stage from which the corporate insolvency resolution process shall commence, after considering any recommendation of the committee of creditors, made in such manner as may be specified;

(*iii*) appoint the resolution professional for the creditor-initiated insolvency resolution process, as the interim resolution professional or the resolution professional for the corporate insolvency resolution process, as the case may be;

(*iv*) declare a moratorium for the purposes referred to in section 14; and

(*v*) declare that the costs incurred during the creditor-initiated insolvency resolution process, if any, shall be included as part of insolvency resolution process costs for the purposes of the corporate insolvency resolution process of the corporate debtor.

(*2*) Where the committee of creditors, at any time during the creditor-initiated insolvency resolution process period, by a vote of not less than sixty-six per cent. of the voting share, resolves to convert the creditor-initiated insolvency resolution process to the corporate insolvency resolution process in respect of the corporate debtor, the resolution professional shall make an application for this purpose to the Adjudicating Authority in such form and manner as may be specified, and the Adjudicating Authority shall pass an order as referred to in sub-clauses (*i*) to (*v*) of sub-section (*1*).

(*3*) Where the Adjudicating Authority passes an order to convert the creditor-initiated insolvency resolution process to the corporate insolvency resolution process under Chapter II—

(*a*) the proceedings initiated for an avoidance transaction or fraudulent or wrongful trading or under section 47, if any, during the creditor-initiated insolvency resolution process shall continue during the corporate insolvency resolution process;

(*b*) such order shall be deemed to be an order of admission of an application under section 7 and the financial creditor who initiated the creditor-initiated insolvency resolution process under section 58B, shall be considered as the applicant for that purpose; and

(*c*) for the purposes of sections 43, 46 and 50, the references to "initiation date and ending on the insolvency commencement date" shall be construed as "creditor-initiated insolvency commencement date and ending on the insolvency commencement date.".

58-I. (*1*) Subject to sub-section (*2*), the Adjudicating Authority may allow the withdrawal of the public announcement made under sub-section (*4*) of section 58B and close the creditor-initiated insolvency resolution process on an application made by the resolution professional with the approval of ninety per cent. voting share of the committee of creditors, in such manner as may be specified.

(*2*) Notwithstanding anything contained in any law for the time being in force, the public announcement made under sub-section (*4*) of section 58B shall not be withdrawn—

(*a*) before the constitution of the committee of creditors; and

(*b*) after the first invitation for submission of a resolution plan has been issued by the resolution professional.

(*3*) The Adjudicating Authority shall pass an order under sub-section (*1*), within a period of fourteen days from the date of receipt of the application:

Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.

58J. (*1*) Where the committee of creditors, by a vote of not less than sixty-six per cent. of the voting share, approves the resolution plan in accordance with the provisions of section 30, the resolution professional shall submit such approved resolution plan to the Adjudicating Authority, along with a report referred to in clause (*c*) of sub-section (*1*) of section 58E.

(*2*) On receipt of the resolution plan, the Adjudicating Authority, shall, pass an order in accordance with the provisions of section 31, which shall, *mutatis mutandis* apply, to the proceedings under this Chapter.

58K. (*1*) Save as provided in this Chapter, the provisions of sections 21, 24, 25A, 26, 27, 28, 28A, 29, 32, 32A, 43 to 51, and the provisions of Chapters VI and VII of this Part shall, *mutatis mutandis* apply, to the creditor-initiated insolvency resolution process, subject to the modifications that the references to—

(*a*) "corporate insolvency resolution process" shall be construed as reference to "creditor-initiated insolvency resolution process";

(*b*) "insolvency commencement date" shall be construed as reference to "creditor-initiated insolvency commencement date";

(*c*) "insolvency resolution process period" shall be construed as reference to "creditor-initiated insolvency resolution process period"; and

(*d*) the references to "period starting from" shall be construed as "period of" and "initiation date and ending on the insolvency commencement date" shall be construed as "creditor-initiated insolvency commencement date" under sections 43, 46 and 50.

(*2*) The creditor-initiated insolvency resolution process of a corporate person under this Chapter shall meet such conditions and procedural requirements as may be specified.'.

41. In section 59 of the principal Act,—

(*a*) in sub-section (*2*), for the words "procedural requirements as may be specified by the Board", the words "procedural requirements, and be completed within such period which shall not be more than one year, as may be specified" shall be substituted;

(*b*) in sub-section (*4*), for the word "notify", the word "inform" shall be substituted;

(*c*) after sub-section (*5*), the following sub-sections shall be inserted, namely:—

"(*5A*) Any time after the commencement of a voluntary liquidation proceeding under sub-section (*5*) but before an application under sub-section (*7*) is filed, the voluntary liquidation proceeding shall be terminated if the following conditions are satisfied, namely:—

(*a*) the members of the company have passed a special resolution for terminating the voluntary liquidation proceeding;

(*b*) where the company owes debt to any person on the date of the resolution under clause (*a*), creditors representing two-thirds in value of such debt have approved the resolution passed under clause (*a*) within a period of seven days of such resolution; and

(*c*) such other conditions as may be specified.

(*5B*) The liquidator shall intimate the Board and the Registrar of Companies regarding the special resolution under clause (*a*) of sub-section (*5A*) within a period of seven days of passing the resolution or subsequent approval of the creditors under clause (*b*) thereof, as the case may be.

(*5C*) A voluntary liquidation proceeding shall be deemed to have been terminated from the date on which the liquidator intimates the Registrar of Companies under sub-section (*5B*), and such termination shall bring the term of the liquidator to an end and have such other consequences as may be specified.";

(*d*) in sub-section (*6*), after the words "provisions of", the words, brackets, letter and figures "clause (*b*) of section 18 of Chapter II," shall be inserted.

42. In the principal Act, in Part II, after Chapter V, the following Chapter shall be inserted, namely:—

'CHAPTER VA

GROUP INSOLVENCY

59A. (*1*) Notwithstanding anything to the contrary contained in this Code, the Central Government may, prescribe the manner and conditions for conducting insolvency proceedings under Part II, where these proceedings are initiated against two or more corporate debtors that form part of a group.

(*2*) Without prejudice to the generality of foregoing provision, such rules may, provide for all or any of the following matters, namely:—

(*a*) a common Bench for the insolvency proceedings of the corporate debtors that form part of a group and the manner of the transfer of pending proceedings of such corporate debtors to such Bench, and for proceedings under the rules made under this section;

(*b*) coordination between the insolvency proceedings of the corporate debtors that form part of a group, including the coordination between their committee of creditors and interim resolution professionals, resolution professionals, or liquidators;

(*c*) appointment and replacement of a common insolvency professional to facilitate coordination between the insolvency proceedings of the corporate debtors that form part of a group;

(*d*) formation of a committee comprising of the committee of creditors of the corporate debtors that form part of a group;

(*e*) making of an agreement that provides measures to coordinate and synchronise different aspects of the insolvency proceedings of the corporate debtors that form part of a group, which shall be binding on the corporate debtors approving the same including their committees of creditors, and the Adjudicating Authority may issue necessary orders to implement the approved agreement; and

(*f*) treatment of the costs incurred for taking measures to coordinate the insolvency proceedings of the corporate debtors that form part of a group.

(*3*) The rules made by the Central Government under this section may provide that any of the provisions of the Code shall apply with such modifications, as may be required to administer and implement the provisions of this section.

Explanation.—For the purposes of this Chapter, the expressions—

(*a*) "control" includes the right to appoint majority of the directors or other key managerial personnel entitled to manage the affairs of the corporate person or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding, management rights, ownership interest, shareholders agreements, voting agreements, articles of association, limited liability partnership agreements or in any other manner;

(*b*) "group" means two or more corporate debtors that are interconnected by control or significant ownership, and include a holding company, a subsidiary company and an associate company of a corporate debtor, as defined under the Companies Act, 2013;

(*c*) "insolvency proceedings" means the corporate insolvency resolution process and liquidation process under Part II of this Code;

(*d*) "significant ownership" includes the right to exercise twenty-six per cent. or more voting rights.

(*4*) Notwithstanding anything contained in section 241, a draft of every rule proposed to be issued under this section, shall be laid before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if both Houses agree in disapproving the issue of rule or both Houses agree in making any modification in the rule, the rule shall not be notified or shall be notified only in such modified form, as may be agreed upon by both the Houses of Parliament.

(*5*) The period of thirty days referred to in sub-section (*4*) shall not include any period during which the House referred to in sub-section (*4*) is prorogued or adjourned for more than four consecutive days.

(*6*) Every rule notified under this section shall be laid, as soon as may be after it is made, before each House of Parliament.'.

43. In section 61 of the principal Act, after sub-section (*5*), the following sub-section shall be inserted, namely:—

"(*6*) The National Company Law Appellate Tribunal shall dispose of the appeal within three months from the date of its receipt.".

44. After section 64 of the principal Act, the following section shall be inserted, namely:—

"64A. If any person has initiated a frivolous or vexatious proceeding before the Adjudicating Authority under this Part, it may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to two crore rupees.".

45. In section 65 of the principal Act, in sub-section (*3*), for the words "pre-packaged insolvency resolution process" the words "pre-packaged insolvency resolution process or creditor-initiated insolvency resolution process" shall be substituted.

46. In section 66 of the principal Act,—

(*a*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Fraudulent or wrongful trading.";

(*b*) in sub-section (*1*), after the words "resolution professional", the words "or the liquidator," shall be inserted;

(*c*) in sub-section (*2*), after the words "during the corporate insolvency resolution process", the words "or by a liquidator" shall be inserted.

47. In section 67A of the principal Act,—

(*a*) in the marginal heading, for the words "pre-packaged insolvency resolution process", the words "pre-packaged insolvency resolution process or creditor-initiated insolvency resolution process" shall be substituted;

(*b*) for the words "pre-packaged insolvency commencement date", the words "pre-packaged insolvency commencement date or creditor-initiated insolvency commencement date" shall be substituted.

48. After section 67A of the principal Act, the following sections shall be inserted, namely:—

"67B. (*1*) Where a corporate debtor or any of its officer contravenes the provisions of section 14, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, as the case may be, impose penalty upon the officer, who committed or authorised or permitted such contravention, which shall not be less than one lakh rupees, but may extend to two crore rupees.

(*2*) Where any creditor contravenes the provisions of section 14, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, as the case may be, impose penalty upon any person who authorised or permitted such contravention by a creditor, which shall not be less than one lakh rupees, but may extend to two crore rupees.

(*3*) Where a corporate debtor, any of its officers or creditors or any person on whom the approved resolution plan is binding under section 31, contravenes any of the terms of such resolution plan or abets such contravention, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, as the case may be, impose penalty upon such corporate debtor, officer, creditor or person, which shall not be less than one lakh rupees, but may extend to one crore rupees or twenty per cent. of the amount to be distributed under the resolution plan, whichever is higher.

67C. Where—

(*a*) an operational creditor has concealed in an application under section 9, the fact that the corporate debtor had notified him of a dispute in respect of the unpaid operational debt or the full and final payment thereof; or

(*b*) any person who authorised or permitted such concealment under clause (*a*); or

(*c*) any person who acted on such authorisation or permission,

the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, as the case may be, impose penalty upon such operational creditor or person, which shall not be less than one lakh rupees but may extend to two crore rupees.".

49. Section 74 of the principal Act shall be omitted.

50. Section 76 of the principal Act shall be omitted.

51. In section 96 of the principal Act, after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) The provisions of this section shall not apply where an application is filed for initiating an insolvency resolution process in respect of a personal guarantor to a corporate debtor.".

52. In section 99 of the principal Act,—

(*a*) in sub-section (*1*), for the words "ten days", the words "twenty-one days" shall be substituted;

(*b*) in sub-section (*10*), for the words "or the creditor, as the case may be", the words "and the creditor" shall be substituted.

53. In section 106 of the principal Act,—

(*a*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) Where no repayment plan is submitted within the period stipulated under sub-section (*1*), the resolution professional shall submit a report to the Adjudicating Authority, and the Adjudicating Authority shall pass an order terminating the insolvency resolution process of the debtor and the debtor or the creditors shall be entitled to file an application for bankruptcy under Chapter IV.";

(*b*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*3A*) Notwithstanding anything to the contrary contained in the provisions of sub-section (*2*) and sub-section (*3*), where the repayment plan is in respect of the debtor who is a personal guarantor to a corporate debtor, the resolution professional shall summon the meeting of the creditors by issuing a notice in writing specifying therein the date, time and place of such meeting.";

(*c*) in sub-section (*4*), after the words, brackets and figure "For the purposes of sub-section (*3*)", the words, brackets, figure and letter "and sub-section (*3A*)" shall be inserted.

54. In section 121 of the principal Act, in sub-section (*1*),—

(*a*) in clause (*c*), for the word and figures "section 118.", the words and figures "section 118; or" shall be substituted;

(*b*) after clause (*c*), the following clause shall be inserted, namely:—

"(*d*) where an order has been passed by an Adjudicating Authority under sub-section (*1A*) of section 106.".

55. In section 124 of the principal Act, after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) The provisions of this section shall not apply where an application is filed for initiating a bankruptcy process in respect of a personal guarantor to a corporate debtor.".

56. After section 164 of the principal Act, the following section shall be inserted, namely:—

"164A. Where the debtor has entered into an undervalued transaction as referred to in sub-section (*6*) of section 164 and the Adjudicating Authority is satisfied that such transaction was deliberately entered into by such debtor—

(*a*) for keeping its assets beyond the reach of any person who is entitled to make a claim against the debtor; or

(*b*) in order to adversely affect the interests of such a person in relation to the claim,

the Adjudicating Authority shall make an order,—

(*i*) restoring the position as it existed before such transaction, as if the transaction had not been entered into; and

(*ii*) protecting the interests of persons who are victims of such transactions:

Provided that an order under this section—

(*a*) shall not affect any interest in property which was acquired from a person other than the debtor or his associate, as the case may be, and was acquired in good faith, for value and without notice of the relevant circumstances, or affect any interest deriving from such an interest; and

(*b*) shall not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant circumstances to pay any sum, unless he was a party to the transaction.".

57. In section 178 of the principal Act, in sub-section (*1*), in clause (*d*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For the removal of doubts, it is hereby clarified that any amount, whether or not a security interest is created to secure such amount by an act of two or more parties or merely by operation of law, due to the Central Government and the State Government, in respect of the whole or any part of the period of two years preceding the bankruptcy commencement date, shall be distributed under this clause and any remaining amount, whether or not such security interest is created to secure the amount, due to the Central Government and the State Government, shall be distributed under clause (*e*);".

58. After section 183 of the principal Act, the following section shall be inserted, namely:—

"183A. If, any person has initiated a frivolous or vexatious proceeding before the Adjudicating Authority under this Part, it may impose upon such person a penalty which shall not be less than one lakh rupees but which may extend to two crore rupees.".

59. In section 196 of the principal Act, in sub-section (*1*),—

(*a*) for the words "insolvency professional agencies, insolvency professionals and information utilities", wherever they occur, the words "service providers" shall be substituted;

(*b*) for the words "insolvency professionals, insolvency professional agencies and information utilities", wherever they occur, the words "service providers" shall be substituted;

(*c*) in clause (*c*), the following *Explanation* shall be inserted, namely:—

"*Explanation*.—For removal of doubts, it is hereby clarified that the levy of fee or other charges under this clause also includes any fee or other charges levied by the Board in relation to the processes under this Code.";

(*d*) after clause (*s*), the following clause shall be inserted, namely:—

"(*sa*) specify the standards of conduct for the committee of creditors and its members, including the timelines within which the committee of creditors shall take decisions, while acting under Part II and Part III of this Code, as the case may be;";

(*e*) in clause (*t*), for the words "under this Code", the words "for the purposes of this Code" shall be substituted.

60. In section 208 of the principal Act, in sub-section (*1*), after clause (*ca*), the following clause shall be inserted, namely:—

"(*cb*) creditor-initiated insolvency resolution process under Chapter IVA of Part II;".

61. In section 214 of the principal Act, in clause (*e*), after the words "such information", the words "in such manner as may be specified" shall be inserted.

