

# THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No. 31 OF 2016

[28<sup>th</sup> May, 2016]

[AMENDED UPTO 12-08-2021]

An Act to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues and to establish an Insolvency and Bankruptcy Board of India, and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows: -

## PART I

### PRELIMINARY

#### 1. Short title, extent and commencement. -

(1) This Code may be called the Insolvency and Bankruptcy Code, 2016.

(2) It extends to the whole of India.

<sup>1</sup>[\*\*\*]

(3) 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 Code and any reference in any such provision to the commencement of this Code shall be construed as a reference to the commencement of that provision.

#### 2. Application. –

The provisions of this Code shall apply to—

(a) any company incorporated under the Companies Act, 2013 (18 of 2013) or under any previous company law;

(b) any other company governed by any special Act for the time being in force, except in so far as the said provisions are inconsistent with the provisions of such special Act;

(c) any Limited Liability Partnership incorporated under the Limited Liability

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<sup>1</sup> Omitted by the Jammu and Kashmir Reorganisation (Adaptation of Central Laws) Order, 2020 No.SO1123(E) dated 18<sup>th</sup> March, 2020. Before omission, it stood as “*Provided that Part III of this Code shall not extend to the state of Jammu and Kashmir.*”

Partnership Act, 2008 (6 of 2009);

(d) such other body incorporated under any law for the time being in force, as the Central Government may, by notification, specify in this behalf; <sup>1</sup>[\*\*\*]

[<sup>2</sup> (e) personal guarantors to corporate debtors;

(f) partnership firms and proprietorship firms; and

(g) individuals, other than persons referred to in clause (e).]

in relation to their insolvency, liquidation, voluntary liquidation or bankruptcy, as the case may be.

### **3. Definitions. –**

In this Code, unless the context otherwise requires, -

(1) “Board” means the Insolvency and Bankruptcy Board of India established under sub-section (1) of section 188;

(2) “bench” means a bench of the Adjudicating Authority;

(3) “bye-laws” mean the bye-laws made by the insolvency professional agency under section 205;

(4) “charge” means an interest or lien created on the property or assets of any person or any of its undertakings or both, as the case may be, as security and includes a mortgage;

(5) “Chairperson” means the Chairperson of the Board;

(6) “claim” means –

(a) a right to payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, secured, or unsecured;

(b) right to remedy for breach of contract under any law for the time being in force, if such breach gives rise to a right to payment, whether or not such right is reduced to judgment, fixed, matured, unmatured, disputed, undisputed, secured or unsecured;

(7) “corporate person” means a company as defined in clause (20) of section 2 of the Companies Act, 2013 (18 of 2013), a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008 (6 of 2009), or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider;

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<sup>1</sup> The word “and” omitted by Act 8 of 2018, sec. 2(i) (w.r.e.f. 23-11-2017).

<sup>2</sup> Subs. by Act No. 8 of 2018, sec. 2 (ii), for clause (e) (w.r.e.f. 23-11-2017). Clause (e), before substitution, stood as under:

“(e) partnership firms and individuals,”.

- (8) “corporate debtor” means a corporate person who owes a debt to any person;
- (9) “core services” means services rendered by an information utility for –
- (a) accepting electronic submission of financial information in such form and manner as may be specified;
  - (b) safe and accurate recording of financial information;
  - (c) authenticating and verifying the financial information submitted by a person;
- and
- (d) providing access to information stored with the information utility to persons as may be specified;
- (10) “creditor” means any person to whom a debt is owed and includes a financial creditor, an operational creditor, a secured creditor, an unsecured creditor and a decree-holder;
- (11) “debt” means a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt;
- (12) “default” means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not <sup>1</sup>[paid] by the debtor or the corporate debtor, as the case may be;
- (13) “financial information”, in relation to a person, means one or more of the following categories of information, namely: -
- (a) records of the debt of the person;
  - (b) records of liabilities when the person is solvent;
  - (c) records of assets of person over which security interest has been created;
  - (d) records, if any, of instances of default by the person against any debt;
  - (e) records of the balance sheet and cash-flow statements of the person; and
  - (f) such other information as may be specified.
- (14) “financial institution” means-
- (a) a scheduled bank;
  - (b) financial institution as defined in section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934);
  - (c) public financial institution as defined in clause (72) of section 2 of the Companies Act, 2013 (18 of 2013); and
  - (d) such other institution as the Central Government may by notification specify

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 2 for the word ‘repaid’ (w.e.f. 6-6-2018).

as a financial institution;

(15) “financial product” means securities, contracts of insurance, deposits, credit arrangements including loans and advances by banks and financial institutions, retirement benefit plans, small savings instruments, foreign currency contracts other than contracts to exchange one currency (whether Indian or not) for another which are to be settled immediately, or any other instrument as may be prescribed;

(16) “financial service” includes any of the following services, namely: –

(a) accepting of deposits;

(b) safeguarding and administering assets consisting of financial products, belonging to another person, or agreeing to do so;

(c) effecting contracts of insurance;

(d) offering, managing or agreeing to manage assets consisting of financial products belonging to another person;

(e) rendering or agreeing, for consideration, to render advice on or soliciting for the purposes of—

(i) buying, selling, or subscribing to, a financial product;

(ii) availing a financial service; or

(iii) exercising any right associated with a financial product or financial service;

(f) establishing or operating an investment scheme;

(g) maintaining or transferring records of ownership of a financial product;

(h) underwriting the issuance or subscription of a financial product; or

(i) selling, providing, or issuing stored value or payment instruments or providing payment services;

(17) “financial service provider” means a person engaged in the business of providing financial services in terms of authorisation issued or registration granted by a financial sector regulator;

(18) “financial sector regulator” means an authority or body constituted under any law for the time being in force to regulate services or transactions of financial sector and includes the Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority of India, the Pension Fund Regulatory Authority and such other regulatory authorities as may be notified by the Central Government;

(19) “insolvency professional” means a person enrolled under section 206 with an insolvency professional agency as its member and registered with the Board as an insolvency

professional under section 207;

(20) “insolvency professional agency” means any person registered with the Board under section 201 as an insolvency professional agency;

(21) “information utility” means a person who is registered with the Board as an information utility under section 210;

(22) “notification” means a notification published in the Official Gazette, and the terms “notified” and “notify” shall be construed accordingly;

(23) “person” includes -

- (a) an individual;
- (b) a Hindu Undivided Family;
- (c) a company;
- (d) a trust;
- (e) a partnership;
- (f) a limited liability partnership; and
- (g) any other entity established under a statute,

and includes a person resident outside India;

(24) “person resident in India” shall have the meaning as assigned to such term in clause (v) of section 2 of the Foreign Exchange Management Act, 1999 (42 of 1999);

(25) “person resident outside India” means a person other than a person resident in India;

(26) “prescribed” means prescribed by rules made by the Central Government;

(27) “property” includes money, goods, actionable claims, land and every description of property situated in India or outside India and every description of interest including present or future or vested or contingent interest arising out of, or incidental to, property;

(28) “regulations” means the regulations made by the Board under this Code;

(29) “Schedule” means the Schedule annexed to this Code;

(30) “secured creditor” means a creditor in favour of whom security interest is created;

(31) “security interest” means right, title or interest or a claim to property, created in favour of, or provided for a secured creditor by a transaction which secures payment or performance of an obligation and includes mortgage, charge, hypothecation, assignment and encumbrance or any other agreement or arrangement securing payment or performance of any obligation of any person:

Provided that security interest shall not include a performance guarantee;

(32) “specified” means specified by regulations made by the Board under this Code and the term “specify” shall be construed accordingly;

(33) “transaction” includes a agreement or arrangement in writing for the transfer of assets, or funds, goods or services, from or to the corporate debtor;

(34) “transfer” includes sale, purchase, exchange, mortgage, pledge, gift, loan or any other form of transfer of right, title, possession or lien;

(35) “transfer of property” means transfer of any property and includes a transfer of any interest in the property and creation of any charge upon such property;

(36) “workman” shall have the same meaning as assigned to it in clause (s) of section 2 of the Industrial Disputes Act, 1947(14 of 1947);

(37) words and expressions used but not defined in this Code but defined in the Indian Contract Act, 1872(9 of 1872), the Indian Partnership Act, 1932 (9 of 1932), the Securities Contract (Regulation) Act, 1956 (42 of 1956), the Securities Exchange Board of India Act, 1992 (15 of 1992), the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993), the Limited Liability Partnership Act, 2008 (6 of 2009) and the Companies Act, 2013 (18 of 2013), shall have the meanings respectively assigned to them in those Acts.

## **PART II**

### **INSOLVENCY RESOLUTION AND LIQUIDATION FOR CORPORATE PERSONS**

#### **CHAPTER I**

##### **PRELIMINARY**

#### **4. Application of this Part. –**

(1) This Part shall apply to matters relating to the insolvency and liquidation of corporate debtors where the minimum amount of the default is one lakh rupees:

Provided that the Central Government may, by notification, specify the minimum amount of default of higher value which shall not be more than one crore rupees.

<sup>1</sup>[Provided further that the Central Government may, by notification, specify such minimum amount of default of higher value, which shall not be more than one crore rupees, for matters relating to the pre-packaged insolvency resolution process of corporate debtors under Chapter III-A.]

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.2 (w.e.f. 04-04-2021).

## 5. Definitions. –

In this Part, unless the context otherwise requires, –

(1) “Adjudicating Authority”, for the purposes of this Part, means National Company Law Tribunal constituted under section 408 of the Companies Act, 2013 (18 of 2013);

(2) “auditor” means a chartered accountant certified to practice as such by the Institute of Chartered Accountants of India under section 6 of the Chartered Accountants Act, 1949 (XXXVIII of 1939);

<sup>1</sup>[(2A) “base resolution plan” means a resolution plan provided by the corporate debtor under clause (c) of sub-section (4) of section 54A;]

(3) “Chapter” means a Chapter under this Part;

(4) “constitutional document”, in relation to a corporate person, includes articles of association, memorandum of association of a company and incorporation document of a Limited Liability Partnership;

(5) “corporate applicant” means –

(a) corporate debtor; or

(b) a member or partner of the corporate debtor who is authorised to make an application for the corporate insolvency resolution process <sup>2</sup>[or the pre-packaged insolvency resolution process, as the case may be,] under the constitutional document of the corporate debtor; or

(c) an individual who is in charge of managing the operations and resources of the corporate debtor; or

(d) a person who has the control, and supervision over the financial affairs of the corporate debtor;

<sup>3</sup>[(5A) “corporate guarantor” means a corporate person who is the surety in a contract of guarantee to a corporate debtor;]

(6) “dispute” includes a suit or arbitration proceedings relating to–

(a) the existence of the amount of debt;

(b) the quality of goods or service; or

(c) the breach of a representation or warranty;

(7) “financial creditor” means any person to whom a financial debt is owed and includes

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.3(i) (w.e.f. 04-04-2021).

<sup>2</sup> Ins. by Act No. 26 of 2021, sec.3(ii) (w.e.f. 04-04-2021).

<sup>3</sup> Ins. by Act No. 26 of 2018, sec. 3 (w.e.f. 6-6-2018).

a person to whom such debt has been legally assigned or transferred to;

(8) “financial debt” means a debt alongwith interest, if any, which is disbursed against the consideration for the time value of money and includes–

(a) money borrowed against the payment of interest;

(b) any amount raised by acceptance under any acceptance credit facility or its dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;

(e) receivables sold or discounted other than any receivables sold on non-recourse basis;

(f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

<sup>1</sup>**[Explanation.** -For the purposes of this sub-clause, -

(i) any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and

(ii) the expressions, “allottee” and “real estate project” shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016);]

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account;

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;

(i) the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause;

(9) “financial position”, in relation to any person, means the financial information of a person as on a certain date;

(10) “information memorandum” means a memorandum prepared by resolution

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 3 (w.e.f. 6-6-2018).



professional under sub-section (1) of section 29;

(11) “initiation date” means the date on which a financial creditor, corporate applicant or operational creditor, as the case may be, makes an application to the Adjudicating Authority for initiating corporate insolvency resolution process <sup>1</sup>[or pre-packaged insolvency resolution process, as the case may be];

(12) “insolvency commencement date” means the date of admission of an application for initiating corporate insolvency resolution process by the Adjudicating Authority under sections 7, 9 or section 10, as the case may be:

<sup>2</sup>[\*\*\*];

(13) “insolvency resolution process costs” means –

(a) the amount of any interim finance and the costs incurred in raising such finance;

(b) the fees payable to any person acting as a resolution professional;

(c) any costs incurred by the resolution professional in running the business of the corporate debtor as a going concern;

(d) any costs incurred at the expense of the Government to facilitate the insolvency resolution process; and

(e) any other costs as may be specified by the Board;

(14) “insolvency resolution process period” means the period of one hundred and eighty days beginning from the insolvency commencement date and ending on one hundred and eightieth day;

(15) “interim finance” means any financial debt raised by the resolution professional during the insolvency resolution process period <sup>3</sup>[or by the corporate debtor during the pre-packaged insolvency resolution process period, as the case may be] <sup>4</sup>[and such other debt as may be notified];

(16) “liquidation cost” means any cost incurred by the liquidator during the period of liquidation subject to such regulations, as may be specified by the Board;

(17) “liquidation commencement date” means the date on which proceedings for liquidation commence in accordance with section 33 or section 59, as the case may be;

(18) “liquidator” means an insolvency professional appointed as a liquidator in

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.3(iii) (w.e.f. 04-04-2021).

<sup>2</sup> Omitted by Act No. 1 of 2020, sec.2 (w.e.f. 28-12-2019). Before omission it stood as “Provided that where the interim resolution professional is not appointed in the order admitting application under section 7, 9 or 10, the insolvency commencement date shall be the date on which such interim resolution professional is appointed by the Adjudicating Authority”; which was Ins. by Act No. 26 of 2018, sec. 3 (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 26 of 2021, sec.3(iv) (w.e.f. 04-04-2021).

