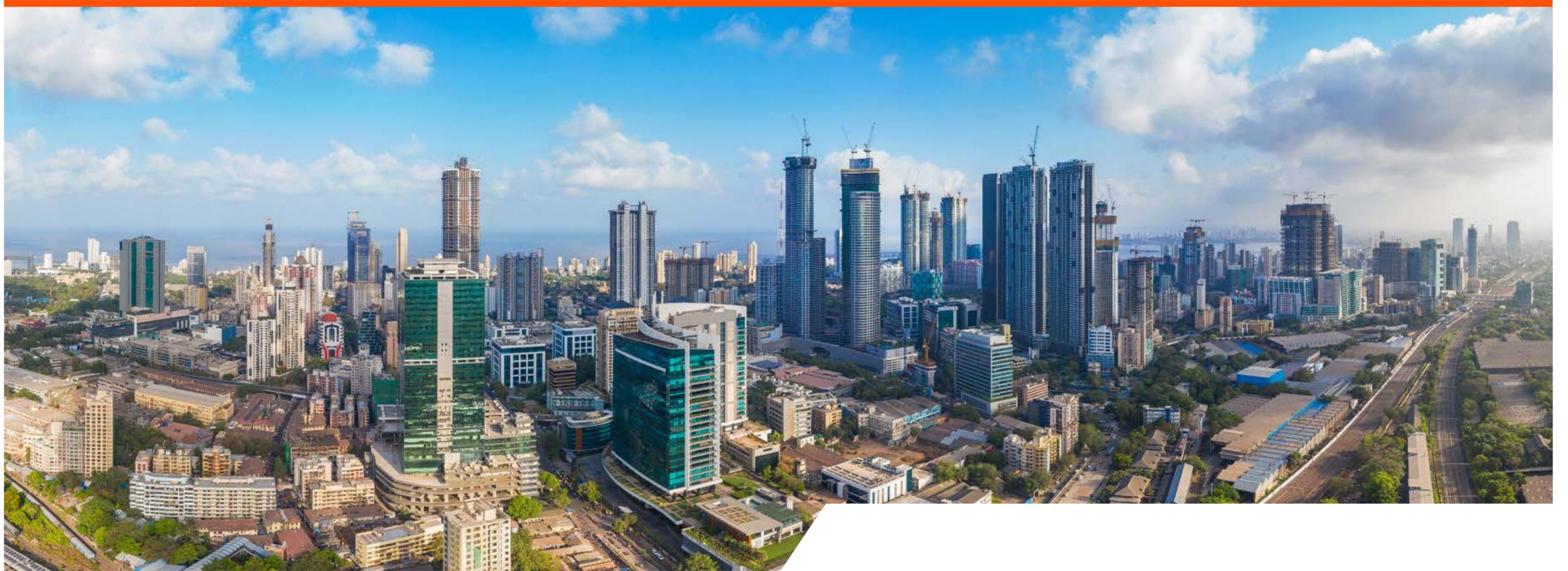




Global Insolvency: 2025 Reflections and 2026 Projections

India



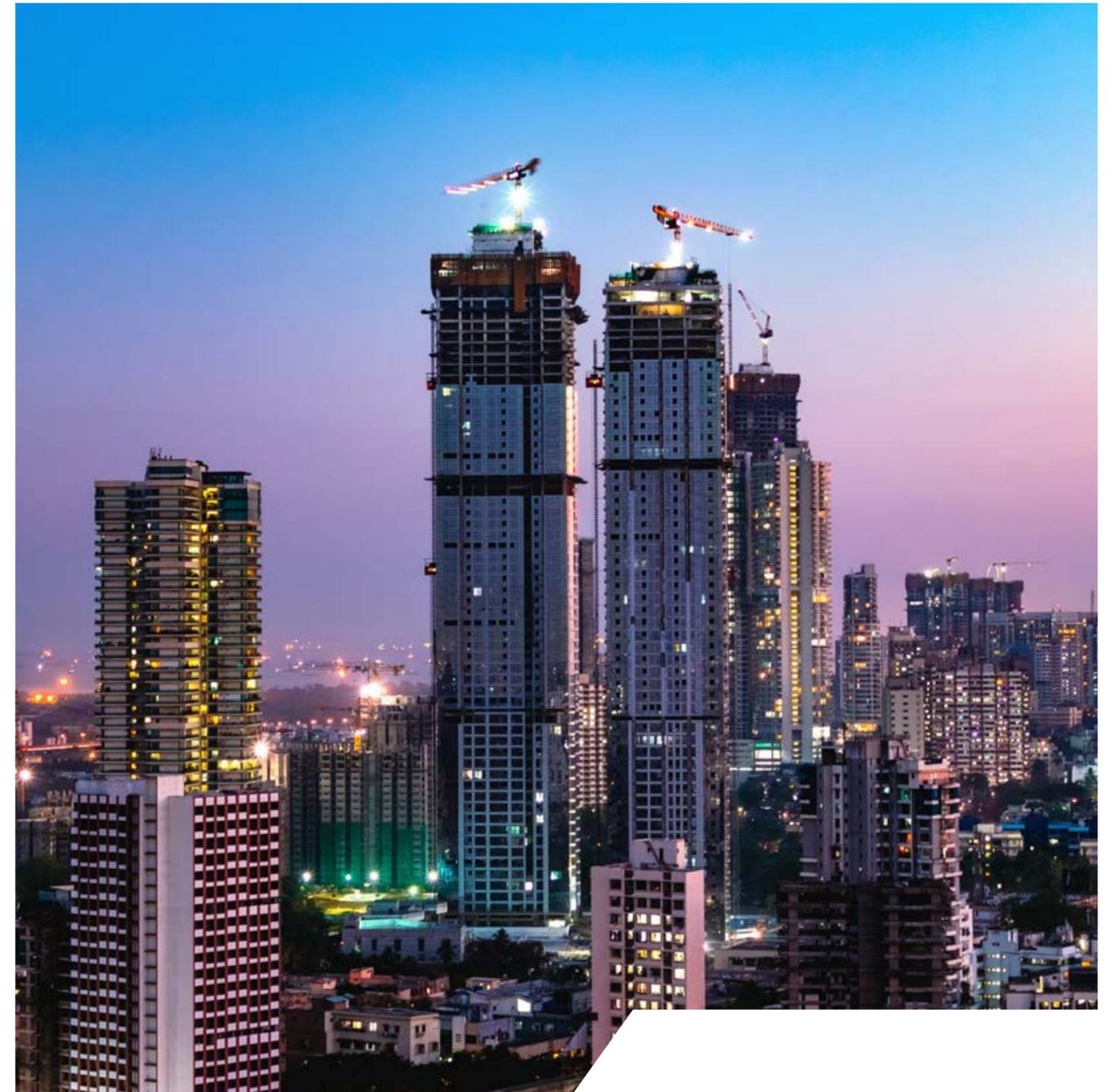
India

IBC 2025: Reforming India's Insolvency future

Introduction

India's insolvency framework in 2025 marked a pivotal moment, balancing the strides made under the Insolvency and Bankruptcy Code (IBC) with the urgent need for changes to tackle systemic challenges. Over the years, the IBC has become a cornerstone of corporate restructuring in India, and 2025 was a decisive moment with the introduction of the IBC Amendment Bill, 2025.

The IBC Amendment Bill, 2025, stands as one of the most important changes since the IBC's inception in 2016. The bill aims to boost efficiency, clarity, and align India's insolvency framework with global standards. Key provisions include stricter timelines requiring Corporate Insolvency Resolution Process (CIRP) applications to be admitted within 14 days to cut delays, and new mechanisms for group insolvency and cross-border cases to allow coordinated resolution of complex corporate structures with international exposure. The new reforms are designed to make it easier and faster to handle cases involving unfair or fraudulent transactions, which have often slowed down the insolvency process. Together, these changes represent a major step forward in enhancing how India manages corporate insolvency.



