ENFORCEMENT DIRECTORATE
PRESS RELEASE
5.11.2025

ED facilitates release of attached assets to support IBC resolution and maximise creditor recovery

1. The Enforcement Directorate (ED) has taken proactive steps to support successful resolution of companies under the Insolvency and Bankruptcy Code (IBC) by enabling the restoration of assets earlier attached under the Prevention of Money Laundering Act (PMLA). This measure is aimed at maximising value for creditors, including banks and homebuyers.

2. In several insolvency cases, assets of the corporate debtor were under PMLA attachment, which restricted their use in the resolution process. To address this issue, multiple rounds of coordination meetings were held between ED and the Insolvency and Bankruptcy Board of India (IBBI) to create a standard mechanism for restitution of attached assets during CIRP or liquidation. This process now enables Resolution Professionals to seek release of such assets through applications under Sections 8(7) and 8(8) of PMLA.

3. As a result of this coordinated approach, a standard undertaking to be filed by Insolvency Professionals before the Special Court has been finalised and circulated by IBBI through its circular dated 04.11.2025. This ensures that:

- The restituted assets are used only for the benefit of creditors,
- No advantage flows back to the accused/promoters,
- Full reporting and compliance safeguards remain in place until resolution is completed.

4. This initiative demonstrates that strict enforcement under PMLA and value maximisation under IBC are not conflicting objectives. Instead, when coordinated, they ensure prosecution of economic offenders while protecting public and creditor interest through lawful resolution.ED remains committed to ensuring that proceeds of crime are not enjoyed by offenders and at the same time recovery value for creditors is enhanced through timely cooperation with the insolvency framework. The above initiatives were taken to expedite the resolution process before the IBC. Further this simplified mechanism would help to resolve the various litigations pending before the courts.

5. Accordingly, the relevant circular issued by IBBI on 04.11.2025, which sets out the undertaking and compliance framework to be followed by Insolvency Professionals, is reproduced below:

Insolvency and Bankruptcy Board of India

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

CIRCULAR

Circular No. IBBI/CIRP/87/2025 **4th November, 2025**

To

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

Subject – Undertaking by IPs before Special Courts under PMLA

It has been observed that in certain cases under the Insolvency and Bankruptcy Code, 2016 (IBC), the assets of the corporate debtor are under attachment by the Enforcement Directorate (ED) under the provisions of the Prevention of Money Laundering Act, 2002 (PMLA). The restitution of such attached assets can significantly enhance the value of the Corporate Debtor thereby leading to higher realization.

2. Accordingly, it is hereby advised that in cases where assets of the corporate debtor are attached by the ED under the provisions under PMLA, the Insolvency Professional may file an application before the Special Court under sections 8(7) or 8(8) of the PMLA for restitution of such assets.

3. Further, with a view to facilitate the expeditious disposal of such applications by the Special Courts, the Insolvency and Bankruptcy Board of India, in consultation with the ED, has formulated a standard undertaking to be furnished by the Insolvency Professional along with the application for restitution of assets. The said undertaking is **annexed** hereto with this Circular.

4. This is issued in exercise of powers conferred under section 196 of the IBC.

Yours faithfully,
Sd/-
(Rajesh Tiwari)
General Manager

Annexure

Undertaking by Insolvency Professional before the Special Court under PMLA

[To be submitted by the Resolution Professional while filing an application under section 8(7) or section 8(8) of the Prevention of Money Laundering Act, 2002]

I, [*Name*], Insolvency Professional having Registration No. [______], in my capacity as Resolution Professional/Liquidator *(as applicable)* of [*Corporate Debtor*], hereby undertake that during the Corporate Insolvency Resolution process/ Liquidation Process *(as applicable)* of the said Corporate Debtor:

1. Usage of Restituted Assets

[Applicable only in cases where the Promoter is ineligible under Section 29A of the Insolvency and Bankruptcy Code, 2016]

a) The restituted assets shall not be sold, transferred, or otherwise disposed of directly or indirectly to any person covered under Section 32A(2)(i) or (ii) of the Insolvency and Bankruptcy Code, 2016.

b) The restituted assets shall not be utilised directly or indirectly in any manner that benefits any person or entity named as an accused in, or charge-sheeted under, ECIR No. [_____] by the Enforcement Directorate (ED) or any relevant predicate agency on the basis of which the ED has initiated proceedings.

2. Periodic Reporting

From the date of restitution until the approval of the resolution plan/dissolution order *(as applicable)* by the Adjudicating Authority, I shall submit quarterly status reports to this Hon'ble Court containing:

a) The status of the restituted assets;

b) Details of their usage or monetisation;

c) A list of beneficiaries of any distribution; and

d) Information on any sale or transfer of the restituted property.

3. Disclosures in the Insolvency Process

a) I have disclosed in the Information Memorandum/Auction Notice *(as applicable)* the details of all properties under ED attachment as on date of this submission.

b) If any further details become available subsequently, I shall disclose the same in updated versions of the Information Memorandum/ subsequent auction notices *(as applicable)*.

4. Cooperation with ED

I will extend full cooperation to the ED during investigation, including:

a) Providing details of Preferential, Undervalued, Fraudulent, or Extortionate (PUFE) transactions, as and when identified by me;

b) Providing details of the Committee of Creditors, including its constitution and percentage voting shares; and

c) Providing details of the Successful Resolution Applicant (SRA)/ Successful Bidder *(as applicable)*, including a copy of the application and relevant orders/proceedings of the NCLT.

5. Document Production

I further undertake to provide to the ED, as and when requested, any document or information, subject to the following:

a) Documents that are not commercially sensitive in nature shall be furnished immediately on request;

b) Documents that are commercially sensitive in nature (e.g. valuation reports, resolution plans, due diligence reports, etc.) shall be furnished only after the ED acknowledges such sensitivity in writing and confirms its requirement.

6. Duration of Undertaking

The obligations under this Undertaking shall remain effective until the approval of the resolution plan /dissolution order *(as applicable)* by the Adjudicating Authority.

Signature: ____________________

Name of IP: ____________________

Date: ________________________

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