<sup>4</sup> Ins. by Act No. 1 of 2020, sec.2 (w.e.f. 28-12-2019).

accordance with the provisions of Chapter III or Chapter V of this Part, as the case may be;

(19) “officer” for the purposes of <sup>1</sup>[Chapter VI and] Chapter VII of this Part, means an officer who is in default, as defined in clause (60) of section 2 of the Companies Act, 2013 (18 of 2013), or a designated partner as defined in clause (j) of section 2 of the Limited Liability Partnership Act, 2008 (6 of 2009), as the case may be;

(20) “operational creditor” means a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred;

(21) “operational debt” means a claim in respect of the provision of goods or services including employment or a debt in respect of the <sup>2</sup>[payment] of dues arising under any law for the time being in force and payable to the Central Government, any State Government or any local authority;

(22) “personal guarantor” means an individual who is the surety in a contract of guarantee to a corporate debtor;

(23) “personnel” includes the directors, managers, key managerial personnel, designated partners and employees, if any, of the corporate debtor;

<sup>3</sup>[(23A) “preliminary information memorandum” means a memorandum submitted by the corporate debtor under clause (b) of sub-section (1) of section 54G;

(23B) “pre-packaged insolvency commencement date” means the date of admission of an application for initiating the pre-packaged insolvency resolution process by the Adjudicating Authority under clause (a) of sub-section (4) of section 54C;

(23C) “pre-packaged insolvency resolution process costs” means—

- (a) the amount of any interim finance and the costs incurred in raising such finance;
- (b) the fees payable to any person acting as a resolution professional and any expenses incurred by him for conducting the pre-packaged insolvency resolution process during the pre-packaged insolvency resolution process period, subject to sub-section (6) of section 54F;
- (c) any costs incurred by the resolution professional in running the business of the corporate debtor as a going concern pursuant to an order under sub-section (2) of section 54J;
- (d) any costs incurred at the expense of the Government to facilitate the pre-packaged insolvency resolution process; and
- (e) any other costs as may be specified;

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.3(v) (w.e.f. 04-04-2021).

<sup>2</sup> Subs. by Act No. 26 of 2018, sec. 3 for the word ‘repayment’ (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 26 of 2021, sec.3(vi) (w.e.f. 04-04-2021).

(23D) “pre-packaged insolvency resolution process period” means the period beginning from the pre-packaged insolvency commencement date and ending on the date on which an order under sub-section (1) of section 54L, or sub-section (1) of section 54N, or sub-section (2) of section 54-O, as the case may be, is passed by the Adjudicating Authority;]

(24) “related party”, in relation to a corporate debtor, means-

(a) a director or partner of the corporate debtor or a relative of a director or partner of the corporate debtor;

(b) a key managerial personnel of the corporate debtor or a relative of a key managerial personnel of the corporate debtor;

(c) a limited liability partnership or a partnership firm in which a director, partner, or manager of the corporate debtor or his relative is a partner;

(d) a private company in which a director, partner or manager of the corporate debtor is a director and holds along with his relatives, more than two per cent. of its share capital;

(e) a public company in which a director, partner or manager of the corporate debtor is a director and holds along with relatives, more than two per cent. of its paid-up share capital;

(f) anybody corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;

(g) any limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, acts on the advice, directions or instructions of a director, partner or manager of the corporate debtor;

(h) any person on whose advice, directions or instructions, a director, partner or manager of the corporate debtor is accustomed to act;

(i) a body corporate which is a holding, subsidiary or an associate company of the corporate debtor, or a subsidiary of a holding company to which the corporate debtor is a subsidiary;

(j) any person who controls more than twenty per cent. of voting rights in the corporate debtor on account of ownership or a voting agreement;

(k) any person in whom the corporate debtor controls more than twenty per cent. of voting rights on account of ownership or a voting agreement;

(l) any person who can control the composition of the board of directors or corresponding governing body of the corporate debtor;

(m) any person who is associated with the corporate debtor on account of-

- (i) participation in policy making processes of the corporate debtor; or
- (ii) having more than two directors in common between the corporate debtor and such person; or
- (iii) interchange of managerial personnel between the corporate debtor and such person; or
- (iv) provision of essential technical information to, or from, the corporate debtor;

<sup>1</sup>[(24A) “related party”, in relation to an individual, means-

- (a) a person who is a relative of the individual or a relative of the spouse of the individual;
- (b) a partner of a limited liability partnership, or a limited liability partnership or a partnership firm, in which the individual is a partner;
- (c) a person who is a trustee of a trust in which the beneficiary of the trust includes the individual, or the terms of the trust confers a power on the trustee which may be exercised for the benefit of the individual;
- (d) a private company in which the individual is a director and holds along with his relatives, more than two per cent. of its share capital;
- (e) a public company in which the individual is a director and holds along with relatives, more than two per cent. of its paid-up share capital;
- (f) a body corporate whose board of directors, managing director or manager, in the ordinary course of business, acts on the advice, directions or instructions of the individual;
- (g) a limited liability partnership or a partnership firm whose partners or employees in the ordinary course of business, act on the advice, directions or instructions of the individual;
- (h) a person on whose advice, directions or instructions, the individual is accustomed to act;
- (i) a company, where the individual or the individual along with its related party, own more than fifty per cent. of the share capital of the company or controls the appointment of the board of directors of the company.

*Explanation.* - For the purposes of this clause, -

- (a) “relative”, with reference to any person, means anyone who is related to another, in the following manner, namely:-
  - (i) members of a Hindu Undivided Family,

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 3 (w.e.f. 6-6-2018).

- (ii) husband,
- (iii) wife,
- (iv) father,
- (v) mother,
- (vi) son,
- (vii) daughter,
- (viii) son's daughter and son,
- (ix) daughter's daughter and son,
- (x) grandson's daughter and son,
- (xi) granddaughter's daughter and son,
- (xii) brother,
- (xiii) sister,
- (xiv) brother's son and daughter,
- (xv) sister's son and daughter,
- (xvi) father's father and mother,
- (xvii) mother's father and mother,
- (xviii) father's brother and sister,
- (xix) mother's brother and sister; and

(b) wherever the relation is that of a son, daughter, sister or brother, their spouses shall also be included;]

<sup>1</sup>[(25) "resolution applicant" means a person, who individually or jointly with any other person, submits a resolution plan to the resolution professional pursuant to the invitation made under clause (h) of sub-section (2) of section 25 <sup>2</sup>[or pursuant to section 54K, as the case may be];

(26) "resolution plan" means a plan proposed by <sup>3</sup>[resolution applicant] for insolvency resolution of the corporate debtor as a going concern in accordance with Part II

<sup>4</sup>[*Explanation.* - For removal of doubts, it is hereby clarified that a resolution plan may include provisions for the restructuring of the corporate debtor, including by way of merger,

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<sup>1</sup> Subs. by Act No. 8 of 2018, sec. 3(a), for clause (25) (w.r.e.f. 23-11-2017). Clause (25), before substitution, stood as under:

'(25) "resolution applicant" means any person who submits a resolution plan to the resolution professional;'

<sup>2</sup> Ins. by Act No. 26 of 2021, sec.3(vii) (w.e.f. 04-04-2021).

<sup>3</sup> Subs. by Act 8 of 2018, sec. 3(b), for "any person" (w.r.e.f. 23-11-2017).

<sup>4</sup>Ins. by Act No. 26 of 2019, sec. 2 (w.e.f. 16-8-2019).

amalgamation and demerger;]

(27) “resolution professional”, for the purposes of this Part, means an insolvency professional appointed to conduct the corporate insolvency resolution process <sup>1</sup>[or the pre-packaged insolvency resolution process, as the case may be,] and includes an interim-resolution professional; and

(28) “voting share” means the share of the voting rights of a single financial creditor in the committee of creditors which is based on the proportion of the financial debt owed to such financial creditor in relation to the financial debt owed by the corporate debtor.

## CHAPTER II

### CORPORATE INSOLVENCY RESOLUTION PROCESS

#### **6. Persons who may initiate corporate insolvency resolution process. –**

Where any corporate debtor commits a default, a financial creditor, an operational creditor or the corporate debtor itself may initiate corporate insolvency resolution process in respect of such corporate debtor in the manner as provided under this Chapter.

#### **7. Initiation of corporate insolvency resolution process by financial creditor.**

(1) A financial creditor either by itself or jointly with <sup>2</sup>[**other** financial creditors, or any other person on behalf of the financial creditor, as may be notified by the Central Government] may file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority when a default has occurred.

<sup>3</sup>[Provided that for the financial creditors, referred to in clauses (a) and (b) of sub-section (6A) of section 21, an application for initiation corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such creditors in the same class or not less than ten per cent. of the total number of such creditors in the same class, whichever is less:

Provided further that for financial creditors who are allottees under a real estate project, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such allottees under the same real estate project or not less than ten per cent. of the total number of such allottees under the same real estate project, whichever is less:

Provided also that where an application for initiating the corporate insolvency resolution process against a corporate debtor has been filed by a financial creditor referred to in the first and second provisos and has not been admitted by the Adjudicating Authority before the commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2020, such

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.3(viii) (w.e.f. 04-04-2021).

<sup>2</sup> Subs. by Act No. 26 of 2018, sec. 4 for the words “other financial creditors” (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 1 of 2020, sec.3 (w.e.f. 28-12-2019).

application shall be modified to comply with the requirements of the first or second proviso within thirty days of the commencement of the said Act, failing which the application shall be deemed to be withdrawn before its admission.]

*Explanation.* - For the purposes of this sub-section, a default includes a default in respect of a financial debt owed not only to the applicant financial creditor but to any other financial creditor of the corporate debtor.

(2) The financial creditor shall make an application under sub-section (1) in such form and manner and accompanied with such fee as may be prescribed.

(3) The financial creditor shall, along with the application furnish -

(a) record of the default recorded with the information utility or such other record or evidence of default as may be specified;

(b) the name of the resolution professional proposed to act as an interim resolution professional; and

(c) any other information as may be specified by the Board.

(4) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), ascertain the existence of a default from the records of an information utility or on the basis of other evidence furnished by the financial creditor under sub-section (3):

<sup>1</sup>[Provided that if the Adjudicating Authority has not ascertained the existence of default and passed an order under sub-section (5) within such time, it shall record its reasons in writing for the same.]

(5) Where the Adjudicating Authority is satisfied that –

(a) a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceedings pending against the proposed resolution professional, it may, by order, admit such application; or

(b) default has not occurred or the application under sub-section (2) is incomplete or any disciplinary proceeding is pending against the proposed resolution professional, it may, by order, reject such application:

Provided that the Adjudicating Authority shall, before rejecting the application under clause (b) of sub-section (5), give a notice to the applicant to rectify the defect in his application within seven days of receipt of such notice from the Adjudicating Authority.

(6) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (5).

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<sup>1</sup> Ins. by Act No. 26 of 2019, sec. 3 (w.e.f. 16-8-2019).

(7) The Adjudicating Authority shall communicate-

(a) the order under clause (a) of sub-section (5) to the financial creditor and the corporate debtor;

(b) the order under clause (b) of sub-section (5) to the financial creditor, within seven days of admission or rejection of such application, as the case may be.

### **8. Insolvency resolution by operational creditor. -**

(1) An operational creditor may, on the occurrence of a default, deliver a demand notice of unpaid operational debt copy of an invoice demanding payment of the amount involved in the default to the corporate debtor in such form and manner as may be prescribed.

(2) The corporate debtor shall, within a period of ten days of the receipt of the demand notice or copy of the invoice mentioned in sub-section (1) bring to the notice of the operational creditor -

(a) existence of a dispute, <sup>1</sup>[if any, or] record of the pendency of the suit or arbitration proceedings filed before the receipt of such notice or invoice in relation to such dispute;

(b) the <sup>2</sup>[payment] of unpaid operational debt-

(i) by sending an attested copy of the record of electronic transfer of the unpaid amount from the bank account of the corporate debtor; or

(ii) by sending an attested copy of record that the operational creditor has encashed a cheque issued by the corporate debtor.

*Explanation.* – For the purposes of this section, a “demand notice” means a notice served by an operational creditor to the corporate debtor demanding <sup>3</sup>[payment] of the operational debt in respect of which the default has occurred.

### **9. Application for initiation of corporate insolvency resolution process by operational creditor. –**

(1) After the expiry of the period of ten days from the date of delivery of the notice or invoice demanding payment under sub-section (1) of section 8, if the operational creditor does not receive payment from the corporate debtor or notice of the dispute under sub-section (2) of section 8, the operational creditor may file an application before the Adjudicating Authority for initiating a corporate insolvency resolution process.

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec.5 (a) (i) for the words “if any, and” (w.e.f. 6-6-2018).

<sup>2</sup> Subs by Act No. 26 of 2018, sec.5 (a) (ii) for the word “repayment” (w.e.f. 6-6-2018).

<sup>3</sup> Subs. by Act No. 26 of 2018, sec.5 (b) for the word “repayment” (w.e.f. 6-6-2018).



(2) The application under sub-section (1) shall be filed in such form and manner and accompanied with such fee as may be prescribed.

(3) The operational creditor shall, along with the application furnish-

(a) a copy of the invoice demanding payment or demand notice delivered by the operational creditor to the corporate debtor;

(b) an affidavit to the effect that there is no notice given by the corporate debtor relating to a dispute of the unpaid operational debt;

(c) a copy of the certificate from the financial institutions maintaining accounts of the operational creditor confirming that there is no payment of an unpaid operational debt <sup>1</sup>[by the corporate debtor, if available;]

<sup>2</sup>[(d) a copy of any record with information utility confirming that there is no payment of an unpaid operational debt by the corporate debtor, if available; and

(e) any other proof confirming that there is no payment of an unpaid operational debt by the corporate debtor or such other information, as may be prescribed.]

(4) An operational creditor initiating a corporate insolvency resolution process under this section, may propose a resolution professional to act as an interim resolution professional.

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

(i) admit the application and communicate such decision to the operational creditor and the corporate debtor if, -

(a) the application made under sub-section (2) is complete;

(b) there is no <sup>3</sup>[payment] of the unpaid operational debt;

(c) the invoice or notice for payment to the corporate debtor has been delivered by the operational creditor;

(d) no notice of dispute has been received by the operational creditor or there is no record of dispute in the information utility; and

(e) there is no disciplinary proceeding pending against any resolution professional proposed under sub-section (4), if any.

(ii) reject the application and communicate such decision to the operational

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 6 (a) (i), for the words "by the corporate debtor; and" (w.e.f. 6-6-2018).

<sup>2</sup> Subs. by Act No. 26 of 2018, sec. 6 (a) (ii), for the words "such other information or as may be specified" (w.e.f. 6-6-2018).

<sup>3</sup> Subs. by Act No. 26 of 2018, sec. 6 (b) (A) for the word "repayment" (w.e.f. 6-6-2018).

creditor and the corporate debtor, if -

- (a) the application made under sub-section (2) is incomplete;
- (b) there has been <sup>1</sup>[payment] of the unpaid operational debt;
- (c) the creditor has not delivered the invoice or notice for payment to the corporate debtor;
- (d) notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility; or
- (e) any disciplinary proceeding is pending against any proposed resolution professional:

Provided that Adjudicating Authority, shall before rejecting an application under sub-clause (a) of clause (ii) give a notice to the applicant to rectify the defect in his application within seven days of the date of receipt of such notice from the adjudicating Authority.