62. In section 215 of the principal Act,—

(*a*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Submission and authentication of financial information to information utilities.";

(*b*) in sub-section (*3*), for the words "An operational creditor may", the words and figure "An operational creditor shall, before filing an application under section 9 of the Code," shall be substituted;

(*c*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) The corporate debtor or debtor, as the case may be, in respect of whom any information is submitted under this section, shall authenticate the information in such manner and within such period, as may be specified:

Provided that where the corporate debtor or debtor does not respond to the information submitted to the information utility in the manner and period as has been specified, such information shall be deemed to be authenticated.".

63. In section 217 of the principal Act,—

(*a*) for the marginal heading, the marginal heading "Complaints against service providers." shall be substituted;

(*b*) for the words "an insolvency professional agency or insolvency professional or an information utility", the words "a service provider" shall be substituted.

64. In section 218 of the principal Act,—

(*a*) for the marginal heading, the marginal heading "Investigation of service providers." shall be substituted;

(*b*) in sub-section (*1*), for the words "insolvency professional agency or insolvency professional or an information utility", occurring at both the places, the words "service provider" shall be substituted.

65. For section 219 of the principal Act, the following section shall be substituted, namely:—

"219. Where the Board, upon completion of an inspection or investigation under section 218 or on the basis of material available on record, is of the *prima facie* opinion that sufficient cause exists to take action under section 220, it may issue a show cause notice to a service provider in such manner, providing such period for giving reply, as may be specified.".

66. In section 220 of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The Board shall constitute one or more disciplinary committees consisting of one or more persons from amongst its Chairperson, whole-time members or officers not below the rank of the Executive Director for the purposes of this section.";

(*b*) after sub-section (*1*) as so substituted, the following sub-section shall be inserted, namely:—

"(*1A*) The show cause notice issued under section 219 shall be referred to a disciplinary committee constituted under sub-section (*1*).";

(*c*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Where the disciplinary committee, after giving the service provider an opportunity of being heard, is satisfied that sufficient cause exists, it may, impose a penalty as provided in sub-section (*3*), or suspend or cancel the registration of the service provider, or direct disgorgement under sub-section (*4*).";

(*d*) in sub-section (*3*),—

(*i*) for the opening portion, the following opening portion shall be substituted, namely:—

"Where any service provider has contravened any provisions of this Code or rules or regulations made thereunder, the disciplinary committee may impose penalty which shall be up to—";

(*ii*) in the proviso, for the words "more than one crore rupees", the words "two crore rupees" shall be substituted;

(*e*) in sub-sections (*4*) and (*5*), for the word "Board", wherever it occurs, the words "disciplinary committee" shall be substituted;

(*f*) after sub-section (*6*), the following sub-sections shall be inserted, namely:—

"(*7*) Any person aggrieved by an order of the disciplinary committee, under sub-sections (*2*) to (*5*), may prefer an appeal to the National Company Law Appellate Tribunal within a period of thirty days from the date of receipt of the order.

(*8*) The National Company Law Appellate Tribunal may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within thirty days, allow the appeal to be filed under sub-section (*7*) within a further period not exceeding fifteen days.".

67. In section 224 of the principal Act,—

(*a*) in sub-section (*2*),—

(*a*) in clause (*c*), after the words "any other source;", the word "and" shall be omitted;

(*b*) in clause (*d*), for the word "Fund.", the words "Fund; and" shall be substituted;

(*c*) after clause (*d*), the following clause shall be inserted, namely—

"(*e*) amounts from such other sources as may be prescribed.";

(*b*) for sub-section (*3*), the following sub-section shall be substituted, namely:—

"(*3*) The sums credited to the Fund may be utilised—

(*a*) by a person who has contributed any amount to the Fund under clause (*b*) of sub-section (*2*), in the event of proceedings initiated in respect of such person under this Code before an Adjudicating Authority, by making an application to such Adjudicating Authority for withdrawal of funds not exceeding the amount contributed by it, for making payment to workmen, protecting the assets of such persons, meeting the incidental cost during the proceedings or such purposes as may be prescribed; and

(*b*) for such other purposes and in such manner as may be prescribed.".

68. For section 235A of the principal Act, the following section shall be substituted, namely:—

"235A. If a person has contravened any provision of this Code or any rules or the regulations made thereunder, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, impose upon such person, a penalty which shall not be less than one lakh rupees for each day during which the contravention continues, but which may extend up to—

(*a*) three times the amount of loss caused, or likely to have been caused, to persons concerned on account of such contravention;

(*b*) three times the amount of the unlawful gain made on account of such contravention,

whichever is higher:

Provided that where such loss or unlawful gain is not quantifiable, the total amount of the penalty imposed shall not exceed five crore rupees:

Provided further that where the Adjudicating Authority is of the opinion that sufficient cause exists to do so, it may, for reasons to be recorded in writing, impose a penalty which may be less than one lakh rupees for each day that the failure continues.

Explanation. I—For the removal of doubts, it is hereby clarified that the Adjudicating Authority for the purposes of this section shall be the same as referred to in section 60 or section 179, as the case may be.

Explanation. II—For the purposes of this Code, it is hereby declared that the omission of sections 74 and 76, and the amendment of this section by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall not affect:—

(*i*) any prosecution instituted under these sections on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026 and pending immediately before such date of commencement before any court, which shall continue to be heard and disposed of by the said court as if the Insolvency and Bankruptcy Code (Amendment) Act, 2026 had not been enacted; and

(*ii*) any punishment imposed under these sections on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026.".

69. In section 239 of the principal Act,—

(*a*) in sub-section (*1*), for the word "provisions", the word "purposes" shall be substituted;

(*b*) in sub-section (*2*),—

(*i*) clause (*ea*) shall be omitted;

(*ii*) after clause (*fe*), the following clauses shall be inserted, namely:—

"(*ff*) the conditions under sub-section (*1*) of section 58B;

(*fg*) the fee for filing an objection under sub-section (*1*) of section 58C;

(*fh*) the manner and conditions under sub-section (*1*) of section 59A;";

(*iii*) for clause (*zi*), the following clause shall be substituted, namely:—

"(*zi*) the other sources of amounts to be credited to the Insolvency and Bankruptcy Fund under clause (*e*) of sub-section (*2*) of section 224;";

(*iv*) after clause (*zi*) as so substituted, the following clauses shall be inserted, namely:—

"(*zia*) the purposes under clause (*a*) of sub-section (*3*) of section 224;

(*zib*) the other purposes and the manner under clause (*b*) of sub-section (*3*) of section 224;";

(*v*) after clause (*zm*), the following clause shall be inserted, namely:—

"(*zma*) the manner and conditions under sub-section (*1*) of section 240C;".

70. In section 240 of the principal Act,—

(*a*) in sub-section (*1*), for the word "provisions", the word "purposes" shall be substituted;

(*b*) in sub-section (*2*),—

(*i*) after clause (*ea*), the following clause shall be inserted, namely:—

"(*eb*) the conditions under *Explanation* to clause (*26*) of section 5;";

(*ii*) after clause (*f*), the following clause shall be inserted, namely:—

"(*fa*) other information under clause (*e*) of sub-section (*3*) of section 9;";

(*iii*) for clause (*h*), the following clause shall be substituted, namely:—

"(*h*) the other document or any other information under clause (*a*) of sub-section (*3*) of section 10;";

(*iv*) after clause (*h*), the following clause shall be inserted, namely:—

"(*ha*) the manner under sub-section (*1*) of section 12A;";

(*v*) in clause (*n*), after the words, brackets and letter "of clause (*a*),", the words, brackets and letter "the manner under clause (*b*)," shall be inserted;

(*vi*) after clause (*o*), the following clause shall be inserted, namely:—

"(*oa*) any other class or classes of creditors who may attend the meetings of committee of creditors under the proviso to sub-section (*11*) of section 21;";

(*vii*) after clause (*t*), the following clause shall be inserted, namely:—

"(*ta*) the manner and conditions under sub-section (*1*) of section 28A;";

(*viii*) in clause (*w*), for the words, brackets, letters and figures "the manner of payment of debts under clause (*b*), and the other requirements to which a resolution plan shall conform to under clause (*d*) of sub-section (*2*) of section 30;", the words, brackets, letters and figures "the manner of payment of debts of operational creditors under clause (*b*), the manner of payment of debts of financial creditors who do not vote in favour of the resolution plan under clause (*ba*), the conditions and manner for constitution of a committee under clause (*d*) and the other requirements to which a resolution plan shall conform to under clause (*f*) of sub-section (*2*) of section 30;" shall be substituted;

(*ix*) after clause (*wa*), the following clauses shall be inserted, namely:—

"(*wb*) the form, manner and the conditions under the second proviso to sub-section (*1*) of section 31;

(*wc*) the manner and conditions for making an application by the committee of creditors for restoring the corporate insolvency resolution process and manner and conditions for completing the restored corporate insolvency resolution process under sub-section (*1A*) of section 33;

(*wd*) the conditions under the proviso to sub-section (*2*) of section 33;";

(*x*) for clause (*x*), the following clauses shall be substituted, namely:—

"(*x*) the form of written consent from insolvency professional under sub-section (*6*) of section 34;

(*xa*) the fee for the conduct of the liquidation proceedings and proportion to the value of the liquidation estate assets under sub-section (*8*) of section 34;";

(*xi*) after clause (*xa*) as so substituted, the following clause, shall be inserted, namely:—

"(*xb*) the form for giving written consent under sub-section (*1*) of section 34A;";

(*xii*) in clause (*y*), for the words, brackets and letter "the manner of evaluating the assets and property of the corporate debtor under clause (*c*)", the words, brackets and letters "the manner of maintaining an updated list of claims of creditors under clause (*a*), the manner of evaluating the assets and property of the corporate debtor under clause (*c*)" shall be substituted;

(*xiii*) for clause (*z*), the following clause shall be substituted, namely:—

"(*z*) the manner in which the committee of creditors shall supervise the conduct of the liquidation process by the liquidator under sub-section (*2*) of section 35;";

(*xiv*) clauses (*ze*), (*zf*) and (*zg*) shall be omitted;

(*xv*) after clause (*zi*), the following clause shall be inserted, namely:—

"(*zia*) the manner, period and conditions under sub-section (*8*) of section 52;";

(*xvi*) after clause (*zj*), the following clauses shall be inserted, namely:—

"(*zja*) the period and the manner of distribution of proceeds of sale under sub-section (*1*) of section 53;

(*zjb*) the manner of determining the value of security interest under the *Explanation* to sub-clause (*ii*) of clause (*b*) of sub-section (*1*) of section 53;

(*zjc*) the manner in which the liquidator shall make an application to the Adjudicating Authority for the dissolution of the corporate debtor under sub-section (*1*) of section 54;

(*zjd*) the manner and conditions under sub-section (*1A*) of section 54;

(*zje*) the manner and conditions under sub-section (*1B*) of section 54;";

(*xvii*) for clause (*zk*), the following clause shall be substituted, namely:—

"(*zk*) the manner under the proviso to sub-section (*2A*) of section 54;";

(*xviii*) for clause (*zke*), the following clause shall be substituted, namely:—

"(*zke*) the information to be furnished under sub-section (*3*) of section 54C;";

(*xix*) clause (*zl*) shall be omitted;

(*xx*) after clause (*zl*) as so omitted, the following clauses shall be inserted, namely:—

"(*zla*) the manner under clause (*a*), the form and manner under clause (*b*), and the manner under clause (*c*) of sub-section (*2*) of section 58B;

(*zlb*) the period, form and manner under sub-section (*4*) of section 58B;

(*zlc*) the form and manner under sub-section (*1*) of section 58C;

(*zld*) the manner and conditions for exercising the powers and performing duties by the resolution professional under section 58E;

(*zle*) the form in which the report to be prepared under clause (*c*), the report and documents to be filed with the Board under clause (*f*), and such other duties to be performed under clause (*g*) of section 58E;

(*zlf*) the conditions and manner for the resolution professional to attend the meetings and exercise the right to reject under sub-section (*2*) and the form, manner and period under sub-section (*3*) of section 58F;

(*zlg*) the manner under the proviso to sub-section (*1*) of section 58G;

(*zlh*) the form and manner in which the resolution professional shall make public announcement under sub-section (*3*) of section 58G;

(*zli*) the manner under sub-clause (*ii*) of sub-section (*1*) of section 58H;

(*zlj*) the form and manner under sub-section (*2*) of section 58H;

(*zlk*) the manner under sub-section (*1*) of section 58-I;

(*zll*) the conditions and procedural requirements under sub-section (*2*) of section 58K;";

(*xxi*) in clause (*zm*), for the words "conditions and procedural requirements", the words "conditions, procedural requirements, and period" shall be substituted;

(*xxii*) after clause (*zm*), the following clauses shall be inserted, namely:—

"(*zma*) the other conditions under clause (*c*) of sub-section (*5A*) of section 59;

(*zmb*) the other consequences under sub-section (*5C*) of section 59;";

(*xxiii*) in clause (*zv*), after the words, brackets and letter "utilities under clause (*r*)," the words, brackets and letters "standards of conduct of the committee of creditors and its members under clause (*sa*)," shall be inserted;

(*xxiv*) after clause (*zzs*), the following clause shall be inserted, namely:—

"(*zzsa*) the manner under clause (*e*) of section 214;";

(*xxv*) after clause (*zzw*), the following clause shall be inserted, namely:—

"(*zzwa*) the manner and period under sub-section (*4*) of section 215;";

(*xxvi*) for clause (*zzza*), the following clause shall be substituted, namely:—

"(*zzza*) the manner and period under section 219;".

71. After section 240A of the principal Act, the following sections shall be inserted, namely:—

'240B. Notwithstanding anything to the contrary contained in this Code, the Central Government may, by notification, provide an electronic portal and the procedures related to the insolvency and bankruptcy processes under this Code, which shall be carried out on such electronic portal.

240C. (*1*) Notwithstanding anything to the contrary contained in this Code and the Companies Act, 2013, the Central Government may prescribe the manner and conditions for administering and conducting cross-border insolvency proceedings under this Code, including the process for recognition of proceedings, granting relief, judicial cooperation, assistance and coordination in connection with such proceedings, for such class or classes of debtors or corporate debtors involving such countries or territories outside India, as may be notified by the Central Government in this regard.

(*2*) The rules made under this section may provide that any of the provisions of this Code or the Companies Act, 2013 shall apply with such exceptions, modifications and adaptations, as may be required to administer and implement the provisions of this section and rules made thereunder, including designating one or more Benches for dealing with proceedings under this section.

(*3*) A draft of every rule proposed under this section shall be laid before each House of Parliament in such manner as provided under sub-sections (*4*) to (*6*) of section 59A, which shall, *mutatis mutandis* apply, to the rules made under this section.

Explanation.—For the purposes of this section, the expression "corporate debtor" shall also include any person incorporated with limited liability outside India.'.

72. In section 242 of the principal Act, after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) Notwithstanding anything contained in sub-section (*1*), if any difficulty arises in giving effect to the provisions of this Code, as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, the Central Government may, by an order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Code, as may appear to it to be necessary or expedient for removing such difficulty:

Provided that no such order shall be made under this section after the expiry of a period of five years from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026.".

2. The IBBI has amended various Regulations to operationalize the changes introduced by the IBC (Amendment) Act 2026. A summary of key changes therein is placed below:

I. IBBI (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2026

- **Fuller disclosure at the stage of initiation –** operational creditors and corporate applicants are now required to file more complete information with their applications – for operational creditors, GST records and e-way bills (where applicable), and details of part-payments, assignments, guarantees and pending proceedings; and for corporate applicants, key financial and asset-related particulars from their books of account. This enables the resolution professional and the committee of creditors (CoC) to begin the process with a clearer picture of the corporate debtor, supporting faster verification of claims and better-informed decisions.

- **Better access to information for the resolution professional** – the resolution professional has been expressly empowered to call for information from creditors, financial institutions and statutory authorities, and every creditor is required to share the records in its possession relating to the assets and liabilities of the corporate debtor at the first meeting of the CoC. The set of persons obliged to extend cooperation has also been widened in line with the amended Code. These changes equip the professional to conduct the process effectively and without delay.

- **Time-bound and reasoned communication on claims** – the resolution professional must now convey the decision to admit or reject a claim, in whole or in part, along with reasons, to the concerned creditor within seven days. This is expected to minimise friction between stakeholders and reduce the scope for litigation in this regard.