Overview of insolvency volumes in India

Insolvency trends in 2025

India's insolvency framework under the IBC showed resilience and maturity in 2025. With 732 CIRP admissions and 1,223 voluntary withdrawals under Section 12A, the year reflected growing confidence in early settlements and out-of-court resolutions. Resolution activity remained robust, with 1,300 plans approved by September, delivering creditor recoveries of INR 3.99 lakh crore (USD 44,716 million), amounting to 170% of liquidation value and nearly 94% of fair value. Timelines continue to pose challenges as the average resolution period was around 688 days in Q2 FY 2025–26, even though it was a slight improvement from 691 days in Q2 FY 2024–25. Manufacturing and real estate sectors showed stress, while renewable energy, tech startups, and healthcare signalled new economic shifts. Together, stronger recoveries, shorter timelines, and evolving regulations underscored a positive trajectory towards faster, value-preserving resolutions and a more robust insolvency ecosystem.

Comparison with FY 2024 (increase/decrease in cases)

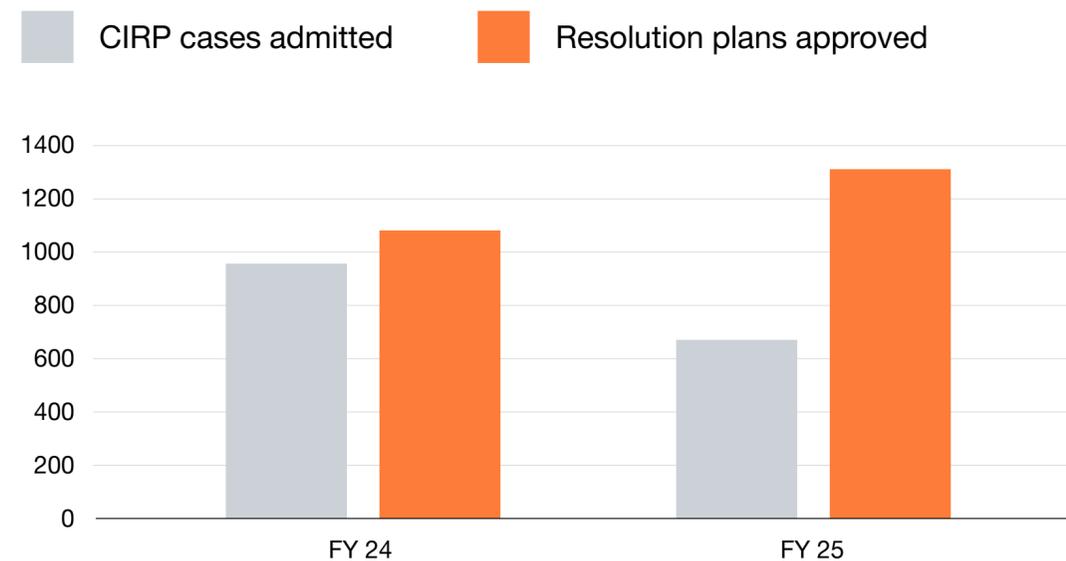
In 2025, India's insolvency ecosystem under the IBC showed signs of stabilisation, with fewer CIRP admissions reflecting stronger financial discipline and a growing preference for early settlements. Resolution plans expanded further, driving notable improvements in creditor recoveries. This section offers a comparative view against FY 2024, supported by charts on key metrics and analytical insights drawn from Insolvency and Bankruptcy Board (IBBI) newsletters and market analyses.