(6) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (5) of this section.

#### **10. Initiation of corporate insolvency resolution process by corporate applicant. -**

(1) Where a corporate debtor has committed a default, a corporate applicant thereof may file an application for initiating corporate insolvency resolution process with the Adjudicating Authority.

(2) The application under sub-section (1) shall be filed in such form, containing such particulars and in such manner and accompanied with such fee as may be prescribed.

<sup>2</sup>[(3) The corporate applicant shall, along with the application, furnish-

(a) the information relating to its books of account and such other documents for such period as may be specified;

(b) the information relating to the resolution professional proposed to be appointed as an interim resolution professional; and

(c) the special resolution passed by shareholders of the corporate debtor or the resolution passed by at least three-fourth of the total number of partners of the corporate debtor, as the case may be, approving filing of the application.]

(4) The Adjudicating Authority shall, within a period of fourteen days of the receipt of

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 6 (b) (B) for the word “repayment” (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2018, sec. 7(a) (w.e.f. 6-6-2018), before substitution the sub clause 3, stood as under –  
“(3). The corporate applicant shall, along with the application furnished the information relating to –  
(a) its books of account and such other documents relating to such period as may be specified; and  
(b) the resolution professional proposed to be appointed as an interim resolution professional.”

the application, by an order-

(a) admit the application, if it is complete <sup>1</sup>[and no disciplinary proceeding is pending against the proposed resolution professional]; or

(b) reject the application, if it is incomplete <sup>2</sup>[or any disciplinary proceeding is pending against the proposed resolution professional]:

Provided that Adjudicating Authority shall, before rejecting an application, give a notice to the applicant to rectify the defects in his application within seven days from the date of receipt of such notice from the Adjudicating Authority.

(5) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (4) of this section.

### **<sup>3</sup>[10A. Suspension of initiation of corporate insolvency resolution process.**

Notwithstanding anything contained in sections 7, 9 and 10, no application for initiation of corporate insolvency resolution process of a corporate debtor shall be filed, for any default arising on or after 25<sup>th</sup> March, 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified in this behalf:

Provided that no application shall ever be filed for initiation of corporate insolvency resolution process of a corporate debtor for the said default occurring during the said period.

*Explanation.* - For the removal of doubts, it is hereby clarified that the provisions of this section shall not apply to any default committed under the said sections before 25<sup>th</sup> March, 2020.]

### **11. Persons not entitled to make application. -**

The following persons shall not be entitled to make an application to initiate corporate insolvency resolution process under this Chapter, namely: -

(a) a corporate debtor undergoing a corporate insolvency resolution process <sup>4</sup>[or a pre-packaged insolvency resolution process]; or

<sup>5</sup>[(aa) a financial creditor or an operational creditor of a corporate debtor undergoing a pre-packaged insolvency resolution process; or];

(b) a corporate debtor having completed corporate insolvency resolution process twelve months preceding the date of making of the application; or

<sup>6</sup>[(ba) a corporate debtor in respect of whom a resolution plan has been approved

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 7(b) (i) (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2018, sec. 7(b) (ii) (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 17 of 2020, sec. 2 (w.e.f. 05-06-2020).

<sup>4</sup> Ins. by Act No. 26 of 2021, sec.4(i) (w.e.f. 04-04-2021).

<sup>5</sup> Ins. by Act No. 26 of 2021, sec.4(ii) (w.e.f. 04-04-2021).

<sup>6</sup> Ins. by Act No. 26 of 2021, sec.4(iii) (w.e.f. 04-04-2021).

under Chapter III-A, twelve months preceding the date of making of the application; or]

(c) a corporate debtor or a financial creditor who has violated any of the terms of resolution plan which was approved twelve months before the date of making of an application under this Chapter; or

(d) a corporate debtor in respect of whom a liquidation order has been made.

*Explanation* <sup>1</sup>[I]. - For the purposes of this section, a corporate debtor includes a corporate applicant in respect of such corporate debtor.

<sup>2</sup>[*Explanation* II.- For the purposes of this section, it is hereby clarified that nothing in this section shall prevent a corporate debtor referred to in clauses (a) to (d) from initiating corporate insolvency resolution process against another corporate debtor.]

### **<sup>3</sup>[11A. Disposal of applications under section 54C and under section 7 or section 9 or section 10.**

(1) Where an application filed under section 54C is pending, the Adjudicating Authority shall pass an order to admit or reject such application, before considering any application filed under section 7 or section 9 or section 10 during the pendency of such application under section 54C, in respect of the same corporate debtor.

(2) Where an application under section 54C is filed within fourteen days of filing of any application under section 7 or section 9 or section 10, which is pending, in respect of the same corporate debtor, then, notwithstanding anything contained in sections 7, 9 and 10, the Adjudicating Authority shall first dispose of the application under section 54C.

(3) Where an application under section 54C is filed after fourteen days of the filing of any application under section 7 or section 9 or section 10, in respect of the same corporate debtor, the Adjudicating Authority shall first dispose of the application under section 7, section 9 or section 10.

(4) The provisions of this section shall not apply where an application under section 7 or section 9 or section 10 is filed and pending as on the date of the commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2021.]

## **12. Time-limit for completion of insolvency resolution process. -**

(1) Subject to sub-section (2), the corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of

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<sup>1</sup> Ins. by Act No. 1 of 2020, sec.4 (w.e.f. 28-12-2019).

<sup>2</sup> Ins. by Act No. 1 of 2020, sec.4 (w.e.f. 28-12-2019).

<sup>3</sup> Ins. by Act No. 26 of 2021, sec. 5 (w.e.f. 04-04-2021).

the application to initiate such process.

(2) The resolution professional shall file an application to the Adjudicating Authority to extend the period of the corporate insolvency resolution process beyond one hundred and eighty days, if instructed to do so by a resolution passed at a meeting of the committee of creditors by a vote of <sup>1</sup>[sixty-six] per cent. of the voting shares.

(3) On receipt of an application under sub-section (2), if the Adjudicating Authority is satisfied that the subject matter of the case is such that corporate insolvency resolution process cannot be completed within one hundred and eighty days, it may by order extend the duration of such process beyond one hundred and eighty days by such further period as it thinks fit, but not exceeding ninety days:

Provided that any extension of the period of corporate insolvency resolution process under this section shall not be granted more than once:

<sup>2</sup>[Provided further that the corporate insolvency resolution process shall mandatorily be completed within a period of three hundred and thirty days from the insolvency commencement date, including any extension of the period of corporate insolvency resolution process granted under this section and the time taken in legal proceedings in relation to such resolution process of the corporate debtor:

Provided also that where the insolvency resolution process of a corporate debtor is pending and has not been completed within the period referred to in the second proviso, such resolution process shall be completed within a period of ninety days from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019.]

<sup>3</sup>[**12A. Withdrawal of application admitted under section 7, 9 or 10. –**

The Adjudicating Authority may allow the withdrawal of application admitted under section 7 or section 9 or section 10, on an application made by the applicant with the approval of ninety per cent. voting share of the committee of creditors, in such manner as may be specified.]

### **13. Declaration of moratorium and public announcement. -**

(1) The Adjudicating Authority, after admission of the application under section 7 or section 9 or section 10, shall, by an order –

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

(b) cause a public announcement of the initiation of corporate insolvency resolution process and call for the submission of claims under section 15; and

(c) appoint an interim resolution professional in the manner as laid down in section

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 8 for the words, “seventy-five” (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2019, sec. 4 (w.e.f. 16-8-2019).

<sup>3</sup> Ins. by Act No. 26 of 2018, sec. 9 (w.e.f. 6-6-2018).

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(2) The public announcement referred to in clause (b) of sub-section (1) shall be made immediately after the appointment of the interim resolution professional.

#### **14. Moratorium. -**

(1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following, namely: -

(a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing off by the corporate debtor any of its assets or any legal right or beneficial interest therein;

(c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

<sup>1</sup>[*Explanation.*-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance 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, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]

(2) The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

<sup>2</sup>[(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the corporate debtor and manage the operations of such corporate debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such corporate debtor has not paid dues arising from such supply during the moratorium period or in such circumstances

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<sup>1</sup> Ins. by Act No. 1 of 2020, sec.5 (w.e.f. 28-12-2019).

<sup>2</sup> Ins. by Act No. 1 of 2020, sec.5 (w.e.f. 28-12-2019).

as may be specified.]

<sup>1</sup>[(3) The provisions of sub-section (1) shall not apply to —

<sup>2</sup>[(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;]

(b) a surety in a contract of guarantee to a corporate debtor.]

(4) The order of moratorium shall have effect from the date of such order till the completion of the corporate insolvency resolution process:

Provided that where at any time during the corporate insolvency resolution process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.

#### **15. Public announcement of corporate insolvency resolution process. -**

(1) The public announcement of the corporate insolvency resolution process under the order referred to in section 13 shall contain the following information, namely: –

(a) name and address of the corporate debtor under the corporate insolvency resolution process;

(b) name of the authority with which the corporate debtor is incorporated or registered;

(c) the last date for submission of <sup>3</sup>[claims, as may be specified];

(d) details of the interim resolution professional who shall be vested with the management of the corporate debtor and be responsible for receiving claims;

(e) penalties for false or misleading claims; and

(f) the date on which the corporate insolvency resolution process shall close, which shall be the one hundred and eightieth day from the date of the admission of the application under sections 7, 9 or section 10, as the case may be.

(2) The public announcement under this section shall be made in such manner as may be specified.

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 10 (w.e.f. 6-6-2018). Before its substitution, it stood as under: -

“(3) The provisions of sub-section (1) shall not apply to such transaction as may be notified by the Central Government in consultation with any financial sector regulator.”

<sup>2</sup> Subs. by Act No. 1 of 2020, sec.5 (w.e.f. 28-12-2019). Before substitution, it stood as “such transaction as may be notified by the Central Government in consultation with any financial regulator;”.

<sup>3</sup> Subs. by Act No. 26 of 2018, sec. 11 for the word “claims” (w.e.f. 6-6-2018).

## **16. Appointment and tenure of interim resolution professional. -**

(1) The Adjudicating Authority shall appoint an interim resolution professional <sup>1</sup>[on the insolvency commencement date].

(2) Where the application for corporate insolvency resolution process is made by a financial creditor or the corporate debtor, as the case may be, the resolution professional, as proposed respectively in the application under section 7 or section 10, shall be appointed as the interim resolution professional, if no disciplinary proceedings are pending against him.

(3) Where the application for corporate insolvency resolution process is made by an operational creditor and-

(a) no proposal for an interim resolution professional is made, 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;

(b) a proposal for an interim resolution professional is made under sub-section (4) of section 9, the resolution professional as proposed, shall be appointed as the interim resolution professional, if no disciplinary proceedings are pending against him.

(4) The Board shall, within ten days of the receipt of a reference from the Adjudicating Authority under sub-section (3), recommend the name of an insolvency professional to the Adjudicating Authority against whom no disciplinary proceedings are pending.

(5) The term of the interim resolution professional <sup>2</sup>[shall continue till the date of appointment of the resolution professional under section 22].

## **17. Management of affairs of corporate debtor by interim resolution professional. -**

(1) From the date of appointment of the interim resolution professional, -

(a) the management of the affairs of the corporate debtor shall vest in the interim resolution professional;

(b) the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the interim resolution professional;

(c) the officers and managers of the corporate debtor shall report to the interim resolution professional and provide access to such documents and records of the corporate debtor as may be required by the interim resolution professional;

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<sup>1</sup> Subs. by Act No. 1 of 2020, sec.6 (w.e.f. 28-12-2019). Before substitution, it stood as “within fourteen days from the insolvency commencement date”.

<sup>2</sup> Subs. by Act No.26 of 2018, sec. 12, for the words “shall not exceed thirty days from date of his appointment” (w.e.f. 6-6-2018).



(d) the financial institutions maintaining accounts of the corporate debtor shall act on the instructions of the interim resolution professional in relation to such accounts and furnish all information relating to the corporate debtor available with them to the interim resolution professional.

(2) The interim resolution professional vested with the management of the corporate debtor, shall-

(a) act and execute in the name and on behalf of the corporate debtor all deeds, receipts, and other documents, if any;

(b) take such actions, in the manner and subject to such restrictions, as may be specified by the Board;

(c) have the authority to access the electronic records of corporate debtor from information utility having financial information of the corporate debtor;

(d) have the authority to access the books of account, records and other relevant documents of corporate debtor available with government authorities, statutory auditors, accountants and such other persons as <sup>1</sup>[may be specified; and]

(e) <sup>2</sup>[be responsible for complying with the requirements under any law for the time being in force on behalf of the corporate debtor.]

#### **18. Duties of interim resolution professional. -**

The interim resolution professional shall perform the following duties, namely: -

(a) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor, including information relating to -

(i) business operations for the previous two years;

(ii) financial and operational payments for the previous two years;

(iii) list of assets and liabilities as on the initiation date; and

(iv) such other matters as may be specified;

(b) receive and collate all the claims submitted by creditors to him, pursuant to the public announcement made under sections 13 and 15;

(c) constitute a committee of creditors;

(d) monitor the assets of the corporate debtor and manage its operations until a resolution professional is appointed by the committee of creditors;

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 13 (i), for the words “may be specified” (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2018, sec. 13 (ii) (w.e.f. 6-6-2018).

(e) file information collected with the information utility, if necessary; and

(f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including -

(i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;

(ii) assets that may or may not be in possession of the corporate debtor;

(iii) tangible assets, whether movable or immovable;

(iv) intangible assets including intellectual property;

(v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;

(vi) assets subject to the determination of ownership by a court or authority;

(g) to perform such other duties as may be specified by the Board.

*Explanation.* – For the purposes of this <sup>1</sup>[section], the term “assets” shall not include the following, namely: -

(a) assets owned by a third party in possession of the corporate debtor held under trust or under contractual arrangements including bailment;

(b) assets of any Indian or foreign subsidiary of the corporate debtor; and

(c) such other assets as may be notified by the Central Government in consultation with any financial sector regulator.

### **19. Personnel to extend co-operation to interim resolution professional. -**

(1) The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor shall extend all assistance and cooperation to the interim resolution professional as may be required by him in managing the affairs of the corporate debtor.

(2) Where any personnel of the corporate debtor, its promoter or any other person required to assist or cooperate with the interim resolution professional does not assist or cooperate, the interim resolution professional may make an application to the Adjudicating Authority for necessary directions.

(3) The Adjudicating Authority, on receiving an application under sub-section (2), shall by an order, direct such personnel or other person to comply with the instructions of the

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 14, for the words “sub-section” (w.e.f. 6-6-2018).

resolution professional and to cooperate with him in collection of information and management of the corporate debtor.

