

Insolvency and Bankruptcy Board of India

7th Floor, Mayur Bhawan, Connaught Place, New Delhi-110001

CIRCULAR

No. IBBI/CIRP/83/2025

17th March, 2025

To:

All Registered Insolvency Professionals

All Recognised Insolvency Professional Entities

All Registered Insolvency Professional Agencies

(By mail to registered email addresses and on the website of the IBBI)

Dear Madam/Sir,

Subject: Disclosure of information relating to carry forward of losses in Information Memorandum (IM)

The Insolvency and Bankruptcy Board of India (IBBI) had amended Regulation 36 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('CIRP Regulations') to mandate the disclosure of carry forward of losses as per the Income Tax Act, 1961, in the Information Memorandum (IM). Further, Insolvency Professionals (IPs) were also advised to ensure comprehensive capture of details related to carry forward losses and the disclosure thereof.

2. Upon review of recent Information Memorandum(s), the Board has observed that disclosure of carry forward of losses by Insolvency Professionals need to be more robust. Accordingly, it is hereby directed that all Insolvency Professionals shall include a dedicated section in the IM explicitly detailing the carry forward of losses under the Income Tax Act, 1961. This section shall prominently highlight, but is not limited to, the following aspects:
 - a) The quantum of carry forward losses available to the corporate debtor ;
 - b) A breakdown of these losses under specific heads as per the Income Tax Act,1961;
 - c) The applicable time limits for utilizing these losses; and
 - d) If there are no carry forward of losses available to the Corporate debtor , the Information Memorandum should explicitly specify the fact.
3. This enhanced disclosure framework is intended to provide potential resolution applicants with a more comprehensive understanding of the corporate debtor's financial position, enabling them to develop more informed and viable resolution plans while considering the benefits of carry forward losses.
4. This is issued in the exercise of the powers conferred under section 196 of the Insolvency and Bankruptcy Code, 2016.

Yours faithfully

-Sd/-

Jithesh John

(Executive Director)