- **Framework for treatment of guarantors' assets** – consequent to the section 28A of the Code, a structured mechanism has been provided for placing the proposal before the CoC, and dealing with, the transfer of a guarantor's asset, along with coordination between the professionals handling the corporate debtor and a corporate guarantor that is itself under insolvency. The CoC is required to factor in the value of such assets while considering a resolution plan, so that the interests of all stakeholders, including creditors and guarantors, are adequately safeguarded.
- **Greater discipline in withdrawal of CIRP** – where the CoC approves withdrawal of the CIRP under section 12A, the application must be filed within a defined window and be backed by a bank guarantee or demand draft towards process costs, with actual costs to be deposited on approval. This brings certainty and accountability to withdrawals and protects the costs of the process.

- **Dedicated framework for dissolution during CIRP** – self-contained provisions have been introduced enabling the CoC to seek direct dissolution of the corporate debtor during the CIRP within defined timelines, thereby improving overall outcomes.

II. IBBI (Liquidation Process) (Fourth Amendment) Regulations, 2026

- **Committee of creditors to steer the liquidation process** – The CoC constituted during the CIRP continues into liquidation, with key decisions – including the liquidation process cost, sale-related matters and the treatment of not-readily realisable assets – requiring its approval, and with the CoC empowered to recommend and to replace the liquidator by the prescribed majority. This provides continuity from the resolution stage and brings clearer creditor oversight and accountability to the process.

- **Carry-forward of claims from the CIRP** – claims verified during the CIRP are carried forward as on the insolvency commencement date and are not re-verified, and the liquidation public announcement does not call for fresh claims. Fresh claims are invited only from stakeholders who did not file during the CIRP. This avoids duplication of effort and speeds up the process.

- **Compressed timelines across the process** – several timelines have been tightened to align the process to overall timelines provided under the Amendment Act. These changes are aimed at preserving value and bringing greater time-discipline to liquidation.

- **Simplified and consolidated reporting** – the liquidator is required to file only the progress reports and the final report with the Adjudicating Authority, with other documents folded into the progress report, which is also placed before the CoC. This reduces duplication while keeping creditors fully informed.

- **Strengthened integrity of asset sales** – sales to related parties and to professionals associated with the process, even through auction, will require the permission of the Adjudicating Authority; the conditions for private sale have been tightened; and the extent by which a reserve price may be reduced has been limited. These measures safeguard transparency and value in the realisation of the corporate debtor's assets.

- **Early dissolution and coordination on guarantors' assets** – the CoC may, by the prescribed majority, opt for early dissolution, and the liquidator of a corporate guarantor must coordinate with the resolution professional of the principal corporate debtor on transfers of assets under section 28A of the Code, with appropriate disclosures.

- **Safeguards for compromise and arrangement –** any scheme of compromise or arrangement must be approved by creditors with the requisite majority and must offer creditors more than the liquidation value as on the insolvency commencement date, thereby protecting their interests.

III. IBBI (Information Utilities) (Amendment) Regulations, 2026

- The Amendment Act clarifies that where a record of default (RoD) with an Information Utility (IU) is submitted by a financial institution, it would be sufficient for the Adjudicating Authority to establish the existence of default. Accordingly, the terminology used in the IU Regulations has been aligned with the Code, by replacing references to "financial creditor, which is a bank included in the second schedule of the Reserve Bank of India Act, 1934 with the broader term "financial institution" as defined under section 3(14) the Code.

- In terms of the Amendment Act, non-response by the debtor within the specified timeline results in deemed authentication. Accordingly, the regulations have been amended to provide for issuance of a RoD in cases where:

  i. the debtor confirms the information of default; or

  ii. the debtor does not respond even after the prescribed reminders.

- ❖ The regulations have been amended to introduce a distinct informational output, namely "Information of Dispute" (IoD), as a standardised output to capture cases where the debtor disputes the information of default.

IV. IBBI (Pre-Packaged Insolvency Resolution Process) (Third Amendment) Regulations, 2026

- ❖ The list of information and documents to be furnished by a corporate applicant with an application to initiate the pre-packaged insolvency resolution process has been revised, in line with the amendment to section 54C(3) of the Code, to improve disclosures.

V. IBBI (Voluntary Liquidation Process) (Second Amendment) Regulations, 2026

- ❖ Provisions on submission and updation of claims have been added; the liquidator must record reasons for rejecting a claim and communicate the decision to the stakeholder within seven days; and a framework has been provided for termination of a voluntary liquidation, operationalising the new provisions of section 59 of the Code.

VI. IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2026

- ❖ Applications under sections 94 and 95 of the Code must now be accompanied by a comprehensive statement of all assets of the personal guarantor across twelve specified categories – including digital assets and beneficial interests, and assets held directly or indirectly through nominees, trusts or other structures – improving transparency of the guarantor's estate.

- ❖ The resolution professional of the personal guarantor must coordinate with the resolution professional of the corporate debtor on asset transfers under section 28A of the Code, with such transfers requiring prior approval of the guarantor's creditors and appropriate disclosure in statutory reports.

VII. IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) (Second Amendment) Regulations, 2026

- ❖ The bankruptcy trustee must coordinate with the resolution professional of the corporate debtor on asset transfers under section 28A and disclosure, and must report action taken on transactions defrauding creditors under the newly introduced section 164A of the Code, ensuring parity with the other processes.

VIII. IBBI (Grievance and Complaint Handling Procedure) (Amendment) Regulations, 2026

- ❖ The definition of "service provider" has been aligned with the Code, thereby extending the grievance and complaint handling framework to all categories of service providers regulated by the Board.

IX. IBBI (Inspection and Investigation) (Amendment) Regulations, 2026

- The constitution of the Disciplinary Committee has been aligned with the amended Code so that it may consist of one or more persons and the definition of "service provider" has been aligned with the Code.

For details, refer the updated IBBI Regulations at the link: https://ibbi.gov.in/legal-framework/updated

IBBI (CIRP) (Third Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2026.

F. No. IBBI/2026-27/GN/REG152.— In exercise of the powers conferred by section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Third Amendment) Regulations, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, (hereinafter referred to as 'the principal regulations'), for regulation 2B, the following regulation shall be substituted, namely:-

"**2B. Information to be furnished by operational creditor.**

An operational creditor shall furnish the following information along with an application under sub-section (1) of section 9, namely :—

(a) copies of relevant extracts of Form GSTR-1 and Form GSTR-3B filed under the provisions of the relevant laws relating to Goods and Services Tax and the copy of e-way bill wherever applicable:

Provided that provisions of this regulation shall not apply to those operational creditors who do not require registration and to those goods and services which are not covered under any law relating to Goods and Services Tax;

(b) details of any partial payment received from the corporate debtor in respect of the operational debt and the date of such payment;

(c) details of assignment or transfer of the operational debt, if any, along with supporting documents;

(d) details of any guarantee provided by the corporate debtor or any other person in respect of the operational debt;

(e) a statement of account of the operational creditor with the corporate debtor showing the principal amount and interest, if any, due on such amount;

(f) a statement as to whether the operational creditor is a related party of the corporate debtor;

(g) details of any other proceedings pending before any court, tribunal or arbitral tribunal against the corporate debtor for the recovery of the operational debt; and

(h) any other information which the operational creditor considers relevant to the application.".

3. In the principal regulations, after regulation 2D, the following regulation shall be inserted, namely: -

"**2E. Submission of information by the corporate applicant.**

A corporate applicant shall furnish the following information along with an application under sub-section (1) of section 10, namely-

(1) The following information relating to its books of account for the immediately preceding three financial years or since incorporation, whichever is later:

(a) list of all bank accounts operated by the corporate debtor, including account numbers, bank names, branches, and authorized signatories;

(b) particulars of assets including:

(i) immovable properties - fixed assets register along with asset location;

(ii) movable properties and inventory;

(iii) investments in securities, subsidiaries, or joint ventures;

(iv) intangible assets including intellectual property rights, virtual digital assets; and

(v) list of receivables along with supporting evidence.

(2) The corporate applicant shall also furnish the following documents:

(a) details of secured and unsecured creditors with amounts outstanding;

(b) list of all creditors with their contact details, email addresses, and complete claim particulars;

(c) list of all ongoing litigations, disputes, and arbitration proceedings to which the corporate debtor is a party;

(d) list of all employees with their designation and workmen, and their outstanding dues;

(e) particulars of subsidiaries, joint ventures, and associate companies;

(f) details of corporate guarantees given or received;

(g) statement of transactions with related parties for the preceding two financial years;

(h) details of all regulatory approvals, licenses, and registrations required for business operations;

(i) organization structure and details of key managerial personnel;

(j) details of statutory compliances, including filings with the Ministry of Corporate Affairs, income tax, GST, and other applicable regulators;

(k) details of joint development agreements and other similar collaboration or co-development arrangements, including rights, obligations, and interests of the corporate debtor arising thereunder;

(l) details of assets which are under attachment by enforcement agencies, including particulars of the assets attached, the authority which has attached and the status of such proceedings;

(m) details of demand notices, assessment orders or recovery proceedings under the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Customs Act, 1962, the Central Excise Act, 1944, and analogous State legislations;

(n) details of any provident fund, gratuity, employees' state insurance, or other workmen-related dues outstanding as on the date of the application;

(o) details of all proceedings, including criminal proceedings, investigations, prosecutions, or attachments, pending against the corporate debtor or any of its officers, under the Prevention of Money-laundering Act, 2002, the Prohibition of Benami Property Transactions Act, 1988, the Foreign Exchange Management Act, 1999, the Companies Act, 2013, or under any other law for the time being in force, along with status reports thereof;

(p) details of all allottees, including their names, amounts due, and units allotted, whose claims are either reflecting in the books of accounts of the corporate debtor or in the records of the Real Estate Regulatory Authority established under the Real Estate (Regulation and Development) Act, 2016 (16 of 2016); and

(q) any other information as the corporate applicant considers relevant for the corporate insolvency resolution process.".

4. In the principal regulations, in regulation 3,

(a) sub-regulation (1A) shall be omitted.

(b) after sub-regulation (1), following sub-regulations shall be inserted, namely: -

"(1A) Where the committee of creditors, in its first meeting, resolves under clause (a) of sub-section (3) of section 22 of the Code to appoint the interim resolution professional as the resolution professional, the interim resolution professional shall intimate such decision to the corporate debtor, the Board and the Adjudicating Authority, within three days of the date of such resolution.

(1B) Where the committee decides to replace the interim resolution professional under section 22 or replace the resolution professional under section 27, it shall obtain the written consent of the proposed resolution professional in such form as notified by the Board through circular.".

5. In the principal regulations, in regulation 3A,

(a) in the marginal heading, for the words and mark, “Assistance and cooperation by the personnel of the corporate debtor.”, the words and mark “Duty to extend assistance and cooperation.” shall be substituted.

(b) in sub-regulation (1),

(i) for the words and mark, “the personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor as the case may be”, the words “any person as covered under section 19” shall be substituted.

(ii) in clause (a) after the words, “regulation 36”, the words “in such format as notified by the Board” shall be inserted.

(c) in sub-regulation (2), for the words and mark, “The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor”, the words “Any person as covered under section 19”, shall be substituted.

(d) in sub-regulations (5) and (6), for the words and mark, “the personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor as the case maybe”, the words “any person as covered under section 19”, shall be substituted.

6. In the principal regulations, in regulation 4, for sub-regulation (3), the following sub-regulation shall be substituted, namely: -

“(3) The interim resolution professional or resolution professional, as the case may be, may seek from any creditor including financial institutions and statutory authorities, such information or records as he may deem fit, including the relevant extracts of information in respect of assets and liabilities of the corporate debtor from the last valuation report, stock statement, receivables statement, inspection reports of properties, audit report, stock audit report, title search report, technical officers report, bank account statement and any such other information which shall assist the interim resolution professional or the resolution professional in preparing the information memorandum, getting valuation determined and in conducting the corporate insolvency resolution process and the creditors shall provide the requisite information:

Provided that every creditor shall, at the first meeting of the committee, furnish to the interim resolution professional or resolution professional, as the case may be, all information and records in its possession relating to the assets and liabilities of the corporate debtor, as may be relevant for the conduct of the corporate insolvency resolution process.”.

7. In the principal regulations, in regulation 4A, in sub-regulation (3), for the words and mark “Form AB of the Schedule-I”, the words “such form as notified by the Board through circular” shall be substituted.

8. In the principal regulations, in regulation 6, in sub-regulation (2), in clause (a), for the words and mark “Form A of the Schedule-I”, the words “such form as notified by the Board through circular” shall be substituted.

9. In the principal regulations, in regulation 7, in sub-regulation (1), for the words and mark “Form B of the Schedule-I”, the words “such form as notified by the Board through circular” shall be substituted.

10. In the principal regulations, in regulation 8, in sub-regulation (1), for the words and mark “Form C of the Schedule-I”, the words “such form as notified by the Board through circular” shall be substituted.

11. In the principal regulations, in regulation 8A, in sub-regulation (1), for the words and mark “Form CA of the Schedule-I”, the words and mark “such form as notified by the Board through circular.” shall be substituted.

12. In the principal regulations, in regulation 9,

(a) in sub-regulation (1), for the words and mark “Form D of the Schedule-I”, the words “such form as notified by the Board through circular” shall be substituted.

(b) in sub-regulation (2), for the words and mark “Form E of the Schedule-I”, the words “such form as notified by the Board through circular” shall be substituted.

13. In the principal regulations, in regulation 9A, in sub-regulation (1), for the words and mark “Form F of the Schedule-I”, the words “such form as notified by the Board through circular” shall be substituted.

14. In the principal regulations, in regulation 13, for sub-regulation (1A), the following sub-regulation shall be substituted, namely: -

“(1A) The interim resolution professional or the resolution professional, as the case may be, after verification of claims, either admit or reject the claim, in whole or in part, and shall communicate his decision of admission or rejection of claims to the creditor along with reasons for the same, within seven days of such admission or rejection of claims.”

15. In the principal regulations, in regulation 16A,

(a) in sub-regulation (1), for the words "Form CA received", the words and mark "such form as notified by the Board through circular, received" shall be substituted.

(b) in proviso to sub-regulation (1) –

(i) for the words "class in Form CA", the words "class in such Form", shall be substituted.

(ii) for the words "if the Form CA", the words "if that Form", shall be substituted.

16. In the principal regulations, after regulation 28, the following regulations shall be inserted, namely: -

*"***28A. Transfer of assets of guarantor taken into possession.**

(1) In accordance with section 28A, where a creditor of the corporate debtor has, prior to or during the corporate insolvency resolution process, taken possession of any asset of a personal guarantor or corporate guarantor of the corporate debtor, the resolution professional may place the proposal for permitting transfer of such asset as part of its insolvency resolution, before the committee.

(2) The proposal placed before the committee shall contain—

(a) a detailed description of the asset; and

(b) the estimated realisable value of the asset as determined by the registered valuer appointed by the creditor transferring the asset or as determined during the corporate insolvency resolution process or liquidation process or the insolvency resolution process for personal guarantors to corporate debtor or the bankruptcy process for personal guarantors to corporate debtor, as the case may be; and

(c) consent of the creditor for transfer of the asset;

or

the proof of approval of the meeting of creditors or the committee, of the personal guarantor undergoing insolvency resolution process or bankruptcy process, as the case may be, or the corporate guarantor undergoing corporate insolvency resolution process or liquidation process, as the case may be, permitting the transfer of the asset.

(3) Where approval is granted by the committee of the corporate debtor permitting the transfer of such asset as part of its insolvency resolution, the resolution professional shall -

(a) ensure that the proposed transfer is disclosed in the information memorandum;

(b) specify the particulars of such transfer in the request for resolution plans; and

(c) ensure that the terms of the resolution plan provide for treatment of proceeds in the manner provided in sub-section (3) of section 28A.

(4) While considering a resolution plan, the committee shall take into account the value of the asset of the guarantor and the treatment provided in clause (c) of sub-regulation (3) above, for adequately safeguarding the interest of all stakeholders including creditors and guarantors.

28B. Facilitation of transfer of assets.