Comparison Table: September 2024 vs September 2025

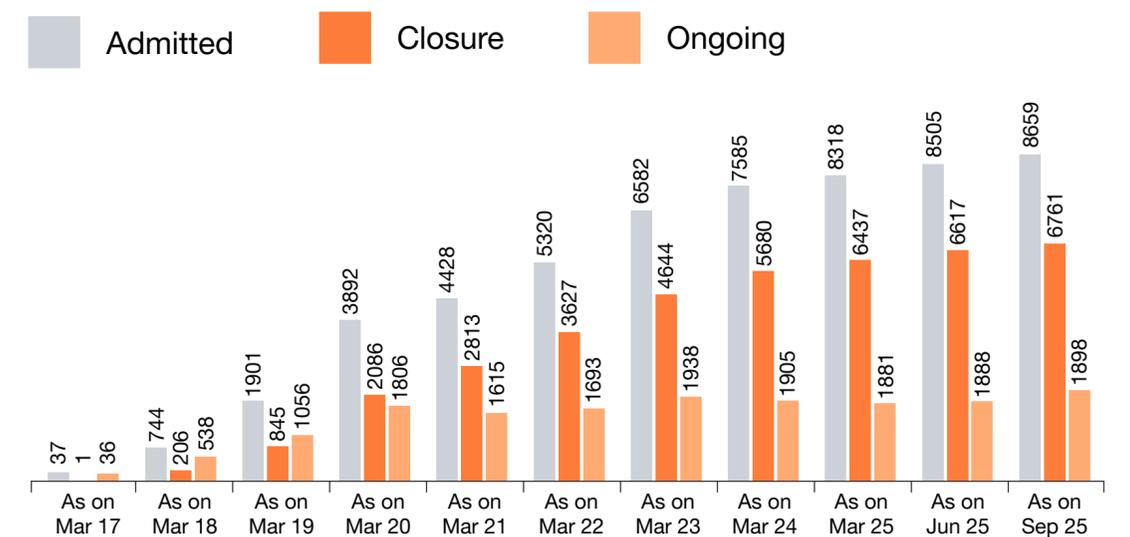
Year	CIRP cases admitted	Resolution plans approved	Average resolution time (days)
FY 2024	944	1068	691
FY 2025	657	1300	688

* The number of resolution plans approved is a cumulative figure, whereas the CIRP cases admitted represents for the respective financial year.

CIRP and resolution performance metrics



Details of CIRP cases admitted and closed from initiation of IBC to September 2025



Sectors most affected

IBC at the core: Transforming India's real estate landscape

The real estate sector has greatly benefited from the IBC. By recognising homebuyers as financial creditors, the IBC gives them a seat at the table in the Committee of Creditors (CoC), allowing them a direct say in resolution outcomes. This has significantly boosted transparency, accountability, and the likelihood of completing stalled housing projects. In 2025, ongoing regulatory alignment—such as project-specific bank accounts and monitoring committees under the CIRP for real estate—reinforced protections initially introduced in earlier amendments, ensuring cash flows are dedicated to on-ground execution rather than diverted elsewhere. Practically, this has led to more structured resolution plans, phased construction milestones, and clearer delivery schedules for homebuyers.

The impact on homebuyers has been significant, including:

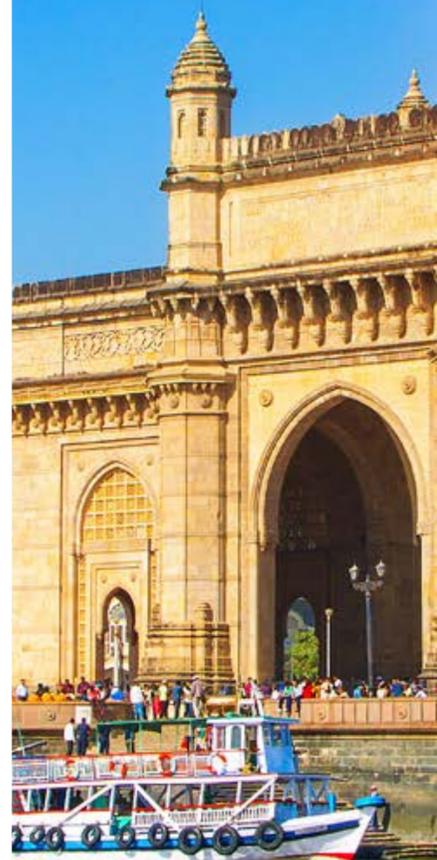
- Prioritised delivery commitments within resolution plans.
- Escrow-led collections to maintain construction progress.
- Representation through authorised representatives for large groups of allottees.
- Monitoring committees to oversee plan implementation.