## **20. Management of operations of corporate debtor as going concern. -**

(1) The interim resolution professional shall make every endeavour to protect and preserve the value of the property of the corporate debtor and manage the operations of the corporate debtor as a going concern.

(2) For the purposes of sub-section (1), the interim resolution professional shall have the authority-

(a) to appoint accountants, legal or other professionals as may be necessary;

(b) to enter into contracts on behalf of the corporate debtor or to amend or modify the contracts or transactions which were entered into before the commencement of corporate insolvency resolution process;

(c) to raise interim finance provided that no security interest shall be created over any encumbered property of the corporate debtor without the prior consent of the creditors whose debt is secured over such encumbered property:

Provided that no prior consent of the creditor shall be required where the value of such property is not less than the amount equivalent to twice the amount of the debt.

(d) to issue instructions to personnel of the corporate debtor as may be necessary for keeping the corporate debtor as a going concern; and

(e) to take all such actions as are necessary to keep the corporate debtor as a going concern.

## **21. Committee of creditors. -**

(1) The interim resolution professional shall after collation of all claims received against the corporate debtor and determination of the financial position of the corporate debtor, constitute a committee of creditors.

(2) The committee of creditors shall comprise all financial creditors of the corporate debtor:

Provided that a <sup>1</sup>[financial creditor or the authorised representative of the financial creditor referred to in sub-section (6) or sub-section (6A) or sub-section (5) of section 24, if it is a related party of the corporate debtor,] shall not have any right of representation, participation or voting in a meeting of the committee of creditors:

<sup>2</sup>[Provided further that the first proviso shall not apply to a financial creditor, regulated by

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<sup>1</sup>Subs. by Act No. 26 of 2018, sec. 15 (i) (a), for the words “related party to whom a corporate debtor owes a financial debt” (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2018, sec. 15 (i) (b) (w.e.f. 6-6-2018).

a financial sector regulator, if it is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares <sup>1</sup>[or completion of such transactions as may be prescribed], prior to the insolvency commencement date.]

(3) <sup>2</sup>[Subject to sub-sections (6) and (6A), where] the corporate debtor owes financial debts to two or more financial creditors as part of a consortium or agreement, each such financial creditor shall be part of the committee of creditors and their voting share shall be determined on the basis of the financial debts owed to them.

(4) Where any person is a financial creditor as well as an operational creditor, -

(a) such person shall be a financial creditor to the extent of the financial debt owed by the corporate debtor, and shall be included in the committee of creditors, with voting share proportionate to the extent of financial debts owed to such creditor;

(b) such person shall be considered to be an operational creditor to the extent of the operational debt owed by the corporate debtor to such creditor.

(5) Where an operational creditor has assigned or legally transferred any operational debt to a financial creditor, the assignee or transferee shall be considered as an operational creditor to the extent of such assignment or legal transfer.

(6) Where the terms of the financial debt extended as part of a consortium arrangement or syndicated facility <sup>3</sup>[\*\*\*] provide for a single trustee or agent to act for all financial creditors, each financial creditor may-

(a) authorise the trustee or agent to act on his behalf in the committee of creditors to the extent of his voting share;

(b) represent himself in the committee of creditors to the extent of his voting share;

(c) appoint an insolvency professional (other than the resolution professional) at his own cost to represent himself in the committee of creditors to the extent of his voting share; or

(d) exercise his right to vote to the extent of his voting share with one or more financial creditors jointly or severally.

<sup>4</sup>[(6A) Where a financial debt—

(a) is in the form of securities or deposits and the terms of the financial debt provide for appointment of a trustee or agent to act as authorised representative for all the financial creditors, such trustee or agent shall act on behalf of such

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<sup>1</sup> Ins. by Act No. 1 of 2020, sec. 7 (w.e.f. 28-12-2019).

<sup>2</sup> Subs. by Act No. 26 of 2018, sec. 15 (ii), for the word “Where” (w.e.f. 6-6-2018).

<sup>3</sup> The words “or issued as securities” omitted by Act. No 26 of 2018, sec. 15 (iii) (w.e.f. 6.6.2018).

<sup>4</sup> Ins. by Act No. 26 of 2018, sec. 15(iv) (w.e.f. 6-6-2018).

financial creditors;

(b) is owed to a class of creditors exceeding the number as may be specified, other than the creditors covered under clause (a) or sub-section (6), the interim resolution professional shall make an application to the Adjudicating Authority along with the list of all financial creditors, containing the name of an insolvency professional, other than the interim resolution professional, to act as their authorised representative who shall be appointed by the Adjudicating Authority prior to the first meeting of the committee of creditors;

(c) is represented by a guardian, executor or administrator, such person shall act as authorised representative on behalf of such financial creditors,

and such authorised representative under clause (a) or clause (b) or clause (c) shall attend the meetings of the committee of creditors, and vote on behalf of each financial creditor to the extent of his voting share.

(6B) The remuneration payable to the authorised representative-

(i) under clauses (a) and (c) of sub-section (6A), if any, shall be as per the terms of the financial debt or the relevant documentation; and

(ii) under clause (b) of sub-section (6A) shall be as specified which shall be form part of the insolvency resolution process costs.]

1[(7) The Board may specify the manner of voting and the determining of the voting share in respect of financial debts covered under sub-sections (6) and (6A).

(8) Save as otherwise provided in this Code, all decisions of the committee of creditors shall be taken by a vote of not less than fifty-one per cent. of voting share of the financial creditors:

Provided that where a corporate debtor does not have any financial creditors, the committee of creditors shall be constituted and shall comprise of such persons to exercise such functions in such manner as may be specified.]

(9) The committee of creditors shall have the right to require the resolution professional to furnish any financial information in relation to the corporate debtor at any time during the corporate insolvency resolution process.

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 15 (v) (w.e.f. 6.6.2018), before substitution, the clauses (7) & (8) as under: -

“(7) The Board may specify the manner of determining the voting share in respect of financial debts issued as securities under sub-section (6).

(8) All decisions of the committee of creditors shall be taken by a vote of not less than seventy - five per cent. of voting share of the financial creditors:”

(10) The resolution professional shall make available any financial information so required by the committee of creditors under sub-section (9) within a period of seven days of such requisition.

## **22. Appointment of resolution professional. -**

(1) The first meeting of the committee of creditors shall be held within seven days of the constitution of the committee of creditors.

(2) The committee of creditors, may, in the first meeting, by a majority vote of not less than <sup>1</sup>[sixty-six] per cent. of the voting share of the financial creditors, either resolve to appoint the interim resolution professional as a resolution professional or to replace the interim resolution professional by another resolution professional.

(3) Where the committee of creditors resolves under sub-section (2)-

(a) to continue the interim resolution professional as resolution professional <sup>2</sup>[subject to a written consent from the interim resolution professional in the specified form], it shall communicate its decision to the interim resolution professional, the corporate debtor and the Adjudicating Authority; or

(b) to replace the interim resolution professional, it shall file an application before the Adjudicating Authority for the appointment of the proposed resolution professional <sup>3</sup>[along with a written consent from the proposed resolution professional in the specified form].

(4) The Adjudicating Authority shall forward the name of the resolution professional proposed under clause (b) of sub-section (3) to the Board for its confirmation and shall make such appointment after confirmation by the Board.

(5) Where the Board does not confirm the name of the proposed resolution professional within ten days of the receipt of the name of the proposed resolution professional, the Adjudicating Authority shall, by order, direct the interim resolution professional to continue to function as the resolution professional until such time as the Board confirms the appointment of the proposed resolution professional.

## **23. Resolution professional to conduct corporate insolvency resolution process. -**

(1) Subject to section 27, the resolution professional shall conduct the entire corporate insolvency resolution process and manage the operations of the corporate debtor during the corporate insolvency resolution process period:

<sup>4</sup>[Provided that the resolution professional shall continue to manage the operations of

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 16 (a) for the words “seventy-five” (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2018, sec. 16 (b) (i) (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 26 of 2018, sec. 16 (b) (ii) (w.e.f. 6-6-2018).

<sup>4</sup> Subs. by Act No. 1 of 2020, sec. 8 (w.e.f. 28-12-2019). Before substitution, it stood as “Provided that the resolution professional shall, if the resolution plan under sub-section (6) of section 30 has been submitted, continue to

the corporate debtor after the expiry of the corporate insolvency resolution process period, until an order approving the resolution plan under sub-section (1) of section 31 or appointing a liquidator under section 34 is passed by the Adjudicating Authority.]

(2) The resolution professional shall exercise powers and perform duties as are vested or conferred on the interim resolution professional under this Chapter.

(3) In case of any appointment of a resolution professional under sub-sections (4) of section 22, the interim resolution professional shall provide all the information, documents and records pertaining to the corporate debtor in his possession and knowledge to the resolution professional.

#### **24. Meeting of committee of creditors. -**

(1) The members of the committee of creditors may meet in person or by such electronic means as may be specified.

(2) All meetings of the committee of creditors shall be conducted by the resolution professional.

(3) The resolution professional shall give notice of each meeting of the committee of creditors to-

(a) members of <sup>1</sup>[committee of creditors, including the authorised representatives referred to in sub-sections (6) and (6A) of section 21 and sub-section (5)];

(b) members of the suspended Board of Directors or the partners of the corporate persons, as the case may be;

(c) operational creditors or their representatives if the amount of their aggregate dues is not less than ten per cent. of the debt.

(4) The directors, partners and one representative of operational creditors, as referred to in sub-section (3), may attend the meetings of committee of creditors, but shall not have any right to vote in such meetings:

Provided that the absence of any such direct or, partner or representative of operational creditors, as the case may be, shall not invalidate proceedings of such meeting.

(5) <sup>2</sup>[Subject to sub-sections (6), (6A) and (6B) of section 21, any creditor] who is a member of the committee of creditors may appoint an insolvency professional other than the resolution professional to represent such creditor in a meeting of the committee of creditors:

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manage the operations of the corporate debtor after the expiry of the corporate insolvency resolution process period until an order is passed by the Adjudicating Authority under section 31.”, which was Ins. by Act No. 26 of 2018, sec. 17 (w.e.f. 6-6-2018).

<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 18(i) for the words “Committee of creditors” (w.e.f. 6-6-2018).

<sup>2</sup> Subs. by Act No. 26 of 2018, sec. 18 (ii) for the words “Any creditor” (w.e.f. 6-6-2018).

Provided that the fees payable to such insolvency professional representing any individual creditor will be borne by such creditor.

(6) Each creditor shall vote in accordance with the voting share assigned to him based on the financial debts owed to such creditor.

(7) The resolution professional shall determine the voting share to be assigned to each creditor in the manner specified by the Board.

(8) The meetings of the committee of creditors shall be conducted in such manner as may be specified.

## **25. Duties of resolution professional. -**

(1) It shall be the duty of the resolution professional to preserve and protect the assets of the corporate debtor, including the continued business operations of the corporate debtor.

(2) For the purposes of sub-section (1), the resolution professional shall undertake the following actions, namely: -

(a) take immediate custody and control of all the assets of the corporate debtor, including the business records of the corporate debtor;

(b) represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial or arbitration proceedings;

(c) raise interim finances subject to the approval of the committee of creditors under section 28;

(d) appoint accountants, legal or other professionals in the manner as specified by Board;

(e) maintain an updated list of claims;

(f) convene and attend all meetings of the committee of creditors;

(g) prepare the information memorandum in accordance with section 29;

<sup>1</sup>[(h) invite prospective resolution applicants, who fulfil such criteria as may be laid down by him with the approval of committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plan or plans.]

(i) present all resolution plans at the meetings of the committee of creditors;

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<sup>1</sup> Subs. by Act 8 of 2018, sec. 4, for clause (h) (w.r.e.f. 23-11-2017). Clause (h), before substitution, stood as under:

“(h) invite prospective lenders, investors, and any other persons to put forward resolution plans;”.



- (j) file application for avoidance of transactions in accordance with Chapter III, if any; and
- (k) such other actions as may be specified by the Board.

**<sup>1</sup>[25A. Rights and duties of authorised representative of financial creditors. –**

(1) The authorised representative under sub-section (6) or sub-section (6A) of section 21 or sub-section (5) of section 24 shall have the right to participate and vote in meetings of the committee of creditors on behalf of the financial creditor he represents in accordance with the prior voting instructions of such creditors obtained through physical or electronic means.

(2) It shall be the duty of the authorised representative to circulate the agenda and minutes of the meeting of the committee of creditors to the financial creditor he represents.

(3) The authorised representative shall not act against the interest of the financial creditor he represents and shall always act in accordance with their prior instructions:

Provided that if the authorised representative represents several financial creditors, then he shall cast his vote in respect of each financial creditor in accordance with instructions received from each financial creditor, to the extent of his voting share:

Provided further that if any financial creditor does not give prior instructions through physical or electronic means, the authorised representative shall abstain from voting on behalf of such creditor.

<sup>2</sup>[(3A) Notwithstanding anything to the contrary contained in sub-section (3), the authorised representative under sub-section (6A) of section 21 shall cast his vote on behalf of all the financial creditors he represents in accordance with the decision taken by a vote of more than fifty per cent. of the voting share of the financial creditors he represents, who have cast their vote:

Provided that for a vote to be cast in respect of an application under section 12A, the authorised representative shall cast his vote in accordance with the provisions of sub-section (3).]

(4) The authorised representative shall file with the committee of creditors any instructions received by way of physical or electronic means, from the financial creditor he represents, for voting in accordance therewith, to ensure that the appropriate voting instructions of the financial creditor he represents is correctly recorded by the interim resolution professional or resolution professional, as the case may be.

*Explanation.*- For the purposes of this section, the “electronic means” shall be such as

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 19 (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2019, sec. 5 (w.e.f. 16-8-2019).

may be specified.]

## **26. Application for avoidance of transactions not to affect proceedings. -**

The filing of an avoidance application under clause (j) of sub-section (2) of section 25 by the resolution professional shall not affect the proceedings of the corporate insolvency resolution process.

## **27. Replacement of resolution professional by committee of creditors. -**

(1) Where, at any time during the corporate insolvency resolution process, the committee or creditors is of the opinion that a resolution professional appointed under section 22 is required to be replaced, it may replace him with another resolution professional in the manner provided under this section.

<sup>1</sup>[(2) The committee of creditors may, at a meeting, by a vote of sixty-six per cent of voting shares, resolve to replace the resolution professional appointed under section 22 with another resolution professional, subject to a written consent from the proposed resolution professional in the specified form.]

(3) The committee of creditors shall forward the name of the insolvency professional proposed by them to the Adjudicating Authority.

(4) The Adjudicating Authority shall forward the name of the proposed resolution professional to the Board for its confirmation and a resolution professional shall be appointed in the same manner as laid down in section 16.