(1) Where the corporate debtor is a corporate guarantor undergoing a corporate insolvency resolution process, the resolution professional of such corporate debtor which has given the corporate guarantee shall coordinate with the resolution professional of the corporate debtor to whom such guarantee has been given, regarding transfer of assets in the corporate insolvency resolution process of the corporate debtor to whom such guarantee has been given.

(2) For the purposes of section 28A, the resolution professional shall obtain approval from the committee of the corporate debtor which has given the corporate guarantee for the transfer of assets in the corporate insolvency resolution process of the corporate debtor to whom such guarantee has been given.

(3) Where approval is granted by the committee of the corporate debtor as corporate guarantor permitting the transfer, the resolution professional of such corporate debtor shall ensure that the proposed transfer is appropriately disclosed in the information memorandum.*".*

17. *In the principal regulations, for regulation 30A, the following regulation shall be substituted, namely: -*

" **30A. Withdrawal of application**.

(1) An application for withdrawal under section 12A shall be made to the Adjudicating Authority by the resolution professional, within three days of approval by the committee of creditors, in such form as notified by the Board through circular and shall be accompanied by a bank guarantee or a demand draft towards the estimated expenses incurred for the purposes of clauses (aa), (ab), (ac), (ba), (c), (d) and (e) of regulation 31 till the date of filing of the application, as determined by the resolution professional:

Provided that such application shall not be made -

(a) before the constitution of the committee under sub-section (1) of section 21; and

(b) after the issue of invitation for expression of interest under regulation 36A.

(2) Where the application is approved by the Adjudicating Authority, the person furnishing the bank guarantee or a demand draft under sub-regulation (1) shall deposit the amount towards the actual expenses incurred for the purposes referred to in sub-regulation (1), till the date of approval by the Adjudicating Authority, as determined by the resolution professional within three days of such approval, to the bank account of the corporate debtor, failing which the bank guarantee furnished under sub-regulation (1) shall be invoked or demand draft shall be encashed, without prejudice to any other action permissible under the Code. ".

18. In the principal regulations, in regulation 34B, in sub-regulations (2), (3) and (4), for the word and mark "Schedule-II", the word and mark "Schedule-I" shall be substituted.

19. In the principal regulations, in regulation 36, in sub-regulation (2), after clause (ja), the following clause shall be inserted, namely: -

"(jb) details of any asset of a personal guarantor or corporate guarantor proposed to be transferred under section 28A, including its description, value and proposed mode of transfer;".

20. In the principal regulations, in regulation 36A,

(a) in sub-regulation (1), for the words and mark "Form G of the Schedule-I", the words "such form as notified by the Board through circular" shall be substituted.

(b) in sub-regulation (2), for the words "Form G", the words and mark "the form as provided in sub-regulation (1)" shall be substituted.

(c) in sub-regulation (3), for the words and mark "Form G in the Schedule-I", the words and mark "form as provided in sub-regulation (1)" shall be substituted.

21. In the principal regulations, in regulation 39,

(a) after sub-regulation (3B), the following sub-regulations shall be inserted, namely: -

"(3C) For the purpose of proviso to sub-section (1) of section 31, the resolution professional shall file the same in a Form as notified by the Board through circular.

(3D) In case of multiple resolution plans, at least one of the resolution plans shall provide for resolution as a going concern.".

(b) in sub-regulation (4),

(i) for the word "fifteen", the word "thirty" shall be substituted.

(ii) for the words and mark "Form H of the Schedule-I", the words "such form as notified by the Board through circular" shall be substituted.

22. In the principal regulations, in regulation 40A, in the table,

(a) the row pertaining to "Section 12(A)/ Regulation 30A" shall be omitted.

(b) in the row pertaining to "Regulation 36A", in the column titled "Description of Activity", for the words "Publish Form G", the words "Publication of brief particulars of invitation for expression of interest" shall be substituted.

(c) in the row pertaining to "Regulation 39(4)", in the column titled "Latest Timeline", for the letter and mark "T+165", the letter and mark "T+150" shall be substituted.

23. In the principal regulations, after regulation 40D, the following regulation shall be inserted, namely: -

"**40E. Dissolution of corporate debtor during corporate insolvency resolution process.**

(1) Where the committee is satisfied that—

(a) the assets of the corporate debtor are insufficient to meet the insolvency resolution process costs and likely liquidation costs; or

(b) the assets available with the corporate debtor are not capable of being effectively realised in the ordinary course of liquidation;

the committee may, by a vote of not less than sixty-six per cent. of the voting share, resolve to seek dissolution of the corporate debtor.

(2) Upon passing of the resolution under sub-regulation (1), the resolution professional shall, within ten days, intimate the Adjudicating Authority of the decision of the committee by filing an application enclosing—

(a) a copy of the resolution passed by the committee;

(b) details of assets of the corporate debtor, including movable, immovable, financial and intangible assets;

(c) details of claims, avoidance transactions and contingent assets, if any; and

(d) a statement demonstrating that continuation of the corporate insolvency resolution process or commencement of liquidation would not be economically beneficial for the stakeholders, having regard to the factors considered by the committee of creditors under sub-regulation (1)."

24. In the principal regulations, after regulation 40E so inserted, the following shall be inserted, namely: -

*"***40F. Restoration of corporate insolvency resolution process.**

(1) For the purpose of sub-section (1A) of section 33, the committee shall be given an opportunity to file an application for restoration of the corporate insolvency resolution process before the passing of the liquidation order by the Adjudicating Authority.

Clarification: It is clarified that the resolution professional shall continue to discharge his responsibilities under the corporate insolvency resolution process, till the application for restoration is decided by the Adjudicating Authority.

(2) Where the committee decides for filing under sub-regulation (1), the resolution professional shall file an application before the Adjudicating Authority for restoration of the corporate insolvency resolution process.

(3) The application under sub-regulation (2) shall be accompanied by—

(a) a certified copy of the resolution of the committee of creditors approving restoration;

(b) a brief note setting out the reasons for seeking restoration; and

(c) a proposed timeline for completion of the restored corporate insolvency resolution process. *".*

25. In the principal regulations,

(a) "SCHEDULE I" shall be omitted.

(b) "SCHEDULE II" shall be numbered as "SCHEDULE I".

IBBI (Liquidation Process) (Fourth Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Liquidation Process) (Fourth Amendment) Regulations, 2026

F. No. IBBI/2026-27/GN/REG151.—In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, namely: -

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Liquidation Process) (Fourth Amendment) Regulations, 2026.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, (hereinafter referred to as 'the principal regulations'), in regulation 2, in sub-regulation (1):-

(i) for clause (ba), the following clause shall be substituted, namely:-

"(ba) "committee" means a committee of creditors constituted under section 21;".

(ii) in clause (ea),

(a) sub-clause (v) shall be omitted.

(b) sub-clause (vii) shall be omitted.

3. In the principal regulations, for regulation 2A, the following regulation shall be substituted, namely:-

"**2A. Contributions to liquidation costs.**

The liquidator may call upon the members of the committee to contribute the excess of the liquidation costs over the liquid assets of the corporate debtor, as estimated by him, in such manner and subject to such terms and conditions as approved by the committee."

4. In the principal regulations, in regulation 2B, after the third proviso, the following proviso shall be inserted, namely:-

"Provided further that no compromise or arrangement under section 230 of the Companies Act, 2013 shall be filed by the liquidator unless—

(a) such compromise or arrangement has been approved by requisite majority of creditors as provided in sub-section (6) of section 230 of the Companies Act, 2013; and

(b) the amount realisable to the creditors under the proposed compromise or arrangement is higher than the liquidation value determined as on the insolvency commencement date."

5. In the principal regulations, after regulation 3, the following regulation shall be inserted, namely:-

"3A. Recommendation of liquidator by committee of creditors.

(1) For the purposes of sub-section (1) of section 34 of the Code, the committee shall, prior to the passing of the order for liquidation, recommend the name of an insolvency professional from the panel of insolvency professionals prepared by the Board in this regard, for appointment as liquidator.

(2) The recommendation under sub-regulation (1) shall be made by a vote of not less than sixty-six per cent. of the voting share of the committee.

(3) Upon receipt of the recommendation under sub-regulation (2), the Adjudicating Authority shall consider such recommendation while appointing the liquidator."

6. In the principal regulations, for regulation 4, the following regulation shall be substituted, namely:-

"**4. Liquidator's fee.**

(1) The committee may fix the fee of the liquidator in the first meeting after the appointment of liquidator during the liquidation process, in accordance with sub-section (8) of section 34.

(2) If the committee has not fixed the fee under sub-regulation (1), the fee as a percentage of the amount distributed to the stakeholders, for the balance period of liquidation, will be as under:

Amount of Distribution (In rupees)	**Percentage of fee on the amount distributed**		
	in the first six months	**in the next six months**	**thereafter**
Amount Distributed to Stakeholders (exclusive of liquidation costs)			
On the first 1 crore	5.00	4.00	2.0
On the next 9 crore	4.00	3.00	1.50
On the next 40 crore	2.50	2.0	1.0
On the next 50 crore	1.25	1.0	0.50
On further sums realized	0.25	0.20	0.10

Explanation.- It is hereby clarified that the requirements of this regulation shall apply to the liquidation processes commencing on or after the date of the commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Fourth Amendment) Regulations, 2026."

7. In the principal regulations, in regulation 5:-

(i) for sub-regulation (1), the following sub-regulation shall be substituted, namely:-

"(1) The liquidator shall prepare and submit:

(a) progress report(s); and

(b) the final report prior to dissolution:

to the Adjudicating Authority in the manner specified under these Regulations."

(ii) in sub-regulation (2), the words "and minutes" shall be omitted.

(iii) in sub-regulation (3), for the words "make the reports and minutes", the words "make the reports" shall be substituted.

8. In the principal regulations, in regulation 7, in sub-regulation (1), after the words "may appoint professionals" the words "with the approval of the committee" shall be inserted.

9. In the principal regulations, for regulation 8, the following regulations shall be substituted, namely:-

"**8. Committee of creditors.**

(1) The committee of creditors constituted under section 21 shall continue to function during the liquidation process:

Provided that a secured creditor who has not relinquished his security interest under section 52 shall not be part of the committee.

Provided further that with reference to Explanation in clause (b) in sub-section (1) of section 53, the creditor whose value of debt remains and is considered as unsecured creditor shall be a part of the committee for the remaining portion of debt and shall have the voting rights to the value of the remaining debt.

Explanation: For the purposes of Explanation in clause (b) in sub-section (1) of section 53, the value of security interest shall be the liquidation value determined in accordance with Regulation 35.

(2) The provisions of regulations 18 to 26 of Chapter VI and Chapter VII of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 shall apply mutatis mutandis to meetings of the committee under liquidation proceedings:

Provided that the first meeting of the committee shall be convened within seven days of liquidation commencement date.

(3) In every meeting, the liquidator shall present to the committee:

(a) the actual liquidation cost along with reasons for exceeding the estimated cost, if any;

(b) the consolidated status of all the legal proceedings; and

(c) the progress made in the process.

(4) The liquidator shall not undertake the following without the prior approval of the committee:

(a) appointment and remuneration of professionals appointed under regulation 7;

(b) fees of the liquidator;

(c) liquidation costs;

(d) valuation under sub- regulation (2) of regulation 35;

(e) continuation or institution of any suits or legal proceedings by or against the corporate debtor;

(f) extension of payment of balance sale consideration as provided in clause (12) of Para 1 of Schedule I, beyond ninety days, to be disclosed in the auction notice;

(g) appropriate arrangement for pursuing any suit or proceedings with regard to distribution of proceeds in reference to sub-section (1B) of section 54;

(h) any other matter or activity relating to the liquidation process except those listed in sub-regulation (5), as may be decided by the committee.

(5) The liquidator shall not undertake the following without the prior approval of the committee obtained by a voting share of not less than sixty-six per cent., in matters relating to:

(a) sale under regulation 32, including manner of sale, pre-bid qualifications, reserve price, marketing strategy and auction process;

(b) the manner in which proceedings in respect of preferential transactions, undervalued transaction, extortionate credit transaction or fraudulent or wrongful trading, if any, shall be pursued after dissolution of the corporate debtor and the manner in which the proceeds, if any, from these proceedings shall be distributed; and

(c) assignment of not readily realisable assets.

(6) The committee shall have access to all relevant records and information as may be required by the committee.

(7) The authorised representative, appointed during the corporate insolvency resolution process, shall continue to act as the authorised representative of such creditors in the liquidation process and the provisions of sub-regulations (3A) to (12) of regulation 16A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 shall apply *mutatis mutandis*.

8A. Facilitation of transfer of assets.

(1) Where the corporate debtor is a corporate guarantor undergoing a liquidation process, the liquidator of such corporate debtor which has given the corporate guarantee shall coordinate with the resolution professional of the corporate debtor to whom such guarantee has been given, regarding transfer of asset in the corporate insolvency resolution process of the corporate debtor to whom such guarantee has been given.

(2) For the purposes of section 28A, the liquidator shall obtain approval from the committee of the corporate debtor which has given the corporate guarantee for transfer of asset in the corporate insolvency resolution process of the corporate debtor to whom such guarantee has been given.

(3) Where approval is granted by the committee of the corporate debtor as corporate guarantor permitting the transfer, the liquidator of such corporate debtor shall ensure that the proposed transfer is appropriately disclosed in the progress report and asset memorandum.

8B. Replacement of liquidator.

The committee may by a vote of not less than sixty-six per cent., propose to replace the liquidator and shall file an application, after obtaining the written consent of the proposed liquidator in such format as notified by the Board, before the Adjudicating Authority for replacement of the liquidator:

Provided that where a liquidator is proposed to be replaced, he shall continue to work till his replacement."

10. In the principal regulations, in regulation 9, in sub-regulation (1), in clause (a), after the words "partner of the corporate debtor" the words "or any other person referred to in sub-section (3) of section 34" shall be inserted.

11. In the principal regulations, in regulation 10, in sub-regulation (1), for the words "in pursuance of the contract, make an application to the Adjudicating Authority within six months from the liquidation commencement date, or such extended period as may be allowed by the Adjudicating Authority, to disclaim the property or contract", the words "in pursuance of the contract, make an application, after seeking approval from the committee, before the Adjudicating Authority within ninety days from the liquidation commencement date, or such extended period as may be allowed by the Adjudicating Authority, to disclaim the property or contract" shall be substituted.

12. In the principal regulations, in regulation 12:-

(i) in sub-regulation (1), for the words "Form B of Schedule II" the words "such format as notified by the Board" shall be substituted.

(ii) sub-regulation (2), shall be omitted.

13. In the principal regulations, in regulation 13: -

(i) for the words "Adjudicating Authority" the word "committee" shall be substituted.

(ii) for the words "seventy-five" the word "thirty" shall be substituted.

14. In the principal regulations, in regulation 14, for the words "he shall consult the consultation committee and if it advises for early dissolution, he may apply, along with a detailed report incorporating the views of the consultation committee, to the Adjudicating Authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution", the words "he shall place the agenda in this regard before the committee and if it decides by a voting share of not less than sixty-six per cent. for early dissolution, he shall apply, along with a detailed report incorporating the decision of the committee, to the Adjudicating Authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution" shall be substituted.

15. In the principal regulations, in regulation 15:-

(i) in sub-regulation (1), after the words "stipulated by the Board, to" the words "be placed before the committee" shall be inserted.

(ii) in sub-regulation (2), for clause (b), the following clause shall be substituted, namely:-

"(b) a statement indicating progress in liquidation, including-

(i) minutes of meetings of the committee,

(ii) asset memorandum,

(iii) sale report(s),

(iv) settlement of list of stakeholders,

(v) details of any property that remains to be sold and realised,

(vi) distribution made to the stakeholders, and

(vii) distribution of unsold property made to the stakeholders;"

(iii) in sub-regulation (5), for the illustration, the following illustration shall be substituted, namely:-

"*Illustration:* An insolvency professional becomes a liquidator on 13th February, 2026, and ceases to act as liquidator on 12th June, 2026. He shall submit Progress Reports as under:

Report No.	Period covered in the Quarter	Last Date of Submission of Report
1	13th February - 31st March, 2026	15th April, 2026
2	April – 12th June, 2026	27th June, 2026

He shall submit the audited accounts of his receipts and payments as under:

Audited Account No.	Period covered in the Year	Last Date of Submission
1	13th February - 31st March, 2026	15th April, 2026
2	April – 12th June, 2026	27th June, 2026

"

16. In the principal regulations, in regulation 16,

(i) in sub-regulation (1), for the words "shall submit its claim, or update its claim submitted during the corporate insolvency resolution process, including interest, if any, on or before the last date mentioned in the public announcement.", the words "shall submit its claim where not submitted during the corporate insolvency resolution process as on insolvency commencement date, within fourteen days of the liquidation commencement date." shall be substituted.

