INSTITUTE OF INSOLVENCY PROFESSIONALS
(Subsidiary of ICSI and Insolvency Professional Agency of IBBI)

IBC UPDATE-2/2026 (21/08/2026)

"Key Highlights from IBBI Quarterly Newsletter (April–June 2026, Vol. 39)."

Dear Professional Member,

Greetings from **ICSI Institute of Insolvency Professionals (ICSI IIP)**!

We wish to inform you that the **Insolvency and Bankruptcy Board of India (IBBI)** has issued a IBBI Quarterly Newsletter "Insolvency and Bankruptcy News" (April–June 2026, Vol. 39) which commemorates 10 Years of the IBC. Key highlights are summarised below for your reference.

Key Highlights

- **TEN YEARS OF IBC – KEY MILESTONES (as on June 2026)**
  - 1,484 CIRPs have yielded resolution plans, realising over Rs. 4.35 lakh crore for creditors (95% of fair value and 167% of liquidation value).
  - 9,166 CIRPs admitted; 7,301 closed. Of these, 4,227 CDs (58%) rescued via resolution plans/appeal/review/settlement/withdrawal; 3,074 referred to liquidation.
  - Over 30,000 cases (Rs. 14 lakh crore) resolved at the pre-admission stage through withdrawals, reflecting the Code's deterrent effect.
  - Gross NPA ratio of the banking sector improved to 1.8% (March 2026) from 11.8% in 2017.
  - S&P Global Ratings upgraded India's insolvency framework from 'Group C' to 'Group B'.
  - IBC recovery rate improved to 36.6% (2024–25) from 28.3% the previous year (RBI Report on Trends and Progress of Banking).

- **IBC (AMENDMENT) ACT, 2026**
  - Received Presidential assent on April 6, 2026; brought into force (except provisions on group insolvency, cross-border insolvency, CIIRP and Insolvency & Bankruptcy Fund) with effect from May 26, 2026.

- Introduces CIIRP, two-step approval of resolution plans, asset-wise/part-wise resolution, strengthened avoidance transaction provisions, enhanced liquidation supervision, and group/cross-border insolvency frameworks.

- **KEY REGULATORY AMENDMENTS (notified May–June 2026)**

  - CIRP Regulations (2nd, 3rd & 4th Amendments): simplified MSME valuation (single valuer option); fuller disclosure at initiation; time-bound (7-day) claim decisions; guarantor asset transfer framework (s.28A); stricter s.12A withdrawal discipline; enhanced CoC oversight of costs, going concern assessment, and resolution plan evaluation.
  - Liquidation Process Regulations: CoC continues during liquidation with expanded powers; seamless carry-forward of CIRP claims; safeguards on related-party sales; revised liquidator remuneration framework.
  - PPIRP, PG to CD, Voluntary Liquidation, IU, Inspection & Investigation, and Grievance Regulations also amended to align with the Amendment Act, including introduction of "Information of Dispute" under IU Regulations.
  - Model Bye-Laws and Governing Board of IPA Regulations strengthened IPA governance norms.

- **DISCUSSION PAPERS FOR PUBLIC COMMENTS**

  - Real Estate Insolvency (June 30, 2026): proposes project-wise ring-fencing, simplified allottee claim form (CA-R), easier possession handover, and enhanced monitoring committees.
  - CIIRP Regulations, 2026 (April 15, 2026): comprehensive procedural framework for creditor-initiated resolution.

- **QUARTERLY CORPORATE PROCESS DATA (as on June 30, 2026)**

  - 1,865 CIRPs ongoing; average CIRP closure time 633 days (resolution) / 540 days (liquidation).
  - 1,333 CIRPs withdrawn under Section 12A; 3,074 CIRPs ended in liquidation (1,757 fully closed, 86.73% realisation against liquidation value).
  - 2,684 voluntary liquidations initiated; 2,090 closed via final report.
  - 4,359 individual IPs registered (468 female); 130 active IPEs; 3 IPAs; 6,190 Registered Valuers.

- **NOTABLE JUDICIAL PRONOUNCEMENTS**

  - Supreme Court: Alpha Corp Development (lifting of corporate veil for group insolvency); Dineshchand Surana (moratorium vis-à-vis Section 138 NI Act proceedings); Sanjay Dave (validity of LoI terms/EMD forfeiture); Nirmal Ujjwal Credit Co-op (eligibility of RA under MSCS Act).
  - NCLAT: Vedanta v. Bhuvan Madan (Jaiprakash Associates) on CoC's evaluation matrix and value maximisation; Zep Infratech on AA's three-stage scrutiny of resolution plans; State Tax Officer v. Liquidator on statutory charge under GVAT Act.

Link of the IBBI Newsletter

For complete details, please refer to the full newsletter available on the IBBI website: https://ibbi.gov.in/uploads/whatsnew/2a6b0d98890fdf684bb77baa10b131bc.pdf

Members are encouraged to stay updated on these regulatory developments as they have a direct bearing on ongoing and future assignments under the Code.

We hope the above update is useful in your professional endeavours.

Warm regards,
Team ICSI Institute of Insolvency Professionals (ICSI IIP)

This communication is being circulated for information and awareness of insolvency professionals and other stakeholders.