In one real estate case, National Buildings Construction Corporation Limited (NBCC) delivered approximately 26,800 flats by mid-2025. The Supreme Court's intervention introduced firm timelines and escrow funding.

So far, 13,300 buyers have taken possession, while NBCC has collected around INR 2,600 crore (USD 288 million). This case underscores how judicial oversight and the IBC framework can breathe new life into stagnant housing projects.

India's insolvency landscape: Sectoral shifts and emerging trends

Recent insights reveal a 28% drop in new CIRP admissions, while the number of approved resolution plans held steady. Pre-admission settlements and withdrawals under Section 12A have grown, helping to reduce the backlog of ongoing cases, even though timelines often stretch beyond statutory limits.



Sectors most affected



Infrastructure and power sector

Navigating infrastructure insolvency can be challenging, yet solutions are within reach. Take Lanco Amarkantak Power Ltd as an example: Adani Power's INR 4,101 crore (USD 454 million) proposal, greenlit by the NCLT in late 2024, promises a 28–29% recovery for secured lenders against liabilities nearing INR 15,600 crore (USD 1,727 million). Implementation is set to continue into 2025. Banks anticipate these recoveries will impact FY26 earnings positively. Meanwhile, lenders are increasingly opting for asset-by-asset sales to boost value, matching specific buyers with promising assets instead of reviving entire groups.



Manufacturing sector

The manufacturing industry remains a key player in CIRP admissions, with notable recoveries in larger cases surpassing INR 1,000 crore (USD 110 million) claims, outperforming the average. Take Bhushan Steel, for instance, where lenders reclaimed over INR 35,000 crore (USD 3,875 million), highlighting the potential for better outcomes in substantial cases. Data indicates that resolution decisions made within 330 days yield stronger recoveries, and quicker timelines consistently improve results.

In a pivotal ruling, the Supreme Court recently overturned its previous decision to liquidate Bhushan Power & Steel, reinstating JSW Steel's INR 19,700 crore (USD 2,181 million) resolution plan. This judgment underscores the finality of an approved resolution plan under the IBC, emphasizing its resilience against reversal. By supporting creditor decisions and maintaining investor continuity, the Court has bolstered confidence in the IBC framework.



Real estate sector

In the real estate world, consumer protection and project completion are now at the heart of resolution strategies. The IBBI's amendments in February 2025 have paved the way for possession handovers during the CIRP, provided the CoC gives the green light. They've also brought in facilitators for large groups of creditors and opened the door for land authorities to join CoC meetings. This is a step forward in ensuring smoother processes and better outcomes for all involved.

Significant insolvency resolutions where PwC India supported the Resolution Professional (RP)

KSK Mahanadi – Harnessing Energy for Sustainable Recovery

In 2025, we at PwC India were instrumental in the successful resolution of the Corporate Insolvency Resolution Process (CIRP) for KSK Mahanadi Power Company Limited, a pivotal case in India's energy sector. This coal-based power project, with a capacity of 3,600 MW (1,800 MW operational), had been grappling with financial difficulties. The CIRP was one of the largest and most intricate insolvency proceedings under India's Insolvency and Bankruptcy Code (IBC).

Our team provided comprehensive advisory and operational support to the Resolution Professional (RP) throughout the CIRP. Key contributions included:

- Crafting and overseeing a highly competitive bidding process under the IBC, with over 10 substantial resolution plans submitted—a sector record.
- Enhancing investor outreach, which led to an innovative resolution plan from a major strategic player. This plan resulted in over USD 2 billion in recoveries for financial creditors and allocated 26% equity shares to secured lenders, achieving one of the highest realisations under the IBC.