(5) Where any disciplinary proceedings are pending against the proposed resolution professional under sub-section (3), the resolution professional appointed under section 22 shall continue till the appointment of another resolution professional under this section.

## **28. Approval of committee of creditors for certain actions. -**

(1) Notwithstanding anything contained in any other law for the time being in force, the resolution professional, during the corporate insolvency resolution process, shall not take any of the following actions without the prior approval of the committee of creditors namely: -

(a) raise any interim finance in excess of the amount as may be decided by the committee of creditors in their meeting;

(b) create any security interest over the assets of the corporate debtor;

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 20 (w.e.f. 6-6-2018). Clause (2), before substitution stood as under:

“(2) The committee of creditors may, at a meeting, by a vote of seventy-five per cent. of voting shares, propose to replace the resolution professional appointed under section 22 with another resolution professional.”

(c) change the capital structure of the corporate debtor, including by way of issuance of additional securities, creating a new class of securities or buying back or redemption of issued securities in case the corporate debtor is a company;

(d) record any change in the ownership interest of the corporate debtor;

(e) give instructions to financial institutions maintaining accounts of the corporate debtor for a debit transaction from any such accounts in excess of the amount as may be decided by the committee of creditors in their meeting;

(f) undertake any related party transaction;

(g) amend any constitutional documents of the corporate debtor;

(h) delegate its authority to any other person;

(i) dispose of or permit the disposal of shares of any shareholder of the corporate debtor or their nominees to third parties;

(j) make any change in the management of the corporate debtor or its subsidiary;

(k) transfer rights or financial debts or operational debts under material contracts otherwise than in the ordinary course of business;

(l) make changes in the appointment or terms of contract of such personnel as specified by the committee of creditors; or

(m) make changes in the appointment or terms of contract of statutory auditors or internal auditors of the corporate debtor.

(2) The resolution professional shall convene a meeting of the committee of creditors and seek the vote of the creditors prior to taking any of the actions under sub-section (1).

(3) No action under sub-section (1) shall be approved by the committee of creditors unless approved by a vote of <sup>1</sup>[~~sixty-six~~] per cent. of the voting shares.

(4) Where any action under sub-section (1) is taken by the resolution professional without seeking the approval of the committee of creditors in the manner as required in this section, such action shall be void.

(5) The committee of creditors may report the actions of the resolution professional under sub-section (4) to the Board for taking necessary actions against him under this Code.

## **29. Preparation of information memorandum. -**

(1) The resolution professional shall prepare an information memorandum in such form and manner containing such relevant information as may be specified by the Board for

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec. 21, for the words “seventy-five” (w.e.f. 6-6-2018).

formulating a resolution plan.

(2) The resolution professional shall provide to the resolution applicant access to all relevant information in physical and electronic form, provided such resolution applicant undertakes-

(a) to comply with provisions of law for the time being in force relating to confidentiality and insider trading;

(b) to protect any intellectual property of the corporate debtor it may have access to; and

(c) not to share relevant information with third parties unless clauses (a) and (b) of this sub-section are complied with.

*Explanation.* – For the purposes of this section, “relevant information” means the information required by the resolution applicant to make the resolution plan for the corporate debtor, which shall include the financial position of the corporate debtor, all information related to disputes by or against the corporate debtor and any other matter pertaining to the corporate debtor as may be specified.

**<sup>1</sup>[29A. Persons not eligible to be resolution applicant. -**

A person shall not be eligible to submit a resolution plan, if such person, or any other person acting jointly or in concert with such person—

(a) is an undischarged insolvent;

(b) is a wilful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);

(c) <sup>2</sup>[at the time of submission of the resolution plan has an account,] or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) <sup>3</sup>[or the guidelines of a financial sector regulator issued under any other law for the time being in force,] and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor:

Provided that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to non-performing asset accounts before submission of resolution plan:

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<sup>1</sup> Ins. by Act 8 of 2018, sec. 5 (w.r.e.f. 23-11-2017).

<sup>2</sup> Subs. by Act No. 26 of 2018, sec 22(i) (A), for the words “has an account” (w.e.f. 6-6-2018.).

<sup>3</sup> Ins. by Act No. 26 of 2018, sec 22(i) (B) (w.e.f. 6-6-2018).

<sup>1</sup>[Provided further that nothing in this clause shall apply to a resolution applicant where such applicant is a financial entity and is not a related party to the corporate debtor.

*Explanation I*- For the purposes of this proviso, the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares <sup>2</sup>[or completion of such transactions as may be prescribed], prior to the insolvency commencement date.

*Explanation II*— For the purposes of this clause, where a resolution applicant has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset and such account was acquired pursuant to a prior resolution plan approved under this Code, then, the provisions of this clause shall not apply to such resolution applicant for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under this Code;]

<sup>3</sup>[(d) has been convicted for any offence punishable with imprisonment –

(i) for two years or more under any Act specified under the Twelfth Schedule; or

(ii) for seven years or more under any law for the time being in force:

Provided that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment:

Provided further that this clause shall not apply in relation to a connected person referred to in clause(iii) of *Explanation I*];

(e) is disqualified to act as a director under the Companies Act, 2013 (18 of 2013):

<sup>4</sup>[Provided that this clause shall not apply in relation to a connected person referred to in clause (iii) of *Explanation I*;]

(f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;

(g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code:

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 22(i) (C) (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Ordinance No. Act No. 1 of 2020, sec. 9 (w.e.f. 28-12-2019).

<sup>3</sup> Subs by Act No. 26 of 2018, sec. 22 (ii) (w.e.f. 6-6-2018). Clause (d) before substitution stood as under:

“(d) has been convicted for any offence punishable with imprisonment for two years or more;”

<sup>4</sup> Ins. by Act No. 26 of 2018, sec. 22 (iii) (w.e.f. 6-6-2018).

<sup>1</sup>[Provided that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;]

(h) has executed <sup>2</sup>[a guarantee] in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code <sup>3</sup>[and such guarantee has been invoked by the creditor and remains unpaid in full or part];

(i) <sup>4</sup>[is] subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or

(j) has a connected person not eligible under clauses (a) to (i).

*Explanation*<sup>5</sup>[I]. — For the purposes of this clause, the expression "connected person" means—

(i) any person who is the promoter or in the management or control of the resolution applicant; or

(ii) any person who shall be the promoter or in management or control of the business of the corporate debtor during the implementation of the resolution plan; or

(iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii):

<sup>6</sup>[Provided that nothing in clause (iii) of *Explanation I* shall apply to a resolution applicant where such applicant is a financial entity and is not a related party of the corporate debtor:

Provided further that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 22 (iv) (w.e.f. 6-6-2018).

<sup>2</sup> Subs. by Act No. 26 of 2018, sec. 22 (v) (A) for the words "an enforceable guarantee" (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 26 of 2018, sec. 22 (v) (B) (w.e.f. 6-6-2018).

<sup>4</sup> Subs. by Act No. 26 of 2018, sec. 22 (vi) for the words "has been" (w.e.f. 6-6-2018).

<sup>5</sup> Numbered as **I** by Act No. 26 of 2018, sec 22(vii) (w.e.f. 6-6-2018).

<sup>6</sup> Subs. by Act No. 26 of 2018, sec. 22 (vii) (w.e.f. 6-6-2018). The proviso before substitution stood as under:

"Provided that nothing in clause (iii) of this *Explanation* shall apply to—

(A) a scheduled bank; or

(B) an asset reconstruction company registered with the Reserve Bank of India under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002); or

(C) an Alternate Investment Fund registered with the Securities and Exchange Board of India."

into equity shares or instruments convertible into equity shares <sup>1</sup>[or completion of such transactions as may be prescribed], prior to the insolvency commencement date;]

<sup>2</sup>[*Explanation II*—For the purposes of this section, "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely:—

(a) a scheduled bank;

(b) any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding;

(c) any investment vehicle, registered foreign institutional investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the meaning assigned to them in regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999 (42 of 1999);

(d) an asset reconstruction company register with the Reserve Bank of India under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(e) an Alternate Investment Fund registered with Securities and Exchange Board of India;

(f) such categories of persons as may be notified by the Central Government.]

### **30. Submission of resolution plan. -**

(1) A resolution applicant may submit a resolution plan <sup>3</sup>[along with an affidavit stating that he is eligible under section 29A] to the resolution professional prepared on the basis of the information memorandum.

(2) The resolution professional shall examine each resolution plan received by him to confirm that each resolution plan -

(a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the <sup>4</sup>[payment] of other debts of the corporate debtor;

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<sup>1</sup> Ins. by Act No. 1 of 2020, sec. 9 (w.e.f. 28-12-2019).

<sup>2</sup> Ins. by Act No. 26 of 2018, sec. 22 (viii) (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 26 of 2018, sec 23(i) (w.e.f. 6-6-2018).

<sup>4</sup> Subs. by Act No.26 of 2018, sec.23 (ii) (A) for the words "repayment" (w.e.f. 6-6-2018).

<sup>1</sup>[(b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than-

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

(ii) the amount 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,

whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.

*Explanation 1.* — For 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 2.* — For the purpose of this clause, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2019, the provisions of this clause shall also apply to the corporate insolvency resolution process of a corporate debtor-

(i) where a resolution plan has not been approved or rejected by the Adjudicating Authority;

(ii) where an appeal has been preferred under section 61 or section 62 or such an appeal is not time barred under any provision of law for the time being in force; or

(iii) where a legal proceeding has been initiated in any court against the decision of the Adjudicating Authority in respect of a resolution plan;]

(c) provides for the management of the affairs of the Corporate debtor after approval of the resolution plan;

(d) the implementation and supervision of the resolution plan;

(e) does not contravene any of the provisions of the law for the time being in force

(f) conforms to such other requirements as may be specified by the Board.

<sup>2</sup>[*Explanation.* — For the purposes of clause (e), if any approval of shareholders is required under the Companies Act, 2013(18 of 2013) or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given

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<sup>1</sup> Subs. by Act No. 26 of 2019, sec. 6 (w.e.f. 16-8-2019), before substitution it stood as “provides for the payment of the debts of operational creditors in such manner as may be specified by the Board which shall not be less than the amount to be paid to the operational creditors in the event of a liquidation of the corporate debtor under section 53;”

<sup>2</sup> Ins. By Act No.26 of 2018, sec.23 (ii) (B) (w.e.f. 6-6-2018).



and it shall not be a contravention of that Act or law.]

(3) The resolution professional shall present to the committee of creditors for its approval such resolution plans which confirm the conditions referred to in sub-section (2).

<sup>1</sup>[(4) The committee of creditors may approve a resolution plan by a vote of not less than <sup>2</sup>[sixty-six] per cent. of voting share of the financial creditors, after considering its feasibility and viability, <sup>3</sup>[the manner of distribution proposed, which may take into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor] and such other requirements as may be specified by the Board:

Provided that the committee of creditors shall not approve a resolution plan, submitted before the commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017 (Ord. 7 of 2017), where the resolution applicant is ineligible under section 29A and may require the resolution professional to invite a fresh resolution plan where no other resolution plan is available with it:

Provided further that where the resolution applicant referred to in the first proviso is ineligible under clause (c) of section 29A, the resolution applicant shall be allowed by the committee of creditors such period, not exceeding thirty days, to make payment of overdue amounts in accordance with the proviso to clause (c) of section 29A:

Provided also that nothing in the second proviso shall be construed as extension of period for the purposes of the proviso to sub-section (3) of section 12, and the corporate insolvency resolution process shall be completed within the period specified in that sub-section]:

<sup>4</sup>[Provided also that the eligibility criteria in section 29A as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 shall apply to the resolution applicant who has not submitted resolution plan as on the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018.]

(5) The resolution applicant may attend the meeting of the committee of creditors in which the resolution plan of the applicant is considered:

Provided that the resolution applicant shall not have a right to vote at the meeting of the committee of creditors unless such resolution applicant is also a financial creditor.

(6) The resolution professional shall submit the resolution plan as approved by the

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<sup>1</sup> Subs. by Act 8 of 2018, sec. 6, for sub-section (4) (w.r.e.f. 23-11-2017). Sub-section (4), before substitution stood as under:

“(4) The committee of creditors may approve a resolution plan by a vote of not less than seventy five per cent. of voting share of the financial creditors.”.

<sup>2</sup> Subs. by Act. No 26 of 2018, sec. 23 (iii) (a) for the words “seventy-five” (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 26 of 2019, sec. 6 (w.e.f. 16-8-2019).

<sup>4</sup> Ins. by Act. No. 26 of 2018, sec. 23 (iii) (b) (w.e.f. 6-6-2018).

committee of creditors to the Adjudicating Authority.

### **31. Approval of resolution plan. -**

(1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 meets the requirements as referred to in sub-section (2) of section 30, it shall by order approve the resolution plan which shall be binding on the corporate debtor and its employees, members, creditors, <sup>1</sup>[including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed,] guarantors and other stakeholders involved in the resolution plan.

<sup>2</sup>[Provided that the Adjudicating Authority shall, before passing an order for approval of resolution plan under this sub-section, satisfy that the resolution plan has provisions for its effective implementation.]

(2) Where the Adjudicating Authority is satisfied that the resolution plan does not confirm to the requirements referred to in sub-section (1), it may, by an order, reject the resolution plan.

(3) After the order of approval under sub-section (1), -

(a) the moratorium order passed by the Adjudicating Authority under section 14 shall cease to have effect; and

(b) the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board to be recorded on its database.

<sup>3</sup>(4) The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later:

Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002, the resolution applicant shall obtain the approval of the Competition Commission of India under that Act prior to the approval of such resolution plan by the committee of creditors.]

### **32. Appeal. -**

Any appeal from an order approving the resolution plan shall be in the manner and on the grounds laid down in sub-section (3) of section 61.

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<sup>1</sup> Ins. by Act No. 26 of 2019, sec. 7 (w.e.f. 16-8-2019).

<sup>2</sup> Ins. by Act. No. 26 of 2018, sec. 24 (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act. No. 26 of 2018, sec. 24 (w.e.f. 6-6-2018).