(ii) in sub-regulation (2), for the words "including interest, if any, as on the liquidation commencement date", the words "for the newly submitted claims, if any, as on the insolvency commencement date" shall be substituted.

(iii) after sub-regulation (2), the following sub-regulation shall be inserted, namely:-

"(3) A stakeholder shall update its claim as and when the claim is satisfied, partly or fully, from any source in any manner, after the insolvency commencement date."

17. In the principal regulations, in regulation 17, in sub-regulation (1), for the words "Form C of Schedule II", the words "such format as notified by the Board" shall be substituted.

18. In the principal regulations, in regulation 18, in sub-regulation (1), for the words "Form D of Schedule II", the words "such format as notified by the Board" shall be substituted.

19. In the principal regulations, in regulation 19: -

(i) in sub-regulation (1), for the words "Form E of Schedule II", the words "such format as notified by the Board" shall be substituted.

(ii) in sub-regulation (2), for the words "Form F of Schedule II", the words "such format as notified by the Board" shall be substituted.

20. In the principal regulations, in regulation 20, in sub-regulation (1), for the words "Form G of Schedule II", the words "such format as notified by the Board" shall be substituted.

21. In the principal regulations, in regulation 21A:-

(i) in the marginal heading, for the word "Presumption", the word "Relinquishment" shall be substituted.

(ii) in sub-regulation (1),

(a) after the words "A secured creditor" the words ",within fourteen days," shall be inserted.

(b) for the words "Form C or Form D of Schedule II", the words "such format as notified by the Board" shall be substituted.

(iii) in the proviso to sub-regulation (1),

(a) for the word "thirty days" the words "fourteen days" shall be substituted.

(b) for the word "presumed" the words "deemed to be relinquished" shall be substituted.

(c) the words "be part of" shall be omitted.

(iv) in sub-regulation (2),

(a) in clause (a), for the word "ninety", the words "forty-five" shall be substituted.

(b) in clause (b), for the word "one hundred and eighty", the words "ninety" shall be substituted.

22. In the principal regulations, in regulation 28, sub-regulation (1), for the words 'liquidation commencement date', the words 'insolvency commencement date' shall be substituted.

23. In the principal regulations, for regulation 30, the following regulations shall be substituted, namely:-

"**30. Verification of claims.**

(1) The liquidator shall verify the claims received under sub-regulation (1) of regulation 16, within seven days of receipt of claim and may either admit or reject the claim, in whole or in part, as the case may be.

(2) The liquidator shall also verify the claims which were received but were not verified during the corporate insolvency resolution process, within seven days of the liquidation commencement date and may either admit or reject the claim, in whole or in part, as the case may be:

Provided that the liquidator shall not re-verify the claim, which has already been verified during the corporate insolvency resolution process:

Provided further that where the liquidator rejects a claim, he shall record in writing the reasons for such rejection.

(3) The liquidator shall communicate his decision of admission or rejection of claims along with reasons, to the stakeholder within seven days of such admission or rejection of claims."

24. In the principal regulations, in regulation 31, in sub-regulation (2), for the words "forty-five", the words "thirty" shall be substituted.

25. In the principal regulations, regulation 31A shall be omitted.

26. In the principal regulations, after the proviso to regulation 32, the following clarification shall be inserted, namely:-

"Clarification: It is hereby clarified that the liquidator shall not sell any immovable and movable property or actionable claims of the corporate debtor in liquidation to any person who is ineligible to be a resolution applicant under section 29A."

27. In the principal regulations, regulation 32B shall be omitted.

28. In the principal regulations, in regulation 33:

(i) in sub-regulation (1), the following proviso shall be inserted, namely:-

"Provided that the liquidator shall not sell the assets without prior permission of the Adjudicating Authority under this sub-regulation to:

(a) a related party of the corporate debtor subject to proviso to clause (f) of sub-section (1) of Section 35;

(b) his related party; or

(c) any professional appointed by him."

(ii) for sub-regulation (2), the following sub-regulation shall be substituted, namely:-

"(2) The liquidator may sell the assets of the corporate debtor by means of private sale only after prior approval of the committee with voting share of sixty six per cent., in the manner specified in Schedule I when -

(a) the asset is perishable;

(b) the asset is likely to deteriorate in value significantly if not sold immediately; or

(c) the permission of the Adjudicating Authority has been obtained for such sale:

Provided that the liquidator shall not sell the assets, by way of private sale to-

(a) a related party of the corporate debtor;

(b) his related party; or

(c) any professional appointed by him."

29. In the principal regulations, in regulation 34: -

(i) in sub-regulation (1A), for the word "seventy-five" the word "forty-five" shall be substituted.

(ii) in sub-regulation (2),

(a) in clause (a), after the words "value of the asset", the words "under regulation 32" shall be inserted.

(b) clause (b) shall be omitted.

(iii) in sub-regulation (4), for the word "preliminary", the word "progress" shall be substituted.

(iv) in sub-regulation (5), the words "members of the consultation" and "having voting rights" shall be omitted.

30. In the principal regulations, in regulation 35: -

(i) for sub-regulation (2), the following sub-regulation shall be substituted, namely:-

"(2) In cases not covered under sub-regulation (1) or where the committee, is of the opinion that fresh valuation is required under the circumstances, the liquidator shall within seven days of the liquidation commencement date, appoint two registered valuers to determine the realisable value of the assets under regulation 32 of the corporate debtor:

Provided that the following persons shall not be appointed as registered valuers, namely: -

(a) a relative of the liquidator;

(b) a related party of the corporate debtor;

(c) an auditor of the corporate debtor at any time during the five years preceding the insolvency commencement date; or

(d) a partner or director of the insolvency professional entity of which the liquidator is a partner or director."

(ii) in sub-regulation (3), the words "or businesses, as the case may be" shall be omitted.

(iii) in sub-regulation (4), the words "or businesses" shall be omitted.

(iv) in sub-regulation (5), the word "consultation" shall be omitted.

(v) in sub-regulation (6), the words "members of the consultation" shall be omitted.

(vi) in sub-regulation (7), the word "consultation" shall be omitted.

31. In the principal regulations, in regulation 37, in sub-regulation (2):-

(i) for the words "twenty one" the word "seven" shall be substituted.

(ii) for the words "thirty" the words "fourteen" shall be substituted.

32. In the principal regulations, in regulation 37A, in sub-regulation (1): -

(i) for the words "in consultation with" the words "with prior approval of" shall be substituted.

(ii) the words "stakeholders' consultation" and "in accordance with regulation 31A" shall be omitted.

(iii) in the explanation to sub-regulation (1), after the words "section 66 of the Code" the words and mark ", whether crystallised or not" shall be inserted.

33. In the principal regulations, in regulation 38, in sub-regulation (1), after the words "The liquidator may,", the words "after approval of the committee and" shall be inserted.

34. In the principal regulations, in regulation 40, in the explanation, the word ",business" shall be omitted.

35. In the principal regulations, in regulation 41, in sub-regulation (3), for the words "Adjudicating Authority", the word "committee" shall be substituted.

36. In the principal regulations, in regulation 42: -

(i) in sub-regulation (1), the words “and the asset memorandum” shall be omitted.

(ii) in sub-regulation (2), for the word “ninety days”, the word “fifteen days” shall be substituted.

37. In the principal regulations, in regulation 44: -

(i) in sub-regulation (1), for the word “one year”, the words “one hundred and eighty days” shall be substituted.

(ii) in sub-regulation (2), for the words “one year”, the words “one hundred and eighty days” shall be substituted.

(iii) in sub-regulation (2), after the words “he shall” the words “, on receiving an instruction from the committee under this regulation” shall be inserted.

(iv) after sub-regulation (2), the following clarification shall be inserted:-

“Clarification: It is clarified that the liquidator shall continue to discharge his responsibilities under the liquidation process, till the application for extension is decided by the Adjudicating Authority.”

(v) in the explanation to sub-regulation (2), for the term “Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2019” the term “Insolvency and Bankruptcy Board of India (Liquidation Process) (Fourth Amendment) Regulations, 2026” shall be substituted.

38. In the principal regulations, in regulation 44A,

(i) for the words “on the advice”, the words “with the approval” shall be substituted.

(ii) the word “consultation” shall be omitted.

39. In the principal regulations, in regulation 45, for sub-regulations (2) and (3), the following regulation shall be substituted, namely:-

“(2) The liquidator shall submit an application along with the final report and the compliance certificate in such format as notified by the Board to the Adjudicating Authority for the dissolution of the corporate debtor or closure of the liquidation process.”

40. In the principal regulations, in regulation 45A: -

(i) in clause (e) of sub-regulation (2), the word “consultation” shall be omitted.

(ii) in clause (i), the words “going concern sale in liquidation process or” shall be omitted.

(iii) in clause (n) of sub-regulation (2), the words “preliminary report, asset memorandum,” and “asset sale report, annual status report” shall be omitted.

(iv) sub-regulation (5) shall be omitted.

41. In the principal regulations, in regulation 46, in sub-regulation (5), (7) and (7D), for the word “Form-I”, the words “such format as notified by the Board” shall be substituted.

42. In the principal regulations, for regulation 47, the following regulation shall be substituted, namely:-

“**47. Model time-line for liquidation process.**

The following Table presents a model timeline of liquidation process of a corporate debtor from the liquidation commencement date, assuming that the process does not include compromise or arrangement under section 230 of the Companies Act, 2013 (18 of 2013) :

Model Timeline for Liquidation Process

Sl. No.	Section / Regulation	Description of Task	Norm	Latest Timeline (Days)
(1)	(2)	(3)	(4)	(5)
1	Section 33 and 34	Commencement of liquidation and appointment of liquidator	LCD	0 = T
2	Section 33 (1)	Public announcement	Within 5 days of appointment of liquidator.	T + 5

	(b) (ii) / Reg. 12			
3	Reg. 35 (2)	Appointment of registered valuers	Within 7 days of LCD	T + 7
4	Reg. 8	First meeting of committee of creditors	Within 7 days of LCD	T+ 7
5	Reg. 16 / Sec. 52 and reg. 21A	Submission of claims; Intimation of decision on relinquishment of security interest	Within 14 days of LCD	T + 14
6	Reg. 30	Verification of claims received under regulation 16	Within 7 days of receipt of claims	T + 21
7	Reg. 30	Intimation about decision of acceptance/ rejection of claim	Within 7 days of admission or rejection of claim	T + 28
8	Reg. 31 (2)	Filing the list of stakeholders	Within 30 days from the last date of receipt of claims	T + 44
9	Reg. 15	Submission of progress reports to AA	First progress report	Q1 + 15
			Second progress report	Q2 + 15
10	Proviso to Reg. 15	Progress report in case of cessation of liquidator	Within 15 days of cessation as liquidator	Date of cessation + 15
11	Reg. 42 (2)	Distribution of the proceeds to the stakeholders	Within 15 days from the receipt of amount	Date of Realisation + 15
12	Reg. 44	Liquidation of corporate debtor.	Within 180 days	T + 180
13	[Reg. 46	Deposit the amount of unclaimed dividends and undistributed proceeds	Before submission of application under sub-regulation (2) of regulation 45	
14	Sch-1 Sl. No 12	Time period to H1 bidder to provide balance sale consideration	Within 90 days of the date of invitation to provide the balance amount.]	

[AA: Adjudicating Authority, LCD: Liquidation Commencement Date]

43. In the principal regulations, in Schedule I, in clause 1:-

(i) sub-clause (1A) shall be omitted.

(ii) in sub-clause (1B), the word "consultation" shall be omitted.

(iii) in sub-clause (1B), for the word "advises" the word "decides" shall be substituted.

(iv) in sub-clause (4), after the words "be further reduced", the words and marks ", with the approval of the committee,", shall be inserted.

(v) the proviso to sub-clause (4) shall be omitted.

(vi) in sub-clause (11A), after the words "Where the liquidator" the words ", with the approval of the committee with voting share of sixty-six per cent.," shall be inserted.

(vii) in sub-clause (12B), the words "consultation" and "under regulation 31A", shall be omitted.

(viii) in sub-clause (12C), for the words "consultation with the consultation committee", the words "the approval of the committee with voting share of sixty-six per cent." shall be substituted.

(ix) in sub-clause (12E), for the words "the liquidator may, in consultation with the consultation committee", the words "the liquidator may, with the approval of the committee with voting share of sixty-six per cent." shall be substituted.

(x) in sub-clause (13), after the words "to transfer such assets", the words "with the approval of the committee with voting share of sixty-six per cent" shall be inserted.

44. In the principal regulations, in Schedule I, in clause 2, in sub-clause (3A), for the words "after consultation with the consultation committee under regulation 33" the words "in compliance with regulation 33" shall be substituted.

45. In the principal regulations, Schedule II shall be omitted.

IBBI (Grievance and Compliant Handing Procedure) (Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) (Amendment) Regulations, 2026

F. No. IBBI/2026-27/GN/REG144.— In exercise of the powers conferred by section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) (Amendment) Regulations, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017, (hereinafter referred to as 'the principal regulations'), in regulation 2, in clause (i), for the words "means an insolvency professional agency, an insolvency professional, an insolvency professional entity or an information utility" the words, marks and numerical "shall have the same meaning as assigned in clause (31A) of section 3 of the Code" shall be substituted.

3. In the principal regulations, in sub-regulation (3) of regulation 3, for the words "Form A", the words "in such format as notified by the Board" shall be substituted.

4. In the principal regulations, after Chapter V, Form A shall be omitted.

IBBI (Information Utilities) (Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2026

F. No. IBBI/2026-27/GN/REG146.— In exercise of the powers conferred by sections 196, 210, 213, 214, 215 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations further to amend the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Information Utilities) (Amendment) Regulations, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, (hereinafter referred to as 'the principal regulations'), in regulation 2,

(i) in sub-regulation (1)-

(a) in clause (la), for the words "Form D of the Schedule", the words "such format as notified by the Board through circular" shall be substituted.

(b) after clause (la), the following clause shall be inserted, namely:-

"(lb) "Information of dispute" means the status of authentication of default issued in such format as notified by the Board through circular;"

(c) clause (p) shall be omitted.

(ii) after sub-regulation (2), the following explanation shall be inserted, namely:-

"***Explanation***: For the purpose of these regulations, unless the context otherwise requires, reference to the term 'debtor' shall include 'corporate debtor'."

3. In the principal regulations, in regulation 4,

(a) in sub-regulation (1), for the words "Form A of the Schedule", the words "such format as notified by the Board through circular" shall be substituted.

(b) in sub-regulation (2), for the words "Form A of the Schedule", the words "such format as notified by the Board through circular" shall be substituted.

4. In the principal regulations, in regulation 5, in sub-regulation (4), in clause (e), for the words "Form B of the Schedule", the words "such format as notified by the Board through circular" shall be substituted.

5. In the principal regulations, in regulation 15, in sub-regulation (3), in clause (ba),-

(a) in item (ii), the word "and" occurring at the end, shall be omitted;

(b) in item (iii), for the punctuation mark "." occurring at the end, the words and punctuation mark " ; and" shall be substituted;

(c) after item (iii), the following item shall be inserted, namely:-

" (iv) issuance of information of dispute."

6. In the principal regulations, in regulation 20, in sub-regulation (1), for the words "Form C of the Schedule", the words "such format as notified by the Board through circular" shall be substituted.

7. In the principal regulations, in regulation 21,

(i) in sub-regulation (2), in clause (c), in sub-clause (iii), -

(a) for the words "Form C of the Schedule", the words "such format as notified by the Board through circular" shall be substituted.