Our unwavering commitment to stakeholder value also facilitated a successful Interim Distribution, enabled by a landmark judgement. The efficient operations and careful financial planning led to surplus funds, which were distributed to financial creditors.

This case stands as a benchmark for resolving complex, sector-specific insolvencies through a blend of industry expertise, competitive engagement, and a creditor-focused strategy.

Katerra India – Navigating Complexity for Strategic Resolution

In late 2023, we at PwC India were instrumental in the Corporate Insolvency Resolution Process (CIRP) for Katerra India Private Limited (KIPL), the Indian branch of Katerra Inc—a major private equity-backed startup in pre-cast construction technology.

KIPL aimed to transform pre-cast construction in India by integrating vertically, manufacturing off-site, and refining supply chains for various large-scale projects. Yet, rapid growth, execution missteps, and external challenges led to significant financial difficulties.

As the dedicated support team to the Resolution Professional (RP), we provided comprehensive assistance throughout the CIRP, focusing on enhancing value. Our role involved helping the RP manage the corporate debtor as a viable entity, gathering and analyzing essential business and financial data, aiding in the creation of the Information Memorandum and Request for Resolution Plan, organizing Committee of Creditors (CoC) meetings, and engaging with potential resolution applicants to spark competitive interest. We also assisted the RP in presenting the resolution plan to the CoC and developing strategies to improve recoveries for financial creditors.

As the dedicated support team for the RP, we at PwC provided thorough assistance, from maintaining operations to engaging strategically with bidders. This effort led to the approval of a resolution plan submitted by an SPV of a steel and energy conglomerate. The plan focused on preserving value, leading to significant recovery for financial creditors and offering a potential revival for the company.