### **<sup>1</sup>[32A. Liability for prior offences, etc.**

(1) Notwithstanding anything to the contrary contained in this Code or any other law for the time being in force, the liability of a corporate debtor for an offence committed prior to the commencement of the corporate insolvency resolution process shall cease, and the corporate debtor shall not be prosecuted for such an offence from the date the resolution plan has been approved by the Adjudicating Authority under section 31, if the resolution plan results in the change in the management or control of the corporate debtor to a person who was not-

- (a) a promoter or in the management or control of the corporate debtor or a related party of such a person; or
- (b) a person with regard to whom the relevant investigating authority has, on the basis of material in its possession, reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court:

Provided that if a prosecution had been instituted during the corporate insolvency resolution process against such corporate debtor, it shall stand discharged from the date of approval of the resolution plan subject to requirements of this sub-section having fulfilled:

Provided further that every person who was a “designated partner” as defined in clause (j) of section 2 of the Limited Liability Partnership Act, 2008 or an “officer who is in default”, as defined in clause (60) of section 2 of the Companies Act, 2013, or was in any manner in-charge of, or responsible to the corporate debtor for the conduct of its business or associated with the corporate debtor in any manner and who was directly or indirectly involved in the commission of such offence as per the report submitted or complaint filed by the investigating authority, shall continue to be liable to be prosecuted and punished for such an offence committed by the corporate debtor notwithstanding that the corporate debtor’s liability has ceased under this sub-section.

(2) No action shall be taken against the property of the corporate debtor in relation to an offence committed prior to the commencement of the corporate insolvency resolution process of the corporate debtor, where such property is covered under a resolution plan approved by the Adjudicating Authority under section 31, which results in the change in control of the corporate debtor to a person, or sale of liquidation assets under the provisions of Chapter III of Part II of this Code to a person, who was not –

- (i) a promoter or in the management or control of the corporate debtor or a related party of such a person; or
- (ii) a person with regard to whom the relevant investigating authority has, on the basis of

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<sup>1</sup> Ins. by Act No. 1 of 2020, sec.10 (w.e.f. 28-12-2019).

material in its possession, reason to believe that he had abetted or conspired for the commission of the offence, and has submitted or filed a report or a complaint to the relevant statutory authority or Court.

*Explanation.*- For the purposes of this sub-section, it is hereby clarified that,-

(i) an action against the property of the corporate debtor in relation to an offence shall include the attachment, seizure, retention or confiscation of such property under such law as may be applicable to the corporate debtor;

(ii) nothing in this sub-section shall be construed to bar an action against the property of any person, other than the corporate debtor or a person who has acquired such property through corporate insolvency resolution process or liquidation process under this Code and fulfils the requirements specified in this section, against whom such an action may be taken under such law as may be applicable.

(3) Subject to the provisions contained in sub-sections (1) and (2), and notwithstanding the immunity given in this section, the corporate debtor and any person, who may be required to provide assistance under such law as may be applicable to such corporate debtor or person, shall extend all assistance and co-operation to any authority investigating an offence committed prior to the commencement of the corporate insolvency resolution process.]

### **CHAPTER III**

#### **LIQUIDATION PROCESS**

##### **33. Initiation of liquidation. -**

(1) Where the Adjudicating Authority, -

(a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast track corporate insolvency resolution process under section 56, as the case may be, does not receive a resolution plan under sub-section (6) of section 30; or

(b) rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein,

it shall -

(i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;

(ii) issue a public announcement stating that the corporate debtor is in liquidation; and

(iii) require such order to be sent to the authority with which the corporate debtor is registered.

(2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors <sup>1</sup>[approved by not less than sixty-six per cent. of the voting share] to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

<sup>2</sup>[*Explanation.* – For the purpose of this sub-section, it is hereby declared that the committee of creditors may take the decision to liquidate the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.]

(3) Where the resolution plan approved by the Adjudicating Authority <sup>3</sup>[under section 31 or under sub-section (1) of section 54L,] is contravened by the concerned corporate debtor, any person other than the corporate debtor, whose interests are prejudicially affected by such contravention, may make an application to the Adjudicating Authority for a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) sub-section (1).

(4) On receipt of an application under sub-section (3), if the Adjudicating Authority determines that the corporate debtor has contravened the provisions of the resolution plan, it shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

(5) Subject to section 52, when a liquidation order has been passed, no suit or other legal proceeding shall be instituted by or against the corporate debtor:

Provided that a suit or other legal proceeding may be instituted by the liquidator, on behalf of the corporate debtor, with the prior approval of the Adjudicating Authority.

(6) The provisions of sub-section (5) 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.

(7) The order for liquidation under this section shall be deemed to be a notice of discharge to the officers, employees and workmen of the corporate debtor, except when the business of the corporate debtor is continued during the liquidation process by the liquidator.

#### **34. Appointment of liquidator and fee to be paid. -**

(1) Where the Adjudicating Authority passes an order for liquidation of the corporate debtor under section 33, the resolution professional appointed for the corporate insolvency

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 25 (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2019, sec. 8 (w.e.f. 16-8-2019).

<sup>3</sup> Ins. by Act No. 26 of 2021, sec. 6 (w.e.f. 04-04-2021).

resolution process under <sup>1</sup>[Chapter II <sup>2</sup>[or for the pre-packaged insolvency resolution process under Chapter III-A] shall, subject to submission of a written consent by the resolution professional to the Adjudicatory Authority in specified form,] shall act as the liquidator for the purposes of liquidation unless replaced by the Adjudicating Authority under sub-section (4).

(2) On the appointment of a liquidator under this section, all powers of the board of directors, key managerial personnel and the partners of the corporate debtor, as the case may be, shall cease to have effect and shall be vested in the liquidator.

(3) The personnel of the corporate debtor shall extend all assistance and cooperation to the liquidator as may be required by him in managing the affairs of the corporate debtor and provisions of section 19 shall apply in relation to voluntary liquidation process as they apply in relation to liquidation process with the substitution of references to the liquidator for references to the interim resolution professional.

(4) The Adjudicating Authority shall by order replace the resolution professional, if—

(a) the resolution plan submitted by the resolution professional under section 30 was rejected for failure to meet the requirements mentioned in sub-section (2) of section 30; or

(b) the Board recommends the replacement of a resolution professional to the Adjudicating Authority for reasons to be recorded <sup>3</sup>[in writing; or]

<sup>4</sup>[(c) the resolution professional fails to submit written consent under sub-section (1).]

(5) For the purposes of <sup>5</sup>[clauses (a) and (c)] of sub-section (4), the Adjudicating Authority may direct the Board to propose the name of another insolvency professional to be appointed as a liquidator.

(6) The Board shall propose the name of another insolvency professional <sup>6</sup>[along with written consent from the insolvency professional in the specified form] within ten days of the direction issued by the Adjudicating Authority under sub-section (5).

(7) The Adjudicating Authority shall, on receipt of the proposal of the Board for the appointment of an insolvency professional as liquidator, by an order appoint such insolvency professional as the liquidator.

(8) An insolvency professional proposed to be appointed as a liquidator shall charge such fee for the conduct of the liquidation proceedings and in such proportion to the value of the liquidation estate assets, as may be specified by the Board.

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<sup>1</sup> Subs. by Act No. 26 of 2018, sec 26(a), for the words and figures “Chapter II shall” (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2021, sec. 7 (w.e.f. 04-04-2021).

<sup>3</sup> Sub by Act No. 26 of 2018, sec 26(b), for the words “in writing” (w.e.f. 6-6-2018).

<sup>4</sup> Ins. by Act No 26 of 2018, sec 26(b) (w.e.f. 6-6-2018).

<sup>5</sup> Subs. by Act No 26 of 2018, sec 26 (c), for the words and brackets “clause (a)” (w.e.f. 6-6-2018).

<sup>6</sup> Ins. by Act No.26 of 2018, sec 26 (d), (w.e.f. 6-6-2018)

(9) The fees for the conduct of the liquidation proceedings under sub-section (8) shall be paid to the liquidator from the proceeds of the liquidation estate under section 53.

### **35. Powers and duties of liquidator. -**

(1) Subject to the directions of the Adjudicating Authority, the liquidator shall have the following powers and duties, namely: -

(a) to verify claims of all the creditors;

(b) to take into his custody or control all the assets, property, effects and actionable claims of the corporate debtor;

(c) to evaluate the assets and property of the corporate debtor in the manner as may be specified by the Board and prepare a report;

(d) to take such measures to protect and preserve the assets and properties of the corporate debtor as he considers necessary;

(e) to carry on the business of the corporate debtor for its beneficial liquidation as he considers necessary;

(f) subject to section 52, to sell the immovable and movable property and actionable claims of the corporate debtor in liquidation by public auction or private contract, with power to transfer such property to any person or body corporate, or to sell the same in parcels in such manner as may be specified:

<sup>1</sup>[Provided that the liquidator shall not sell the immovable and movable property or actionable claims of the corporate debtor in liquidation to any person who is not eligible to be a resolution applicant.]

(g) to draw, accept, make and endorse any negotiable instruments including bill of exchange, hundi or promissory note in the name and on behalf of the corporate debtor, with the same effect with respect to the liability as if such instruments were drawn, accepted, made or endorsed by or on behalf of the corporate debtor in the ordinary course of its business;

(h) to take out, in his official name, letter of administration to any deceased contributory and to do in his official name any other act necessary for obtaining payment of any money due and payable from a contributory or his estate which cannot be ordinarily done in the name of the corporate debtor, and in all such cases, the money due and payable shall, for the purpose of enabling the liquidator to take out the letter of administration or recover the money, be deemed to be due to the liquidator himself;

(i) to obtain any professional assistance from any person or appoint any professional, in discharge of his duties, obligations and responsibilities;

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<sup>1</sup> Ins. by Act 8 of 2018, sec. 7 (w.r.e.f. 23-11-2017).

(j) to invite and settle claims of creditors and claimants and distribute proceeds in accordance with the provisions of this Code;

(k) to institute or defend any suit, prosecution or other legal proceedings, civil or criminal, in the name of or on behalf of the corporate debtor;

(l) to investigate the financial affairs of the corporate debtor to determine undervalued or preferential transactions;

(m) to take all such actions, steps, or to sign, execute and verify any paper, deed, receipt document, application, petition, affidavit, bond or instrument and for such purpose to use the common seal, if any, as may be necessary for liquidation, distribution of assets and in discharge of his duties and obligations and functions as liquidator;

(n) to apply to the Adjudicating Authority for such orders or directions as may be necessary for the liquidation of the corporate debtor and to report the progress of the liquidation process in a manner as may be specified by the Board; and

(o) to perform such other functions as may be specified by the Board.

(2) The liquidator shall have the power to consult any of the stakeholders entitled to a distribution of proceeds under section 53:

Provided that any such consultation shall not be binding on the liquidator:

Provided further that the records of any such consultation shall be made available to all other stakeholders not so consulted, in a manner specified by the Board.

### **36. Liquidation estate. -**

(1) For the purposes of liquidation, the liquidator shall form an estate of the assets mentioned in sub-section (3), which will be called the liquidation estate in relation to the corporate debtor.

(2) The liquidator shall hold the liquidation estate as a fiduciary for the benefit of all the creditors.

(3) Subject to sub-section (4), the liquidation estate shall comprise all liquidation estate assets which shall include the following: -

(a) any assets over which the corporate debtor has ownership rights, including all rights and interests therein as evidenced in the balance sheet of the corporate debtor or an information utility or records in the registry or any depository recording securities of the corporate debtor or by any other means as may be specified by the Board, including shares held in any subsidiary of the corporate debtor;

(b) assets that may or may not be in possession of the corporate debtor including but not limited to encumbered assets;

(c) tangible assets, whether movable or immovable;



(d) intangible assets including but not limited to intellectual property, securities (including shares held in a subsidiary of the corporate debtor) and financial instruments, insurance policies, contractual rights;

(e) assets subject to the determination of ownership by the court or authority;

(f) any assets or their value recovered through proceedings for avoidance of transactions in accordance with this Chapter;

(g) any asset of the corporate debtor in respect of which a secured creditor has relinquished security interest;

(h) any other property belonging to or vested in the corporate debtor at the insolvency commencement date; and

(i) all proceeds of liquidation as and when they are realised.

(4) The following shall not be included in the liquidation estate assets and shall not be used for recovery in the liquidation: -

(a) assets owned by a third party which are in possession of the corporate debtor, including -

(i) assets held in trust for any third party;

(ii) bailment contracts;

(iii) all sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund;

(iv) other contractual arrangements which do not stipulate transfer of title but only use of the assets; and

(v) such other assets as may be notified by the Central Government in consultation with any financial sector regulator;

(b) assets in security collateral held by financial services providers and are subject to netting and set-off in multi-lateral trading or clearing transactions;

(c) personal assets of any shareholder or partner of a corporate debtor as the case may be provided such assets are not held on account of avoidance transactions that may be avoided under this Chapter;

(d) assets of any Indian or foreign subsidiary of the corporate debtor; or

(e) any other assets as may be specified by the Board, including assets which could be subject to set-off on account of mutual dealings between the corporate debtor and any creditor.

### **37. Powers of liquidator to access information. -**

(1) Notwithstanding anything contained in any other law for the time being in force, the liquidator shall have the power to access any information systems for the purpose of admission and proof of claims and identification of the liquidation estate assets relating to the corporate debtor from the following sources, namely: -

- (a) an information utility;
- (b) credit information systems regulated under any law for the time being in force;
- (c) any agency of the Central, State or Local Government including any registration authorities;
- (d) information systems for financial and non-financial liabilities regulated under any law for the time being in force;
- (e) information systems for securities and assets posted as security interest regulated under any law for the time being in force;
- (f) any database maintained by the Board; and
- (g) any other source as may be specified by the Board.

(2) The creditors may require the liquidator to provide them any financial information relating to the corporate debtor in such manner as may be specified.

(3) The liquidator shall provide information referred to in sub-section (2) to such creditors who have requested for such information within a period of seven days from the date of such request or provide reasons for not providing such information.

### **38. Consolidation of claims. -**

(1) The liquidator shall receive or collect the claims of creditors within a period of thirty days from the date of the commencement of the liquidation process.

(2) A financial creditor may submit a claim to the liquidator by providing a record of such claim with an information utility:

*Provided* that where the information relating to the claim is not recorded in the information utility, the financial creditor may submit the claim in the same manner as provided for the submission of claims for the operational creditor under sub-section (3).

(3) An operational creditor may submit a claim to the liquidator in such form and in such manner and along with such supporting documents required to prove the claim as may be specified by the Board.

(4) A creditor who is partly a financial creditor and partly an operational creditor shall submit claims to the liquidator to the extent of his financial debt in the manner as provided in sub-section (2) and to the extent of his operational debt under sub-section (3).

(5) A creditor may withdraw or vary his claim under this section within fourteen

days of its submission.

**39. Verification of claims.-**

(1) The liquidator shall verify the claims submitted under section 38 within such time as specified by the Board.

(2) The liquidator may require any creditor or the corporate debtor or any other person to produce any other document or evidence which he thinks necessary for the purpose of verifying the whole or any part of the claim.