(b) for item (A), the following shall be substituted, namely:—

“(A) by a financial creditor, which is a financial institution as defined in clause (14) of section 3 of the Code;”

(ii) for sub-regulation (3) the following shall be substituted, namely:—

“(3) On completion of the process under sub-regulation (2), the information utility shall record the status of authentication of information of default as indicated in the table below:

TABLE

Sl. No.	***Response of the Debtor***	***Status***	***Nature of Record to be issued***
(1)	*(2)*	*(3)*	*(4)*
1	(a) Debtor confirms the information of default, or (b) Debtor does not respond even after three reminders	Authenticated	Record of Default
2	Debtor disputes the information of default	Disputed	Information of Dispute

Provided that in case of financial institution as defined in clause (14) of section 3 of the Code, when a debtor disputes a part of the default amount or such dispute is in respect of only non-financial information, then the information utility shall record the status of authentication as ‘authenticated’ in respect of the undisputed default amount.”

(iii) in sub-regulation (4),

(a) the words “of the relevant colour, as indicated in column (4) of the Tables 1 or 2, as the case may be,” shall be omitted.

(b) for the words “a record of default in Form D of the Schedule”, the words “a record of default or information of dispute in such format as notified by the Board through circular, as indicated in column (4) of the Table, above,” shall be substituted.

8. In the principal regulations, in regulation 21A,

(i) in the heading, for the words “a record of default”, the words “a record of default or information of dispute” shall be substituted.

(ii) in sub-regulation (1), for the words “Form D of the Schedule”, the words “such format as notified by the Board through circular” shall be substituted.

(iii) in sub-regulation (3),

(a) for the words “banks included in the second schedule of the Reserve Bank of India Act, 1934”, the words “financial institutions as defined in clause (14) of section 3 of the Code” shall be substituted;

(b) for the words “a record of default with the status of authentication as ‘disputed’”, the words “information of dispute” shall be substituted;

9. In the principal regulations, in regulation 27, in sub-regulation (1) for the words “Form C of the Schedule”, the words “such format as notified by the Board through circular” shall be substituted.

10. In the principal regulations, “SCHEDULE” after regulation 42 shall be omitted.

IBBI (Inspection and Investigation) (Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Inspection and Investigation) (Amendment) Regulations, 2026

F. No. IBBI/2026-27/GN/REG145.— In exercise of the powers conferred by section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Inspection and Investigation) (Amendment) Regulations, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017, (hereinafter referred to as 'the principal regulations'), in sub-regulation (1) of regulation 2:-

(i) In clause (c), for the words "of whole time member(s) constituted by the Board" the words "consisting of one or more persons as provided" shall be substituted.

(ii) In the proviso to clause (c), for the words and the marks "whole time member(s)" the word and the marks "person(s)" shall be substituted.

(iii) In clause (j), for the words "means insolvency professional agency, insolvency professional, insolvency professional entity or information utility" the words, marks and numerical "shall have the same meaning as assigned in clause (31A) of section 3 of the Code" shall be substituted.

3. In the principal regulations, in clause (c) of sub-regulation (3) of regulation 13, after the words "any of the actions" the words "or directions" shall be inserted.

4. In the principal regulations, in sub-regulation (1) of regulation 14, after the words "direction has been issued" the words "by the Disciplinary Committee" shall be inserted.

5. In the principal regulations, in sub-regulation (3) of regulation 14, for the words "Form A" the words "such format as notified by the Board" shall be substituted.

6. In the principal regulations, after Chapter V, "Form A" shall be omitted.

IBBI (Pre-Packaged Insolvency Resolution Process) (Third Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) (Third Amendment) Regulations, 2026

F. No. IBBI/2026-27/GN/REG147.— In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) Regulations, 2021, namely: -

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) (Third Amendment) Regulations, 2026.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) Regulations, 2021, (hereinafter referred to as 'the principal regulations'), in regulation 2, in sub-regulation (1),

(a) in clause (h), for the words "a Form specified in the Schedule", the words "such format as notified by the Board" shall be substituted.

(b) clause (o) shall be omitted.

3. In the principal regulations, in sub-regulation (1) of regulation 7, for the words "Form P1", the words "such format as notified by the Board" shall be substituted.

4. In the principal regulations, in regulation 14,

(a) in sub-regulation (3), for the words "Form P2", the words "such format as notified by the Board" shall be substituted.

(b) in sub-regulation (5), for the words "Form P3", the words "such format as notified by the Board" shall be substituted.

(c) in sub-regulation (7), for the words "Form P4", the words "such format as notified by the Board" shall be substituted.

5. In the principal regulations, in regulation 15,

(a) for the words "Form P2", the words "such form as referred in Regulation 14" shall be substituted.

(b) in clauses (iii) and (vi), for the words "Form P5", the words "such format as notified by the Board" shall be substituted.

6. In the principal regulations, in regulation 16,

(a) in sub-regulation (1), for the words "Form P6", the words "such format as notified by the Board" shall be substituted.

(b) in sub-regulation (2), for the words "Form P7", the words "such format as notified by the Board" shall be substituted.

7. In the principal regulations, in regulation 17, for the words "Form P8", the words "such format as notified by the Board" shall be substituted.

8. In the principal regulations, for regulation 18, the following shall be substituted namely:-

"**18. Information and documents to be furnished by the applicant.**

For the purposes of sub-section (3) of section 54C of the Code, the corporate applicant shall, along with the application, furnish the following information and documents:—

(1) a copy of the declaration made by the majority of the directors or partners, as the case may be, in such format as notified by the Board;

(2) a copy of the declaration, special resolution or resolution, as the case may be, for initiating pre-packaged insolvency resolution process in terms of section 54A;

(3) proof of approval from financial creditors, not being related parties, representing not less than fifty-one per cent. in value of the financial debt;

(4) details of insolvency professional as follows:

(a) the written consent of the proposed resolution professional in such format as notified by the Board;

(b) the report of the resolution professional referred to in clause (a) of sub-section (1) of section 54B of the Code, prepared in such format as notified by the Board.

(5) audited financial statements of the corporate debtor for the last two financial years;

(6) provisional financial statements for the current financial year made up to the date of the declaration by the directors or partners, as the case may be; and

(7) a format as notified by the Board and submitted by the authorised representatives selected for the classes of creditors, wherever applicable.".

9. In the principal regulations, in sub-regulation (2) of regulation 19,

(a) in clause (a), for the words "Form P9", the words "such format as notified by the Board" shall be substituted.

(b) in clause (b), for the words "Form P2", the words "such format as notified by the Board" shall be substituted.

10. In the principal regulations, in regulation 20,

(a) in sub-regulations (1), (2) and (8), for the words "Form P10", the words "such format as notified by the Board" shall be substituted.

(b) in sub-regulation (9) for the words "Form P10", the words "The format as notified by the Board under sub-regulation (8)" shall be substituted.

11. In the principal regulations, in regulation 43,

(a) in sub-regulation (1), for the words "Form P11", the words "such format as notified by the Board" shall be substituted.

(b) in sub-regulation (2) and (3), for the words "Form P11", the words "form referred in sub-regulation (1)", shall be substituted.

12. In the principal regulations, in regulation 49,

(a) in sub-regulation (1), for the words "Form P12", the words "such format as notified by the Board" shall be substituted.

(b) in sub-regulation (4) for the words "in Form P13", the words "in such format as notified by the Board" shall be substituted.

13. In the principal regulations, in regulation 51, for the words "in Form P14", the words "in such format as notified by the Board" shall be substituted.

14. In the principal regulations, "SCHEDULE" after regulation 51 shall be omitted.

IBBI (Voluntary Liquidation Process) (Second Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations, 2026

F. No. IBBI/2026-27/GN/REG148.— In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, namely: -

1. (1) These regulations may be called Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Second Amendment) Regulations, 2026.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, (hereinafter referred to as 'the principal regulations'), in sub-regulation (3) of regulation 10, for the words "Schedule II", the words "Schedule I" shall be substituted.

3. In the principal regulations, in regulation 12,

(a) in the marginal heading, for the words "Consultation with stakeholders", the words "Assistance by stakeholders" shall be substituted.

(b) in sub-regulation (1), words, numerical and mark "consulted under section 35(2)", shall be omitted.

4. In the principal regulations, in sub-regulation (1) of regulation 14, for the words "Form A of Schedule I", the words "such form as notified by the Board through circular" shall be substituted.

5. In the principal regulations, in sub-regulation (1) of regulation 16, for the words "Form B of Schedule I", the words "such form as notified by the Board through circular" shall be substituted.

6. In the principal regulations, in sub-regulation (1), of regulation 17, for the words "Form C of Schedule I", the words "such form as notified by the Board through circular" shall be substituted.

7. In the principal regulations, in regulation 18,

(a) in sub-regulation (1), for the words “Form D of Schedule I”, the words “such form as notified by the Board through circular” shall be substituted.

(b) in sub-regulation (2), for the words “Form E of Schedule I”, the words “such form as notified by the Board through circular” shall be substituted.

8. In the principal regulations, in sub-regulation (1) of regulation 19, for the words “Form F of Schedule I”, the words “such form as notified by the Board through circular” shall be substituted.

9. In the principal regulations, after regulation 28, the following shall be inserted, namely:-

“**28A. Submission and updation of claims.**

(1) A person, who claims to be a stakeholder, shall submit its claim, on or before the last date mentioned in the public announcement.

(2) A stakeholder shall update its claim as and when the claim is satisfied, partly or fully, from any source in any manner, after the liquidation commencement date.”

10. In the principal regulations, in regulation 29,

(i) in sub-regulation (1), for the words, numerical and mark “, as per section 40 of the Code.”, the mark “:” shall be substituted.

(ii) in sub-regulation (1), the following proviso is to be inserted:

“Provided that where the liquidator rejects a claim, he shall record in writing the reasons for such rejection.”.

(iii) sub- regulation (2), shall be renumbered as sub-regulation (3).

(iv) after proviso to sub-regulation (1), following sub-regulation shall be inserted, namely:-

“(2) The liquidator shall communicate his decision of admission or rejection of claims to the stakeholder within seven days of such admission or rejection of claims.”

(v) in sub-regulation (3),

(a) for the words “appeal to”, the word “approach” shall be substituted.

(b) the words and numerical "as per section 42 of the Code.” shall be omitted.

11. In the principal regulations, in sub-regulation (3) of regulation 38, for the words “Form H”, the words “such form as notified by the Board through circular” shall be substituted.

12. In the principal regulations, in regulation 39,

(a) in sub-regulation (5), for the words “Form G”, the words “such form as notified by the Board through circular” shall be substituted.

(b) in sub-regulation (7) and (7D), for the words “Form I”, the words “such form as notified by the Board through circular” shall be substituted.

13. In the principal regulations, after regulation 41A, the following shall be inserted, namely:-

“**42. Termination of voluntary liquidation proceedings.**

(1) The resolution referred to in clause (a) of sub-section (5A) of section 59, shall provide for –

(a) rationale for termination of voluntary liquidation proceedings;

(b) treatment of liquidation costs; and

(c) a declaration that the termination will not result in prejudicially affecting the interest of any stakeholder.

(2) For the purposes of clause (c) of sub-section (5A) of section 59, the liquidator shall intimate the Adjudicating Authority, along with a report in such form as notified by the Board through circular, regarding termination of voluntary liquidation proceedings, accompanied by a statement that –

(a) due process for termination of voluntary liquidation proceedings has been followed; and

(b) the termination of voluntary liquidation proceedings is not initiated to defraud any person and the corporate person is solvent.

(3) Where the conditions specified under clause (a), (b) and (c) of sub-section (5A) of section 59 are satisfied, the liquidator shall, within seven days of the passing of the special resolution under clause (a) thereof or the approval of

creditors under clause (b) thereof, as the case may be, intimate the Board and the Registrar of Companies along with the report prepared under sub-regulation (2), regarding termination of the voluntary liquidation proceedings.

(4) Upon termination of the voluntary liquidation proceedings under sub-section (5C) of section 59 of the Code—

(a) the appointment and term of the liquidator shall stand terminated;

(b) the liquidator shall cease to exercise any powers or functions under these regulations; and

(c) no further action shall be taken under these regulations in respect of the voluntary liquidation proceedings."

14. In the principal regulations,

(a) 'SCHEDULE I' shall be omitted.

(b) 'SCHEDULE II' shall be renamed as 'SCHEDULE I'.

IBBI (IRP for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2026

F. No. IBBI/2026-27/GN/REG149.— In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, namely: -

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2026.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, (hereinafter referred to as 'the principal regulations'), in regulation 3, clause (e) shall be omitted.

3. In the principal regulations, in regulation 4, in sub-regulation (2), for the words "Form A", the words "such form as notified by the Board through circular" shall be substituted.

4. In the principal regulations, after regulation 6, the following regulation shall be inserted, namely:-

"**6A. Statement of assets.**

(1) For the purposes of sections 94 and 95, along with the application for initiating the insolvency resolution process to be submitted to the Adjudicating Authority, a complete and true statement of all assets including the following, with supporting evidence, shall also be submitted:

(a) **Cash and Bank Deposits** - Cash in hand; balances in savings or current accounts; fixed deposits; recurring deposits; post office savings instruments; and balances held in digital wallets or similar instruments.

(b) **Business Interests and Commercial Assets** - Any ownership, whether sole or joint, in a proprietorship, partnership, limited liability partnership, or company, including all associated assets such as inventory, plant and machinery, tools of trade, professional equipment, and goodwill.

(c) **Investments (Domestic and Overseas)** - Investments in shares, debentures, bonds, mutual funds, government securities, and any other financial instruments, including investments made outside India such as foreign bank accounts, securities, and immovable properties.

(d) **Immovable Property** - All rights, title, or interest in immovable property, including residential, commercial, or industrial property, agricultural land, and leasehold or freehold interests.

(e) **Retirement and Provident Fund Assets** - Balances or entitlements in provident funds, pension funds, gratuity, superannuation funds, and any other retirement benefit schemes.

(f) **Digital Assets** - Cryptocurrencies, virtual digital assets, non-fungible tokens, digital tokens, and domain names or other digital properties having commercial value.

(g) **Intellectual Property and Intangible Assets** - Patents, trademarks, copyrights, licences, franchises, brand value, goodwill, royalty rights, and any other intangible assets.

(h) **Valuable Movable Assets** - Jewellery, precious metals and stones, works of art, antiques, collectibles, watches, and high-value electronic or personal assets.

(i) **Agricultural Assets and Livestock** - Agricultural produce, livestock, and related agricultural equipment.

(j) **Receivables and Advances** - Trade receivables, loans and advances given, tax refunds due, security deposits, salary arrears, and any other sums receivable.

(k) **Claims and Contingent Assets** - Claims under litigation or arbitration, insurance claims, expected inheritances, and beneficial interests under trusts or similar arrangements.

(l) **ESOPs and Beneficial Ownership Interests** - Employee stock options (ESOPs) (whether vested or unvested), securities or assets held through nominees, and any beneficial interest in any entity, trust, or arrangement.

Provided that for the purposes of an application under section 95, the creditor shall file information relating to the assets of the individual to the extent available with the creditor.

(2) The statement of assets shall mandatorily include:

(a) assets owned directly or indirectly, whether in the name of the individual or otherwise;

(b) assets held individually or jointly with any other person;

(c) assets held in a fiduciary capacity, including as trustee, guardian, executor, or partner;

(d) assets held through beneficial ownership structures, including through nominees, trusts, partnerships, companies, Hindu Undivided Families, or any other arrangement conferring beneficial interest or control; and

(e) any asset over which the individual exercises control, influence, or derives economic benefit, irrespective of legal title."

5. In the principal regulations, in regulation 7, in sub-regulation (1), for the words "Form B", the words "such form as notified by the Board through circular" shall be substituted.

6. In the principal regulations, in regulation 11, in sub-regulation (3), after the words "in accordance with", the words, marks and numerical "sub-section (3A) of section 106 and" shall be inserted.

7. In the principal regulations, after regulation 11, the following regulation shall be inserted, namely: -

"11A. Facilitation of transfer of assets.

(1) Where the debtor is a personal guarantor who is undergoing an insolvency resolution process, the resolution professional of such debtor who has given the personal guarantee shall coordinate with the resolution professional of the corporate debtor in respect of whom such guarantee has been given, regarding transfer of assets in the corporate insolvency resolution process of the corporate debtor in respect of whom such guarantee has been given for the purposes of section 28A.