Legislative and regulatory developments: Amendments to the IBC in 2025

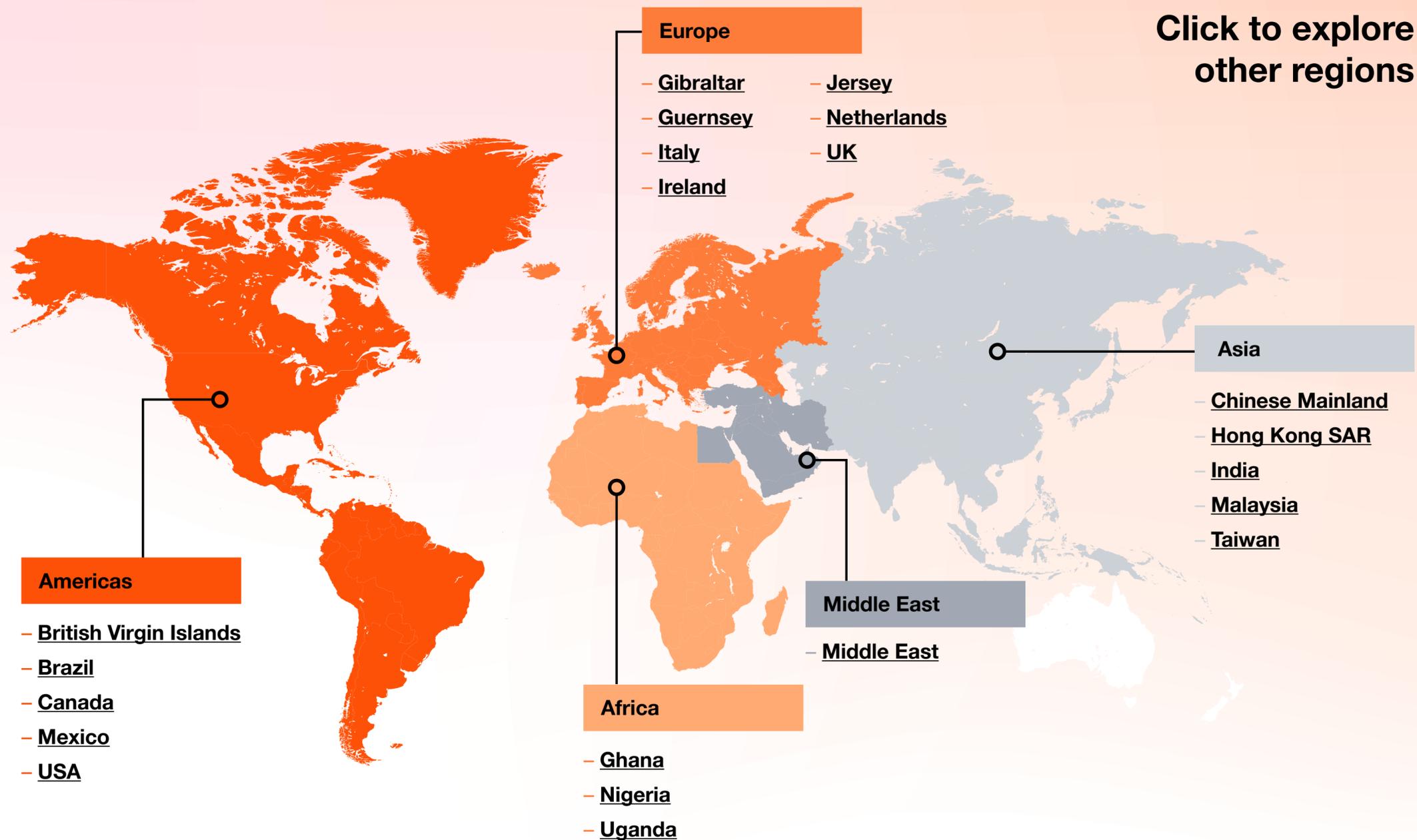
The IBBI is actively refining the IBC and its regulations to keep pace with market shifts and the complexities of insolvency. By continuously updating the framework, the IBBI boosts effectiveness and efficiency, resolves procedural challenges, clarifies uncertainties, and integrates global leading practices. Proposed changes to the IBBI Regulations and the IBBI (CIRP) Regulations aim to simplify and enhance statutory processes, aligning them more closely with international insolvency practices. A key area of global interest is the proposed framework for managing cross-border insolvency cases under the IBC, marking a major step towards global cooperation. This will facilitate collaboration on cases involving foreign assets or creditors, ensuring smoother multinational resolutions. Additionally, new frameworks have been proposed to manage group insolvency and to speed up the admission of CIRP applications.

Beyond these pivotal reforms, the IBC Amendment Bill, 2025, introduces further important changes, including improvements to the liquidation process, clarifications on security interests and priorities, stronger governance and compliance measures, and enhancements to information utilities and professional oversight. Together, these amendments are set to speed up insolvency resolutions, cut down on delays and litigation, safeguard stakeholder interests, and increase asset value. The IBC Amendment Bill, 2025, is poised to modernise India's insolvency framework, aligning it with global standards and promoting a more efficient, transparent, and investor-friendly business environment.

Looking Ahead to 2026

India's insolvency landscape under the IBC is set to stay dynamic and evolving through FY 2025–26 and FY 2026–27. There's a clear opportunity to improve resolution timelines, as some cases are taking longer than ideal. By refining valuations, enhancing information memoranda, and selecting bidders more effectively, we can simplify processes to achieve quicker and more valuable outcomes.

- In real estate, stalled housing projects continue to lead insolvency admissions, driven by funding gaps and regulatory challenges.
- By mid-2025, India's installed capacity hit 476 GW, with renewables making up nearly 49% (235 GW). However, in the energy sector, coal and thermal power are facing growing insolvency risks as lenders shift towards green energy.
- Startups are increasingly influenced by capital discipline and procedural rigour in insolvency matters.
- Gross NPAs of scheduled commercial banks were at 2.3% in Q1 FY26, down from 2.7% a year earlier. Yet, unsecured retail loans and NBFC exposures remain at risk. Insolvency cases in NBFCs are likely to rise, especially those heavily exposed to real estate and consumer lending.



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Territory lead



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