**40. Admission or rejection of claims. -**

(1) The liquidator may, after verification of claims under section 39, either admit or reject the claim, in whole or in part, as the case may be:

Provided that where the liquidator rejects a claim, he shall record in writing the reasons for such rejection.

(2) The liquidator shall communicate his decision of admission or rejection of claims to the creditor and corporate debtor within seven days of such admission or rejection of claims.

**41. Determination of valuation of claims. -**

The liquidator shall determine the value of claims admitted under section 40 in such manner as may be specified by the Board.

**42. Appeal against the decision of liquidator. -**

A creditor may appeal to the Adjudicating Authority against the decision of the liquidator <sup>1</sup>[accepting or] rejecting the claims within fourteen days of the receipt of such decision.

**43. Preferential transactions and relevant time. -**

(1) Where the liquidator or the resolution professional, as the case may be, is of the opinion that the corporate debtor has at a relevant time given a preference in such transactions and in such manner as laid down in sub-section (2) to any persons as referred to in sub-section (4), he shall apply to the Adjudicating Authority for avoidance of preferential transactions and for, one or more of the orders referred to in section 44.

(2) A corporate debtor shall be deemed to have given a preference, if—

(a) there is a transfer of property or an interest thereof of the corporate debtor for the benefit of a creditor or a surety or a guarantor for or on account of an antecedent financial debt or operational debt or other liabilities owed by the corporate debtor; and

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<sup>1</sup> Ins. by Act No.26 of 2018, sec. 27 (w.e.f. 6-6-2018).

(b) the transfer under clause (a) has the effect of putting such creditor or a surety or a guarantor in a beneficial position than it would have been in the event of a distribution of assets being made in accordance with section 53.

(3) For the purposes of sub-section (2), a preference shall not include the following transfers—

(a) transfer made in the ordinary course of the business or financial affairs of the corporate debtor or the transferee;

(b) any transfer creating a security interest in property acquired by the corporate debtor to the extent that –

(i) such security interest secures new value and was given at the time of or after the signing of a security agreement that contains a description of such property as security interest, and was used by corporate debtor to acquire such property; and

(ii) such transfer was registered with an information utility on or before thirty days after the corporate debtor receives possession of such property:

Provided that any transfer made in pursuance of the order of a court shall not, preclude such transfer to be deemed as giving of preference by the corporate debtor.

*Explanation.* – For the purpose of sub-section (3) of this section, “new value” means money or its worth in goods, services, or new credit, or release by the transferee of property previously transferred to such transferee in a transaction that is neither void nor voidable by the liquidator or the resolution professional under this Code, including proceeds of such property, but does not include a financial debt or operational debt substituted for existing financial debt or operational debt.

(4) A preference shall be deemed to be given at a relevant time, if –

(a) it is given to a related party (other than by reason only of being an employee), during the period of two years preceding the insolvency commencement date; or

(b) a preference is given to a person other than a related party during the period of one year preceding the insolvency commencement date.

#### **44. Orders in case of preferential transactions. -**

(1) The Adjudicating Authority, may, on an application made by the resolution professional or liquidator under sub-section (1) of section 43, by an order:

(a) require any property transferred in connection with the giving of the preference to be vested in the corporate debtor;

(b) require any property to be so vested if it represents the application either of the proceeds of sale of property so transferred or of money so transferred;

(c) release or discharge (in whole or in part) of any security interest created by the

corporate debtor;

(d) require any person to pay such sums in respect of benefits received by him from the corporate debtor, such sums to the liquidator or the resolution professional, as the Adjudicating Authority may direct;

(e) direct any guarantor, whose financial debts or operational debts owed to any person were released or discharged (in whole or in part) by the giving of the preference, to be under such new or revived financial debts or operational debts to that person as the Adjudicating Authority deems appropriate;

(f) direct for providing security or charge on any property for the discharge of any financial debt or operational debt under the order, and such security or charge to have the same priority as a security or charge released or discharged wholly or in part by the giving of the preference; and

(g) direct for providing the extent to which any person whose property is so vested in the corporate debtor, or on whom financial debts or operational debts are imposed by the order, are to be proved in the liquidation or the corporate insolvency resolution process for financial debts or operational debts which arose from, or were released or discharged wholly or in part by the giving of the preference:

Provided that an order under this section shall not -

(a) affect any interest in property which was acquired from a person other than the corporate debtor or any interest derived from such interest and was acquired in good faith and for value;

(b) require a person, who received a benefit from the preferential transaction in good faith and for value to pay a sum to the liquidator or the resolution professional.

*Explanation-I:* For the purpose of this section, it is clarified that where a person, who has acquired an interest in property from another person other than the corporate debtor, or who has received a benefit from the preference or such another person to whom the corporate debtor gave the preference, -

(i) had sufficient information of the initiation or commencement of insolvency resolution process of the corporate debtor;

(ii) is a related party,

it shall be presumed that the interest was acquired, or the benefit was received otherwise than in good faith unless the contrary is shown.

*Explanation-II.* – A person shall be deemed to have sufficient information or opportunity to avail such information if a public announcement regarding the corporate insolvency resolution process has been made under section 13.

#### **45. Avoidance of undervalued transactions. -**

(1) If the liquidator or the resolution professional, as the case may be, on an examination of the transactions of the corporate debtor referred to in sub-section (2) <sup>1</sup>[\*\*\*] determines that certain transactions were made during the relevant period under section 46, which were undervalued, he shall make an application to the Adjudicating Authority to declare such transactions as void and reverse the effect of such transaction in accordance with this Chapter.

(2) A transaction shall be considered undervalued where the corporate debtor–

(a) makes a gift to a person; or

(b) enters into a transaction with a person which involves the transfer of one or more assets by the corporate debtor for a consideration the value of which is significantly less than the value of the consideration provided by the corporate debtor,

and such transaction has not taken place in the ordinary course of business of the corporate debtor.

#### **46. Relevant period for avoidable transactions. -**

(1) In an application for avoiding a transaction at undervalue, the liquidator or the resolution professional, as the case may be, shall demonstrate that –

(i) such transaction was made with any person within the period of one year preceding the insolvency commencement date; or

(ii) such transaction was made with a related party within the period of two years preceding the insolvency commencement date.

(2) The Adjudicating Authority may require an independent expert to assess evidence relating to the value of the transactions mentioned in this section.

#### **47. Application by creditor in cases of undervalued transactions. -**

(1) Where an undervalued transaction has taken place and the liquidator or the resolution professional as the case may be, has not reported it to the Adjudicating Authority, a creditor, member or a partner of a corporate debtor, as the case may be, may make an application to the Adjudicating Authority to declare such transactions void and reverse their effect in accordance with this Chapter.

(2) Where the Adjudicating Authority, after examination of the application made under sub-section (1), is satisfied that -

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<sup>1</sup> Omitted by Act No. 26 of 2018, sec. 28 (w.e.f. 6-6-2018). Before omission, it stood as “of section 43”.

(a) undervalued transactions had occurred; and

(b) liquidator or the resolution professional, as the case may be, after having sufficient information or opportunity to avail information of such transactions did not report such transaction to the Adjudicating Authority,

it shall pass an order-

(a) restoring the position as it existed before such transactions and reversing the effects thereof in the manner as laid down in section 45 and section 48;

(b) requiring the Board to initiate disciplinary proceedings against the liquidator or the resolution professional as the case may be.

**48. Order in cases of undervalued transactions. -**

(1) The order of the Adjudicating Authority under sub-section (1) of section 45 may provide for the following: -

(a) require any property transferred as part of the transaction, to be vested in the corporate debtor;

(b) release or discharge (in whole or in part) any security interest granted by the corporate debtor;

(c) require any person to pay such sums, in respect of benefits received by such person, to the liquidator or the resolution professional as the case may be, as the Adjudicating Authority may direct; or

(d) require the payment of such consideration for the transaction as may be determined by an independent expert.

**49. Transactions defrauding creditors. -**

(1) Where the corporate debtor has entered into an undervalued transaction as referred to in sub-section (2) of section 45 and the Adjudicating Authority is satisfied that such transaction was deliberately entered into by such corporate debtor -

(a) for keeping assets of the corporate debtor beyond the reach of any person who is entitled to make a claim against the corporate 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 corporate debtor 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.

**50. Extortionate credit transactions. -**

(1) Where the corporate debtor has been a party to an extortionate credit transaction involving the receipt of financial or operational debt during the period within two years preceding the insolvency commencement date, the liquidator or the resolution professional as the case may be, may make an application for avoidance of such transaction to the Adjudicating Authority if the terms of such transaction required exorbitant payments to be made by the corporate debtor.

(2) The Board may specify the circumstances in which a transactions which shall be covered under sub-section (1).

*Explanation.* - For the purpose of this section, it is clarified that any debt extended by any person providing financial services which is in compliance with any law for the time being in force in relation to such debt shall in no event be considered as an extortionate credit transaction.

**51. Orders of Adjudicating Authority in respect of extortionate credit transactions. -**

Where the Adjudicating Authority after examining the application made under sub-section (1) of section 50 is satisfied that the terms of a credit transaction required exorbitant payments to be made by the corporate debtor, it shall, by an order –

(a) restore the position as it existed prior to such transaction;

(b) set aside the whole or part of the debt created on account of the extortionate credit transaction;

(c) modify the terms of the transaction;

(d) require any person who is, or was, a party to the transaction to repay any amount received by such person; or

(e) require any security interest that was created as part of the extortionate credit transaction to be relinquished in favour of the liquidator or the resolution professional, as the case may be.

**52. Secured creditor in liquidation proceedings. -**

(1) A secured creditor in the liquidation proceedings may-



(a) relinquish its security interest to the liquidation estate and receive proceeds from the sale of assets by the liquidator in the manner specified in section 53; or

(b) realise its security interest in the manner specified in this section.

(2) Where the secured creditor realises 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.

(3) Before any security interest is realised by the secured creditor under this section, the liquidator shall verify such security interest and permit the secured creditor to realise only such security interest, the existence of which may be proved either –

(a) by the records of such security interest maintained by an information utility; or

(b) by such other means as may be specified by the Board.

(4) A secured creditor may enforce, realise, settle, compromise or deal with the secured assets in accordance with such law as applicable to the security interest being realised and to the secured creditor and apply the proceeds to recover the debts due to it.

(5) If in the course of realising a secured asset, any secured creditor faces resistance from the corporate debtor or any person connected therewith in taking possession of, selling or otherwise disposing off the security, the secured creditor may make an application to the Adjudicating Authority to facilitate the secured creditor to realise such security interest in accordance with law for the time being in force.

(6) The Adjudicating Authority, on the receipt of an application from a secured creditor under sub-section (5) may pass such order as may be necessary to permit a secured creditor to realise security interest in accordance with law for the time being in force.

(7) Where the enforcement of the security interest under sub-section (4) yields an amount by way of proceeds which is in excess of the debts due to the secured creditor, the secured creditor shall-

(a) account to the liquidator for such surplus; and

(b) tender to the liquidator any surplus funds received from the enforcement of such secured assets.

(8) The amount of insolvency resolution process costs, due from secured creditors who realise their security interests in the manner provided in this section, shall be deducted from the proceeds of any realisation by such secured creditors, and they shall transfer such amounts to the liquidator to be included in the liquidation estate.

(9) Where the proceeds of the realisation of the secured assets are not adequate to repay debts owed to the secured creditor, the unpaid debts of such secured creditor shall be paid by the liquidator in the manner specified in clause (e) of sub-section (1) of section 53.

### 53. Distribution of assets. -

(1) Notwithstanding anything to the contrary contained in any law enacted by the Parliament or any State Legislature for the time being in force, the proceeds from the sale of the liquidation assets shall be distributed in the following order of priority and within such period and in such manner as may be specified, namely: -

(a) the insolvency resolution process costs and the liquidation costs paid in full;

(b) the following debts which shall rank equally between and among the following:

(i) workmen's dues for the period of twenty-four months preceding the liquidation commencement date; and

(ii) debts owed to a secured creditor in the event such secured creditor has relinquished security in the manner set out in section 52;

(c) wages and any unpaid dues owed to employees other than workmen for the period of twelve months preceding the liquidation commencement date;

(d) financial debts owed to unsecured creditors;

(e) the following dues shall rank equally between and among the following: -

(i) any amount due to the Central Government and the State Government including the amount to be received on account of the Consolidated Fund of India and the Consolidated Fund of a State, if any, in respect of the whole or any part of the period of two years preceding the liquidation commencement date;

(ii) debts owed to a secured creditor for any amount unpaid following the enforcement of security interest;

(f) any remaining debts and dues;

(g) preference shareholders, if any; and

(h) equity shareholders or partners, as the case may be.

(2) Any contractual arrangements between recipients under sub-section (1) with equal ranking, if disrupting the order of priority under that sub-section shall be disregarded by the liquidator.

(3) The fees payable to the liquidator shall be deducted proportionately from the proceeds payable to each class of recipients under sub-section (1), and the proceeds to the relevant recipient shall be distributed after such deduction.

*Explanation.* – For the purpose of this section-

(i) it is hereby clarified that at each stage of the distribution of proceeds in respect of a class of recipients that rank equally, each of the debts will either be paid in full, or will be paid in equal proportion within the same class of recipients, if the proceeds are

insufficient to meet the debts in full; and

(ii) the term “workmen’s dues” shall have the same meaning as assigned to it in section 326 of the Companies Act, 2013 (18 of 2013).

**54. Dissolution of corporate debtor. -**

(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(3) A copy of an order under sub-section (2) shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered.

**<sup>1</sup>[CHAPTER III-A**

**PRE-PACKAGED INSOLVENCY RESOLUTION  
PROCESS**

**54A. Corporate debtors eligible for pre-packaged insolvency resolution process.**

(1) An application for initiating pre-packaged insolvency resolution process may be made 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.

(2) Without prejudice to sub-section (1), an application for initiating pre-packaged insolvency resolution process may be made in respect of a corporate debtor, who commits a default referred to in section 4, subject to the following conditions, that—

(a) it has not undergone pre-packaged insolvency resolution process or completed corporate insolvency resolution process, as the case may be, during the period of three years preceding the initiation date;

(b) it is not undergoing a corporate insolvency resolution process;

(c) no order requiring it to be liquidated is passed under section 33;

(d) it is eligible to submit a resolution plan under section 29A;

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.8 (w.e.f. 04-04-2021).