(2) For the purposes of section 28A, the resolution professional shall obtain approval from the meeting of creditors of the debtor who has given the personal guarantee for transfer of assets in the corporate insolvency resolution process of the corporate debtor in respect of whom such guarantee has been given.

(3) Where approval is granted by the meeting of creditors permitting the transfer, the resolution professional of the debtor shall ensure that the proposed transfer is appropriately disclosed in the report under section 106 and section 112.".

8. In the principal regulations, in regulation 16, in sub-regulation (2), for the words "Form C", the words "such form as notified by the Board through circular" shall be substituted.

9. In the principal regulations, in regulation 17B, for the words "intimating the non-submission of a repayment plan and seek appropriate directions", the words, mark and numerical "in accordance with sub-section (1A) of section 106" shall be substituted.

10. In the principal regulations, Form A, Form B and Form C shall be omitted.

IBBI (Bankruptcy Process for Personal Guarantors to Corporate Debtors) (Second Amendment) Regulations, 2026 published vide notification dated 01.06.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 1st June, 2026

Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) (Second Amendment) Regulations, 2026

F. No. IBBI/2026-27/GN/REG150.— In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, namely: -

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) (Second Amendment) Regulations, 2026.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Bankruptcy Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, (hereinafter referred to as 'the principal regulations'), in regulation 2, clause (g) shall be omitted.

3. In the principal regulations, in regulation 3, in sub-regulation (3), for the word "Form A", the words "such form as notified by the Board through circular" shall be substituted.

4. In the principal regulations, in regulation 10, in sub-regulation (3), in clause (h), after words, numerical and mark "section 164,"; the alphanumerical "164A, " shall be inserted.

5. In the principal regulations, after regulation 20, the following regulation shall be inserted, namely:-

"**20A. Facilitation of transfer of assets.**

(1) Where the debtor is a personal guarantor who is undergoing a bankruptcy process, the bankruptcy trustee of such debtor who has given the personal guarantee shall coordinate with the resolution professional of the corporate debtor in respect of whom such guarantee has been given, regarding transfer of assets in the corporate insolvency resolution process of the corporate debtor in respect of whom such guarantee has been given for the purposes of section 28A.

(2) For the purposes of section 28A, the bankruptcy trustee of such debtor shall obtain approval from the meeting of committee of creditors of the debtor who has given the personal guarantee for transfer of assets in the corporate insolvency resolution process of the corporate debtor in respect of whom such guarantee has been given.

(3) Where approval is granted by the meeting of committee of creditors permitting the transfer, the bankruptcy trustee of such debtor shall ensure that the proposed transfer is appropriately disclosed under regulation 7 and section 155.".

6. In the principal regulations, in regulation 26, in sub-regulation (2), for the words "Form B", the words "such form as notified by the Board through circular" shall be substituted.

7. In the principal regulations, Form A and Form B shall be omitted.

***

3. Circulars issued by the IBBI pursuant to amendments in various IBBI Regulations

Pursuant to amendment in aforesaid regulations by the IBBI, the formats under the respective regulations were specified by the IBBI through circulars issued on 2nd & 3rd June, 2026.

For details: **https://ibbi.gov.in/legal-framework/circulars**

OTHER AMENDMENTS IN IBBI REGULATIONS
(Between 1st June, 2025 to 31st May, 2026)

1. **IBBI (CIRP) (Second Amendment) Regulations, 2026 published vide notification dated 19.05.2026**

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 19th May, 2026

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2026.

F. No. IBBI/2026-27/GN/REG141.—In exercise of the powers conferred by section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, namely: -

1. (1) These regulations may be called Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, in regulation 27, after sub-regulation (1), the following proviso shall be inserted, namely: -

"Provided that, in respect of a corporate debtor classified as a micro, small or medium enterprise under sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), the resolution professional shall appoint one set of registered valuers, unless the committee decides, for reasons to be recorded in writing, to appoint two sets of registered valuers."

2. IBBI (CIRP) (Amendment) Regulations, 2026 published vide notification dated 25.02.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 25th February, 2026

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2026.

F. No. IBBI/2025-26/GN/REG135.— In exercise of the powers conferred by section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Amendment) Regulations, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, (hereinafter referred to as 'the principal regulations'), in regulation 2, for clause (hb), the following shall be substituted, namely:-

"(hb) "fair value" means the estimated realizable value of the corporate debtor or the assets of the corporate debtor, as the case may be, if they were to be exchanged on the insolvency commencement date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, and where the parties had acted knowledgeably, prudently, and without compulsion.

Explanation.- *The estimated realizable value of the corporate debtor shall be computed after taking into account the total estimated realizable value of all the assets of the corporate debtor including but not limited to tangible and intangible assets, along-with their underlying synergies."*

3. In the principal regulations, in regulation 27, for sub-regulation (1), the following shall be substituted, namely: -

"(1) The resolution professional shall, within seven days of his appointment but not later than forty seventh day from the insolvency commencement date, appoint two sets of registered valuers to determine the fair value and the liquidation value in accordance with regulation 35."

4. In the principal regulations, in regulation 35, for sub-regulation (1), the following shall be substituted, namely: -

"(1) Fair value and liquidation value shall be determined in the following manner, namely:-

(a) the set of registered valuers appointed under regulation 27 shall comprise of one registered valuer for each asset class of the corporate debtor and within each set, one registered valuer shall be designated as the coordinating valuer for that set by the resolution professional, in consultation with the committee, for computation of the fair value of the corporate debtor;

Explanation- *For the purpose of clause (a),"asset class" means the definition provided under the Companies (Registered Valuers and Valuation) Rules, 2017;*

(b) the resolution professional shall facilitate a meeting wherein the registered valuers, including coordinating valuers, shall explain the methodology being adopted to arrive at the valuation, to the members of the committee, before computation of estimates;

(c) each registered valuer shall, after physical verification of the inventory and fixed assets of the corporate debtor, submit to the resolution professional and the coordinating valuer of their respective set, a report on the fair value of the assets of the corporate debtor and the liquidation value, computed in accordance with such valuation standards as notified by the Board through circular;

(d) the coordinating valuer of a set shall compute the fair value of the corporate debtor after considering the fair value of the assets as computed by the registered valuers within that set, along with their underlying synergies, and submit the same to the resolution professional;

(e) the resolution professional may appoint a third set of registered valuers for submitting an estimate of the fair value and the liquidation value, computed in the manner provided under this regulation, where:

(i) the two estimates of fair value of the corporate debtor or liquidation value are significantly different, or

(ii) the committee proposes to appoint a third set of registered valuers for reasons to be recorded in writing;

Explanation- *For the purpose of clause (e), "significantly different" means a difference of twenty-five per cent or more in the fair value of the corporate debtor submitted by the coordinating valuer or the liquidation value, as the case may be.*

(f) the average of the two closest estimates of the fair value submitted by the coordinating valuers shall be considered as the fair value of the corporate debtor; and

(g) the average of the two closest estimates of the liquidation value submitted by registered valuers in each asset class shall be considered as the liquidation value of the corporate debtor."

5. In the principal regulations, in regulation 35, after sub-regulation (1), the following shall be inserted namely:-

"(1A) A registered valuer shall prepare the valuation report and maintain such documentation as per the format notified by the Board through circular."

6. In the principal regulations, in regulation 36, in sub-regulation (2),

(i) in clause (a), for the word and mark 'values.', the word and mark 'values;' shall be substituted.

(ii) after clause (a), the following clauses shall be inserted, namely:-

"*(aa) Details of receivables of the corporate debtor, including trade receivables, inter-corporate receivables, and receivables arising under any contract;*

(ab) Details of joint development agreements and other similar collaboration or co-development arrangements, including rights, obligations, and interests of the corporate debtor arising thereunder;

(ac) Details of assets which are under attachment by enforcement agencies, including particulars of the assets attached, the authority which has attached and the status of such proceedings;"

(iii) in clause (j), after the words 'pre-existing facilities', the mark ';', shall be inserted.

(iv) after clause (j), the following clause shall be inserted, namely:-

"(ja) details of all allottees, including their names, amounts due, and units allotted, whose claims are either reflecting in the books of accounts of the corporate debtor or in the records of the Real Estate Regulatory Authority as established under the Real Estate (Regulation and Development) Act, 2016 (16 of 2016), but have not submitted their claims to the resolution professional;"

(v) in clause (k), after the words 'financial statements', the mark ';' shall be inserted.

(vi) in clause (ka), in the proviso, for the mark '.', the mark and word '; and' shall be substituted.

7. In the principal regulations, after regulation 38, the following regulation shall be inserted, namely: -

"38A. Treatment of allottees not filing claims.

In respect of a real estate project, where the information memorandum includes the details of the allottees who have not submitted their claims, the resolution plan shall provide for treatment of such allottees."

3. IBBI (CIRP) (Seventh Amendment) Regulations, 2025 published vide notification dated 22.12.2025

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 22nd December, 2025

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Seventh Amendment) Regulations, 2025.

F. No. IBBI/2025-26/GN/REG133.— In exercise of the powers conferred by clause (t) of sub- section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Seventh Amendment) Regulations, 2025.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, in regulation 38, after sub-regulation (3), the following sub-regulation shall be inserted, namely:-

"(3A) Every resolution plan shall include:

(a) a statement of beneficial-ownership, in a format to be notified through circular by the Board, covering details of all natural persons who ultimately owns or controls the resolution applicant, together with the shareholding structure and jurisdiction of each intermediate entity; and

(b) an affidavit, in a format specified by the Board, that the resolution applicant is eligible/not eligible for the benefit of section 32A."

4. IBBI (CIRP) (Sixth Amendment) Regulations, 2025 published vide notification dated 14.10.2025

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 14th October, 2025

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Sixth Amendment) Regulations, 2025.

F. No. IBBI/2025-26/GN/REG130.— In exercise of the powers conferred by clause (t) of sub- section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Sixth Amendment) Regulations, 2025.

   (2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as 'the principal regulations'), regulation 39C shall be omitted.

3. In the principal regulations, in regulation 39D,

   (i) in clause (a), after the words, number and mark "Companies Act, 2013;", the word "and" shall be inserted.

   (ii) clause (b) shall be omitted.

4. In the principal regulations, in Form H, in paragraph 15, point b shall be omitted.

5. IBBI (CIRP) (Fifth Amendment) Regulations, 2025 published vide notification dated 04.07.2025

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 4th July, 2025

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025.

F. No. IBBI/2025-26/GN/REG128.— In exercise of the powers conferred by clause (t) of sub- section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as 'the 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;"

3. 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:

Provided that this sub-regulation shall not apply to any resolution plan that has been submitted to the Adjudicating Authority under sub-section (6) of section 30 on or before the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2025."

6. IBBI (PPIRP) (Amendment) Regulations, 2026 published vide notification dated 25.02.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 25th February, 2026

Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) (Amendment) Regulations, 2026

F. No. IBBI/2025-26/GN/REG138.—In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) Regulations, 2021, namely: -

1. (1) These regulations may be called Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) (Amendment) Regulations, 2026.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Pre-Packaged Insolvency Resolution Process) Regulations, 2021, (hereinafter referred to as 'the principal regulations'), in regulation 2, in sub-regulation (1), for clause (g) the following clause shall be substituted, namely:-

"(g) "fair value" means the estimated realizable value of the corporate debtor or the assets of the corporate debtor, as the case may be, if they were to be exchanged on the insolvency commencement date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, and where the parties had acted knowledgeably, prudently, and without compulsion.

Explanation- *The estimated realizable value of the corporate debtor shall be computed after taking into account the total estimated realizable value of all the assets of the corporate debtor including but not limited to tangible and intangible assets, along-with their underlying synergies."*

3. In the principal regulations, in regulation 38, after the words "appoint two" the words "sets of" shall be inserted.

4. In the principal regulations, in regulation 39, for sub-regulation (1) the following shall be substituted namely:-

"(1) Fair value and liquidation value shall be determined in the following manner, namely:-

(a) the set of registered valuers appointed under regulation 38 shall comprise of one registered valuer for each asset class of the corporate debtor and within each set, one registered valuer shall be designated as the coordinating valuer for that set by the resolution professional, in consultation with the committee, for computation of the fair value of the corporate debtor;

Explanation- *For the purpose of clause (a),"asset class" means the definition provided under the Companies (Registered Valuers and Valuation) Rules, 2017;*

(b) the resolution professional shall facilitate a meeting wherein the registered valuers, including coordinating valuers, shall explain the methodology being adopted to arrive at the valuation, to the members of the committee, before computation of estimates;

(c) each registered valuer shall, after physical verification of the inventory and fixed assets of the corporate debtor, submit to the resolution professional and the coordinating valuer of their respective set, a report on the fair value of the assets of the corporate debtor and the liquidation value, computed in accordance with such valuation standards as notified by the Board through circular;

(d) the coordinating valuer of a set shall compute the fair value of the corporate debtor after considering the fair value of the assets as computed by the registered valuers within that set, along with their underlying synergies, and submit the same to the resolution professional;

(e) the average of the two estimates of the fair value submitted by the coordinating valuers shall be considered as the fair value of the corporate debtor; and

(f) the average of the two estimates of the liquidation value submitted by registered valuers in each asset class shall be considered as the liquidation value of the corporate debtor."

5. In the principal regulations, in regulation 39, after sub-regulation (1), the following shall be inserted, namely:-

"(1A) For the purposes of this regulation, a registered valuer shall prepare the valuation report and maintain such documentation as per the format notified by the Board through circular."

7. **IBBI (Voluntary Liquidation Process) (Amendment) Regulations, 2026 published vide notification dated 25.02.2026**

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 25th February, 2026

Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2026

F. No. IBBI/2025-26/GN/REG137.—In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, namely: -

1. (1) These regulations may be called Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2026.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, in regulation 3, in sub-regulation (1), in clause (b), after sub-clause (ii), the following explanation shall be inserted, namely:-

"Explanation –For the purposes of this regulation, a registered valuer shall prepare the valuation report and maintain such documentation as per the format notified by the Board through circular."

8. IBBI (Liquidation Process) (Second Amendment) Regulations, 2026 published vide notification dated 25.02.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 25th February, 2026

Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2026

F. No. IBBI/2025-26/GN/REG136.—In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, namely: -

1. (1) These regulations may be called Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2026.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, (hereinafter referred to as 'the principal regulations'), in regulation 35, in sub-regulation (3), for the words "Companies (Registered Valuers and Valuation) Rules, 2017", the words "such valuation standards as notified by the Board through circular" shall be substituted.

3. In the principal regulations, in regulation 35, after sub-regulation (7), the following shall be inserted, namely:-

"(8) For the purposes of this regulation, a registered valuer shall prepare the valuation report and maintain such documentation as per the format notified by the Board through circular."

9. IBBI (Liquidation Process) (Amendment) Regulations, 2026 published vide notification dated 02.01.2026

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 2nd January, 2026

Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2026

F. No. IBBI/2025-26/GN/REG134..— In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, namely: -

1. (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, in regulation 47B, for clause (1) the following shall be substituted, namely:-

"(1) The liquidator shall file the Forms, along with enclosures thereto, as notified by Board, from time to time, on an electronic platform of the Board, as per the timelines stipulated for each form."

Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Connaught Place, New Delhi-110001

CIRCULAR

No. IBBI/LIQ/91/2026 05th January 2026

To

All Registered Insolvency Professionals
All Recognised Insolvency Professional Entities
All Registered Insolvency Professional Agencies
(By mail to registered email addresses and on website of the IBBI)

Subject: Launch of Revised Forms for the Liquidation Process.

1. The Insolvency and Bankruptcy Board of India, through circular dated 28th June 2024, introduced a streamlined forms framework for monitoring the liquidation process.

2. Further, the Insolvency and Bankruptcy Board of India, through notification dated 2nd January 2026 has amended the IBBI (Liquidation Process) Regulations, 2016), which provides that the insolvency professionals to file the Forms, along with enclosures thereto, as notified by the Board, from time to time, on an electronic platform of the Board as per the timelines stipulated for each form.

3. Accordingly, the existing forms were comprehensively revised. The revised forms have been designed to ensure a reduced compliance burden by eliminating duplications, rationalising data requirements and leveraging technology for auto-population of information already available on the portal. Consequently, these revisions are expected to significantly reduce the time and effort required for compliance by insolvency professionals, while continuing to ensure that the Board receives all essential information in a timely manner.

4. The revised forms framework comprises:

Form	Period covered and scope	Timeline
LIQ 1	From Commencement of Liquidation till Public Announcement: This includes details of the CD, Public Announcement, etc	On or before the 10th day of the subsequent month, after a public announcement has been made.

LIQ 2	Progress report on the Liquidation Process during the quarter: This includes status of the process, details of valuation, Realisation, PUFE, SCC meetings, Receipts and Payments, etc.	On or before the 10th day of the subsequent month, after the submission of the Progress report to the AA.
LIQ 3	From last Progress Report to Application for Dissolution/closure of the Process: This includes details of the application, unclaimed proceeds, Realisation and distribution of the proceeds, Receipts and Payments. (The details required in these forms are carried forward from the last Progress Report and hence need not be filled again with the editable option).	On or before the 10th day of the subsequent month, after submission of the Dissolution /closure application to the AA.
LIQ-4	From Application for Dissolution/closure to Order for Dissolution/closure of the process: This includes details of the distribution of proceeds, Receipts and Payments, etc. (The details required in these forms are carried forward from the last Progress Report and hence need not be filled again).	Within 7 days of disposal of the application by the AA.

10. IBBI (Liquidation Process) (Second Amendment) Regulations, 2025 published vide notification dated 14.10.2025

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 14th October, 2025

Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025

F. No. IBBI/2025-26/GN/REG129.—In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, namely: -

1. (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2025.

   (2) They shall come into force on the date of their publication in the Official Gazette and shall apply prospectively, i.e. to cases where liquidation by sale as going concern has not commenced.

2. In the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter referred to as 'the principal regulations'), in regulation 31A, in sub-regulation (1), clause (f) shall be omitted.

3. In the principal regulations, in regulation 32,
(i) in clause (c), after the mark ";", the word "or" shall be inserted.
(ii) in clause (d), for the mark ";" the mark ":" shall be substituted.
(iii) clauses (e) and (f) shall be omitted.
(iv) in the proviso, for the letter and symbol "(f)", the letter and symbol "(d)", shall be substituted.
4. In the principal regulations, regulation 32A shall be omitted.

11. IBBI (Insolvency Professionals) (Second Amendment) Regulations, 2025 published vide notification dated 20.11.2025

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 20th November, 2025

Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2025

F. No. IBBI/2025-26/GN/REG132.—In exercise of the powers conferred by section 196, sections 207 and 208 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, namely: -

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2025.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, (hereinafter referred to as 'the principal regulations'), after regulation 7A, the following regulation shall be inserted, namely: -

"**Number of Assignments**.

7B. An insolvency professional who is not an insolvency professional entity, shall not at any point of time, have more than ten assignments in aggregate as interim resolution professional and resolution professional in a corporate insolvency resolution process and as a liquidator in a liquidation process, of which not more than three assignments shall have admitted claims exceeding one thousand crore rupees each:

Provided that an insolvency professional who is not an insolvency professional entity, already holding more such assignments than the limit specified in this regulation on the date of commencement of Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Second Amendment) Regulations, 2025, shall not accept any such new assignment until the number of his ongoing assignments falls below the limit specified in this regulation."

3. In the principal regulations, in the Code of Conduct for Insolvency Professionals specified in the First Schedule,

(i) in clause 6, for the words "the approval of the Board", the words "the prior approval of the Adjudicating Authority" shall be substituted.

(ii) the clarification to clause 22 shall be omitted.

12. IBBI (IRP for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025 published vide notification dated 20.11.2025

INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

NOTIFICATION

New Delhi, the 20th November, 2025

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Amendment) Regulations, 2025.

F. No. IBBI/2025-26/GN/REG131.—In exercise of the powers conferred by clause (t) of sub-section (1) of section 196, section 240 read with clause (e) of section 2 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, namely:-

1. (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) (Second Amendment) Regulations, 2025.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019. (hereinafter referred to as 'the principal regulations'), after regulation 22, the following shall be inserted, namely:

*"**Regulation 23. Filing of Forms***

(1) The resolution professional shall file the Forms, along with enclosures thereto, as notified by the Board through circular, as per the timelines stipulated against each Form.

(2) The Board shall make available the Forms referred to in sub-regulation (1) on the electronic platform and may modify them from time to time.

(3) The resolution professional shall ensure that the Forms and its enclosures filed under this regulation are accurate and complete.

(4) The filing of a Form under this regulation after the due date of submission, whether by correction, updation or otherwise, shall be accompanied by a fee of five hundred rupees per Form for each calendar month of delay after the date notified by the Board.

(5) The resolution professional shall be liable to any action which the Board may take as deemed fit under the Code or any regulation made thereunder, including refusal to issue or renew Authorisation for Assignment, for -

(i) failure to file a Form along with requisite information and records;

(ii) inaccurate or incomplete information or records filed in or along with a Form; or

(iii) delay in filing the Form."

CASE LAWS

Omkara Assets Reconstruction Private Limited v. Amit Chaturvedi & Ors. (2026 INSC 189 dated 24th February 2026)

Facts of the Case: Corporate Debtor had availed two term loans in 1999 and 2000. The outstanding debt, including accumulated interest, grew to approximately ₹154.33 crore. The lender's rights were ultimately assigned to Omkara Assets Reconstruction Pvt. Ltd. (Appellant), which filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) before the National Company Law Tribunal (NCLT) seeking initiation of Corporate Insolvency Resolution Process (CIRP). The Corporate Debtor opposed the application by relying upon a Scheme of Arrangement (SOA) allegedly approved under Sections 391-394 of the Companies Act, 1956 and pending proceedings before the Punjab & Haryana High Court.

The NCLT found that the Corporate Debtor had failed to establish effective implementation of the Scheme of Arrangement and admitted the Section 7 application, initiating CIRP, imposing moratorium under Section 14 of the IBC, and appointing an Interim Resolution Professional (IRP). On appeal, the National Company Law Appellate Tribunal (NCLAT) kept the CIRP proceedings in abeyance until disposal of the High Court proceedings concerning the SOA. Appellant challenged the NCLAT order before the Supreme Court.

Issues Involved:

- Whether the pendency of proceedings relating to an SOA under Sections 391-394 of the Companies Act, 1956 could prevent or suspend insolvency proceedings under the IBC?
- Whether the SOA had validly come into force when the second motion was not filed within the prescribed period and the scheme remained inactive for several years?
- Whether the overriding effect of Section 238 of the IBC would permit continuation of CIRP despite pending proceedings under the Companies Act.?

Decision:

The Supreme Court observed that the statutory timelines prescribed under the Companies Act and Company Court Rules were not complied with. The second motion for sanction of the scheme was filed after substantial delay. The Court held that when the Companies (Transfer of Pending Proceedings) Rules, 2016 came into force, the second motion was still pending and had not been reserved for orders. Therefore, such proceedings ought to have been transferred to the National Company Law Tribunal rather than continuing before the High Court. The Court reiterated that the IBC is a special legislation designed primarily for revival and resolution of financially distressed companies.

By virtue of Section 238, the IBC overrides inconsistent provisions of other laws. A Section 7 proceeding under the IBC is an independent remedy and is not barred merely because proceedings under the Companies Act are pending. The Supreme Court set aside the order of the NCLAT which had kept the CIRP proceedings in abeyance and restored the order of the NCLT admitting the Section 7 application under the IBC and initiating CIRP. It held that an old and ineffective Scheme of Arrangement under the Companies Act cannot be used to block insolvency proceedings under the IBC.

State Bank of India v. Union of India & Ors. (2026 INSC 153 dated 13th February 2026)

Facts of the Case:

- Aircel Limited, Aircel Cellular Limited, and Dishnet Wireless Limited (collectively, the Aircel Group) were granted telecom licences by the Department of Telecommunications (DoT) under Unified Access Service Licences (UASL) in 2006 for a period of 20 years. Through spectrum auctions conducted in 2010, 2014, 2015, and 2016, the companies acquired rights to use telecom spectrum in various frequency bands upon payment of spectrum charges.
- The Aircel entities subsequently defaulted in payment of licence fees, spectrum usage charges, and other dues payable to DoT. Facing financial distress, the companies voluntarily initiated Corporate Insolvency Resolution Process (CIRP) under Section 10 of the Insolvency and Bankruptcy Code, 2016 (IBC). The NCLT admitted the proceedings in March 2018. During the insolvency process, DoT filed claims of nearly ₹9,894 crore for licence fees and spectrum-related dues.
- A resolution plan was approved by the Committee of Creditors and sanctioned by the NCLT. DoT challenged the approval before the NCLAT. The controversy acquired significance after the Supreme Court's AGR (Adjusted Gross Revenue) judgment, when telecom companies undergoing insolvency claimed that recovery of telecom dues was barred by the IBC moratorium.

Issues Involved:

The Supreme Court considered several interconnected questions, the principal ones being nature of spectrum, ownership of spectrum by obtaining a licence, transferability of Spectrum, extinguish government dues through insolvency proceedings, conflict between telecom laws and IBC.

Decision:

The Supreme Court held that spectrum is a natural resource belongs to the people of India. The Union Government holds it as a trustee under the Public Trust Doctrine and must ensure its use serves the common good. Telecom service providers obtain only a limited, conditional and revocable right to use spectrum. They do not become owners of spectrum merely because they pay auction amounts or licence fees.

The IBC excludes assets that are owned by third parties but merely used under contractual arrangements. Hence, Spectrum allocated to telecom service providers and shown in their books as an asset cannot be subjected to proceedings under the Insolvency and Bankruptcy Code, 2016.

The telecom regulatory regime under the Telegraph Act, Wireless Telegraphy Act, TRAI Act, licence conditions, and Spectrum Trading Guidelines constitutes a complete legal framework governing spectrum. The insolvency framework cannot be used to restructure, transfer, or extinguish rights and liabilities relating to spectrum contrary to telecom laws and licence conditions. Therefore, transfer of spectrum remains subject to government approval and clearance of dues. Insolvency resolution cannot be used to circumvent statutory obligations arising under telecom laws.

Satinder Singh Bhasin v. Col. Gautam Mullick & Ors (2026 INSC 104 dated 2nd January, 2026)

Facts of the case:

The case arose from a real estate project called Grand Venezia Commercial Tower, part of a larger commercial development comprising a mall, commercial offices, cineplex and hotel. The project was developed by Bhasin Infotech and Infrastructure Pvt. Ltd. (Bhasin Ltd.), while Grand Venezia Commercial Towers Pvt. Ltd. (Grand Venezia Ltd.) had marketing and sale rights.

Group of Allottees filed a petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) seeking initiation of Corporate Insolvency Resolution Process (CIRP) against both companies. The erstwhile management challenged the maintainability of a single petition against two distinct legal entities and argued the threshold of 100 allottees was breached during admission due to subsequent settlement offers.

Issues involved:

- Can a single insolvency petition under Section 7 be maintained against two separate legal entities?

- Whether changes in the list of petitioning allottees after filing invalidated the petition?

- At what stage the statutory threshold requirement (minimum 100 allottees or 10% of total allottees) be assessed?

Decision:

- The Supreme Court ruled that a single petition is maintainable against two distinct corporate debtors if they are intrinsically linked through financial interdependence, shared management, and common project liabilities. Hence, a joint insolvency petition against **Bhasin Ltd.** and **Grand Venezia Ltd.** was maintainable because both entities were deeply interconnected and jointly responsible to the allottees.

- The petition was initially returned for curing defects and before registration, certain allottees were deleted and others added. The Court held that such amendments were permissible under Rule 28 of the NCLT Rules, 2016 and did not constitute abuse of process.

- The Supreme Court held that the application filed by allottees of 103 units satisfied the statutory threshold of 100 allottees which must be determined as on the date of the petition's registration, and subsequent post-filing settlement offers or dropouts do not invalidate its maintainability.

Livein Aqua Solutions Pvt. Ltd. v. HDFC Bank Ltd. (2025 INSC 1349 dated 24th November, 2025)

Facts of the Case:

HDFC Bank had extended a loan facility of ₹5.5 crores to Livein Aqua Solutions Pvt. Ltd. The loan account was classified as a Non-Performing Asset (NPA) on 04.08.2019. HDFC Bank thereafter filed an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) before the National Company Law Tribunal (NCLT) seeking initiation of Corporate Insolvency Resolution Process (CIRP) against the company. The application was accompanied by an affidavit. However, the affidavit was found to be defective because it had been sworn on 17.07.2023, whereas the application was verified on 26.07.2023**.**

The NCLT treated this procedural defect seriously and rejected the Section 7 application on the ground that the defects had not been cured. On appeal, the National Company Law Appellate Tribunal (NCLAT) set aside the NCLT's order and restored the Section 7 application, holding that the defect was curable and that the application could not be rejected merely because of a defective affidavit. Livein Aqua Solutions challenged this decision before the Supreme Court.

Issues involved:

- Whether a Section 7 IBC application supported by a defective affidavit is liable to be rejected at the threshold as non-est (non-existent in law)? Whether a defect in an affidavit is a curable procedural defect or a fundamental defect affecting the maintainability of the insolvency application itself?
- Whether the NCLT could reject the application without issuing the mandatory notice contemplated under the proviso to Section 7(5)(b) of the IBC, requiring the applicant to rectify the defects?

Decision:

The Supreme Court dismissed the company's challenge and substantially upheld the NCLAT's view. It held that:

- A defective affidavit does not render a Section 7 application non est. Such a defect is merely procedural and curable, and does not invalidate the application itself. Procedural rules are intended to advance justice and should not be used to defeat substantive rights. Curable defects should ordinarily be allowed to be rectified.
- The NCLT failed to comply with the mandatory requirement of the proviso to Section 7(5)(b) of the IBC, which requires notice to be given to the applicant to rectify defects before rejecting the application. Therefore, the rejection of HDFC Bank's application solely on account of the defective affidavit was unsustainable. It also observed that the NCLAT should have directed HDFC Bank to formally cure the defective affidavit before restoring the matter for decision on merits.

EPC Constructions India Ltd. (Through Liquidator) v. M/s Matix Fertilizers and Chemicals Ltd. (2025 INSC 1259 dated 28th October, 2025)

Facts of the Case

- EPC Constructions India Ltd. (EPCC) had entered into engineering/construction and supply contracts with Matix Fertilizers & Chemicals Ltd. for setting up a fertilizer plant in West Bengal. Under these contracts, substantial amounts became payable by Matix to EPCC.

- Due to financial difficulties faced by Matix, it was proposed that a portion of EPCC's outstanding receivables be converted into 8% Cumulative Redeemable Preference Shares (CRPS) instead of being paid in cash. Pursuant to the arrangement, Matix allotted CRPS worth ₹250 crore to EPCC, redeemable at par after three years and carrying an 8% cumulative dividend.

- Subsequently, EPCC itself entered CIRP and later liquidation proceedings. Through its Resolution Professional/ Liquidator, EPCC demanded payment of the redemption amount under the CRPS and later filed an application under **Section 7 of the Insolvency and Bankruptcy Code (IBC)** against Matix, claiming that non-redemption of the CRPS constituted a financial debt and default.

- Both the NCLT and NCLAT rejected the Section 7 application, holding that CRPS represented an investment/share capital and not a financial debt. Thereafter, appeal was made to Supreme Court.

Issues involved:

- Whether a holder of Cumulative Redeemable Preference Shares (CRPS) is a "financial creditor" entitled to initiate CIRP under Section 7 of the IBC?

Decision:

- The Court held that preference shares form part of a company's share capital and the money invested in them is not a loan or debt. EPCC consciously agreed to convert its outstanding contractual receivables into CRPS. Once the shares were issued and accepted, the earlier debt stood extinguished and was replaced by a shareholder relationship. Under Section 55 of the Companies Act, preference shares can be redeemed only out of profits available for dividend, or from proceeds of a fresh issue of shares made for redemption. Since Matix had not earned profits or raised fresh capital for redemption, the CRPS had not become legally payable. Therefore, there was no "debt due and payable" and consequently no default under the IBC.

- The Supreme Court upheld the decisions of the NCLT and NCLAT and held that EPCC's application under Section 7 of the IBC against Matix was not maintainable and hence, dismissed the appeal.

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