(e) the financial creditors of the corporate debtor, not being its related parties, representing such number and in such manner as may be specified, have proposed the name of the insolvency professional to be appointed as resolution professional for conducting the pre-packaged insolvency resolution process of the corporate debtor, and the financial creditors of the corporate debtor, not being its related parties, representing not less than sixty-six per cent. in value of the financial debt due to such creditors, have approved such proposal in such form as may be specified:

Provided that where a corporate debtor does not have any financial creditors, not being its related parties, the proposal and approval under this clause shall be provided by such persons as may be specified;

(f) the majority of the directors or partners of the corporate debtor, as the case may be, have made a declaration, in such form as may be specified, stating, *inter alia*, that—

- (i) the corporate debtor shall file an application for initiating pre-packaged insolvency resolution process within a definite time period not exceeding ninety days;
- (i) the pre-packaged insolvency resolution process is not being initiated to defraud any person; and
- (ii) the name of the insolvency professional proposed and approved to be appointed as resolution professional under clause (e);

(g) the members of the corporate debtor have passed a special resolution, or at least three-fourth of the total number of partners, as the case may be, of the corporate debtor have passed a resolution, approving the filing of an application for initiating pre-packaged insolvency resolution process.

(3) The corporate debtor shall obtain an approval from its financial creditors, not being its related parties, representing not less than sixty-six per cent. in value of the financial debt due to such creditors, for the filing of an application for initiating pre-packaged insolvency resolution process, in such form as may be specified:

Provided that where a corporate debtor does not have any financial creditors, not being its related parties, the approval under this sub-section shall be provided by such persons as may be specified.

(4) Prior to seeking approval from financial creditors under sub-section (3), the corporate debtor shall provide such financial creditors with —

- (a) the declaration referred to in clause (f) of sub-section (2);
- (b) the special resolution or resolution referred to in clause (g) of sub-section (2);
- (c) a base resolution plan which conforms to the requirements referred to in section 54K, and such other conditions as may be specified; and

(d) such other information and documents as may be specified.

**54B. Duties of insolvency professional before initiation of pre-packaged insolvency resolution process.**

(1) The insolvency professional, proposed to be appointed as the resolution professional, shall have the following duties commencing from the date of the approval under clause (e) of sub-section (2) of section 54A, namely:—

- (a) prepare a report in such form as may be specified, confirming whether the corporate debtor meets the requirements of section 54A, and the base resolution plan conforms to the requirements referred to in clause (c) of sub-section (4) of section 54A;
- (b) file such reports and other documents, with the Board, as may be specified; and
- (c) perform such other duties as may be specified.

(2) The duties of the insolvency professional under sub-section (1) shall cease, if, —

- (a) the corporate debtor fails to file an application for initiating pre-packaged insolvency resolution process within the time period as stated under the declaration referred to in clause (f) of sub-section (2) of section 54A; or
- (b) the application for initiating pre-packaged insolvency resolution process is admitted or rejected by the Adjudicating Authority,

as the case may be.

(3) The fees payable to the insolvency professional in relation to the duties performed under sub-section (1) shall be determined and borne in such manner as may be specified and such fees shall form part of the pre-packaged insolvency resolution process costs, if the application for initiation of pre-packaged insolvency resolution process is admitted.

**54C. Application to initiate pre-packaged insolvency resolution process.**

(1) Where a corporate debtor meets the requirements of section 54A, a corporate applicant thereof may file an application with the Adjudicating Authority for initiating pre-packaged insolvency resolution process.

(2) The application under sub-section (1) shall be filed in such form, containing such particulars, in such manner and accompanied with such fee as may be prescribed.

(3) The corporate applicant shall, along with the application, furnish—

- (a) the declaration, special resolution or resolution, as the case may be, and the approval of financial creditors for initiating pre-packaged insolvency resolution process in terms of section 54A;
- (b) the name and written consent, in such form as may be specified, of the insolvency professional proposed to be appointed as resolution professional, as approved under clause (e) of sub-section (2) of section 54A, and his report as referred to in clause (a) of sub-section (1) of section 54B;
- (c) a declaration regarding the existence of any transactions of the corporate debtor that may be within the scope of provisions in respect of avoidance of transactions under Chapter III or fraudulent or wrongful trading under Chapter VI, in such form as may be specified;
- (d) information relating to books of account of the corporate debtor and such other documents relating to such period as may be specified.

(4) The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order,—

- (a) admit the application, if it is complete; or
- (b) reject the application, if it is incomplete:

Provided that the Adjudicating Authority shall, before rejecting an application, give notice to the applicant to rectify the defect in the application within seven days from the date of receipt of such notice from the Adjudicating Authority.

(5) The pre-packaged insolvency resolution process shall commence from the date of admission of the application under clause (a) of sub-section (4).

**54D. Time-limit for completion of pre-packaged insolvency resolution process.**

(1) The pre-packaged insolvency resolution process shall be completed within a period of one hundred and twenty days from the pre-packaged insolvency commencement date.

(2) Without prejudice to sub-section (1), the resolution professional shall submit the resolution plan, as approved by the committee of creditors, to the Adjudicating Authority under sub-section (4) or sub-section (12), as the case may be, of section 54K, within a period of ninety days from the pre-packaged insolvency commencement date.

(3) Where no resolution plan is approved by the committee of creditors within the time period referred to in sub-section (2), the resolution professional shall, on the day after the expiry

of such time period, file an application with the Adjudicating Authority for termination of the pre-packaged insolvency resolution process in such form and manner as may be specified.

**54E. Declaration of moratorium and public announcement during pre-packaged insolvency resolution process.**

(1) The Adjudicating Authority shall, on the pre-packaged insolvency commencement date, along with the order of admission under section 54C —

(a) declare 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;

(b) appoint a resolution professional —

(i) as named in the application, if no disciplinary proceeding is pending against him; or

(ii) based on the recommendation made by the Board, if any disciplinary proceeding is pending against the insolvency professional named in the application;

(c) cause a public announcement of the initiation of the pre-packaged insolvency resolution process to be made by the resolution professional, in such form and manner as may be specified, immediately after his appointment.

(2) The order of moratorium shall have effect from the date of such order till the date on which the pre-packaged insolvency resolution process period comes to an end.

**54F. Duties and powers of resolution professional during pre-packaged insolvency resolution process.**

(1) The resolution professional shall conduct the pre-packaged insolvency resolution process of a corporate debtor during the pre-packaged insolvency resolution process period.

(2) The resolution professional shall perform the following duties, namely: —

(a) confirm the list of claims submitted by the corporate debtor under section 54G, in such manner as may be specified;

(b) inform creditors regarding their claims as confirmed under clause (a), in such manner as may be specified;

(c) maintain an updated list of claims, in such manner as may be specified;

(d) monitor management of the affairs of the corporate debtor;

(e) inform the committee of creditors in the event of breach of any of the obligations of the Board of Directors or partners, as the case may be, of the

corporate debtor, under the provisions of this Chapter and the rules and regulations made thereunder;

- (f) constitute the committee of creditors and convene and attend all its meetings;
- (g) prepare the information memorandum on the basis of the preliminary information memorandum submitted under section 54G and any other relevant information, in such form and manner as may be specified;
- (h) file applications for avoidance of transactions under Chapter III or fraudulent or wrongful trading under Chapter VI, if any; and
- (i) such other duties as may be specified.

(3) The resolution professional shall exercise the following powers, namely:—

- (a) access all books of account, records and information available with the corporate debtor;
- (b) access the electronic records of the corporate debtor from an information utility having financial information of the corporate debtor;
- (c) access the books of account, records and other relevant documents of the corporate debtor available with Government authorities, statutory auditors, accountants and such other persons as may be specified;
- (d) attend meetings of members, Board of Directors and committee of directors, or partners, as the case may be, of the corporate debtor;
- (e) appoint accountants, legal or other professionals in such manner as may be specified;
- (f) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor and the existence of any transactions that may be within the scope of provisions relating to avoidance of transactions under Chapter III or fraudulent or wrongful trading under Chapter VI, including information relating to —
  - (i) business operations for the previous two years from the date of pre-packaged insolvency commencement date;
  - (ii) financial and operational payments for the previous two years from the date of pre-packaged insolvency commencement date;
  - (iii) list of assets and liabilities as on the initiation date; and
  - (iv) such other matters as may be specified;
- (g) take such other actions in such manner as may be specified.

(4) From the date of appointment of the resolution professional, the financial institutions maintaining accounts of the corporate debtor shall furnish all information relating



to the corporate debtor available with them to the resolution professional, as and when required by him.

(5) The personnel of the corporate debtor, its promoters and any other person associated with the management of 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.

(6) The fees of the resolution professional and any expenses incurred by him for conducting the pre-packaged insolvency resolution process shall be determined in such manner as may be specified:

Provided that the committee of creditors may impose limits and conditions on such fees and expenses:

Provided further that the fees and expenses for the period prior to the constitution of the committee of creditors shall be subject to ratification by it.

(7) The fees and expenses referred to in sub-section (6) shall be borne in such manner as may be specified.

#### **54G. List of claims and preliminary information memorandum.**

(1) The corporate debtor shall, within two days of the pre-packaged insolvency commencement date, submit to the resolution professional the following information, updated as on that date, in such form and manner as may be specified, namely:—

- (a) a list of claims, along with details of the respective creditors, their security interests and guarantees, if any; and
- (b) a preliminary information memorandum containing information relevant for formulating a resolution plan.

(2) Where any person has sustained any loss or damage as a consequence of the omission of any material information or inclusion of any misleading information in the list of claims or the preliminary information memorandum submitted by the corporate debtor, every person who—

- (a) is a promoter or director or partner of the corporate debtor, as the case may be, at the time of submission of the list of claims or the preliminary information memorandum by the corporate debtor; or
- (b) has authorised the submission of the list of claims or the preliminary information memorandum by the corporate debtor,

shall, without prejudice to section 77A, be liable to pay compensation to every person who has sustained such loss or damage.

(3) No person shall be liable under sub-section (2), if the list of claims or the preliminary information memorandum was submitted by the corporate debtor without his knowledge or consent.

(4) Subject to section 54E, any person, who sustained any loss or damage as a consequence of omission of material information or inclusion of any misleading information in the list of claims or the preliminary information memorandum shall be entitled to move a court having jurisdiction for seeking compensation for such loss or damage.

#### **54H. Management of affairs of corporate debtor.**

During the pre-packaged insolvency resolution process period,—

(a) the management of the affairs of the corporate debtor shall continue to vest in the Board of Directors or the partners, as the case may be, of the corporate debtor, subject to such conditions as may be specified;

(b) the Board of Directors or the partners, as the case may be, of the corporate debtor, shall make every endeavour to protect and preserve the value of the property of the corporate debtor, and manage its operations as a going concern; and

(c) the promoters, members, personnel and partners, as the case may be, of the corporate debtor, shall exercise and discharge their contractual or statutory rights and obligations in relation to the corporate debtor, subject to the provisions of this Chapter and such other conditions and restrictions as may be prescribed.

#### **54-I. Committee of creditors.**

(1) The resolution professional shall, within seven days of the pre-packaged insolvency commencement date, constitute a committee of creditors, based on the list of claims confirmed under clause (a) of sub-section (2) of section 54F:

Provided that the composition of the committee of creditors shall be altered on the basis of the updated list of claims, in such manner as may be specified, and any such alteration shall not affect the validity of any past decision of the committee of creditors.

(2) The first meeting of the committee of creditors shall be held within seven days of the constitution of the committee of creditors.

(3) The provisions of section 21, except sub-section (1) thereof, shall, *mutatis mutandis* apply, in relation to the committee of creditors under this Chapter:

Provided that for the purposes of this sub-section, references to “resolution professional” under sub-sections (9) and (10) of section 21, shall be construed as references to “corporate debtor or the resolution professional”.

#### **54J. Vesting management of corporate debtor with resolution professional.**

(1) Where the committee of creditors, at any time during the pre-packaged insolvency resolution process period, by a vote of not less than sixty-six per cent. of the voting shares, resolves to vest the management of the corporate debtor with the resolution professional, the

resolution professional shall make an application for this purpose to the Adjudicating Authority, in such form and manner as may be specified.

(2) On an application made under sub-section (1), if the Adjudicating Authority is of the opinion that during the pre-packaged insolvency resolution process—

(a) the affairs of the corporate debtor have been conducted in a fraudulent manner; or

(b) there has been gross mismanagement of the affairs of the corporate debtor, it shall pass an order vesting the management of the corporate debtor with the resolution professional.

(3) Notwithstanding anything to the contrary contained in this Chapter, the provisions of —

(a) sub-sections (2) and (2A) of section 14;

(b) section 17;

(c) clauses (e) to (g) of section 18;

(d) sections 19 and 20;

(e) sub-section (1) of section 25;

(f) clauses (a) to (c) and clause (k) of sub-section (2) of section 25; and

(g) section 28,

shall, *mutatis mutandis* apply, to the proceedings under this Chapter, from the date of the order under sub-section (2), until the pre-packaged insolvency resolution process period comes to an end.

#### **54K. Consideration and approval of resolution plan.**

(1) The corporate debtor shall submit the base resolution plan, referred to in clause (c) of sub-section (4) of section 54A, to the resolution professional within two days of the pre-packaged insolvency commencement date, and the resolution professional shall present it to the committee of creditors.

(2) The committee of creditors may provide the corporate debtor an opportunity to revise the base resolution plan prior to its approval under sub-section (4) or invitation of prospective resolution applicants under sub-section (5), as the case may be.

(3) The resolution plans and the base resolution plan, submitted under this section shall conform to the requirements referred to in sub-sections (1) and (2) of section 30, and the provisions of sub-sections (1), (2) and (5) of section 30 shall, *mutatis mutandis* apply, to the proceedings under this Chapter.

(4) The committee of creditors may approve the base resolution plan for submission to the Adjudicating Authority if it does not impair any claims owed by the corporate debtor to the

operational creditors.

(5) Where —

(a) the committee of creditors does not approve the base resolution plan under sub-section (4); or

(b) the base resolution plan impairs any claims owed by the corporate debtor to the operational creditors,

the resolution professional shall invite prospective resolution applicants to submit a resolution plan or plans, to compete with the base resolution plan, in such manner as may be specified.

(6) The resolution applicants submitting resolution plans pursuant to invitation under sub-section (5), shall fulfil such criteria as may be laid down by the resolution professional with the approval of the committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified.

(7) The resolution professional shall provide to the resolution applicants, —

(a) the basis for evaluation of resolution plans for the purposes of sub-section (9), as approved by the committee of creditors subject to such conditions as may be specified; and

(b) the relevant information referred to in section 29, which shall, *mutatis mutandis* apply, to the proceedings under this Chapter,

in such manner as may be specified.

(8) The resolution professional shall present to the committee of creditors, for its evaluation, resolution plans which conform to the requirements referred to in sub-section (2) of section 30.

(9) The committee of creditors shall evaluate the resolution plans presented by the resolution professional and select a resolution plan from amongst them.

(10) Where, on the basis of such criteria as may be laid down by it, the committee of creditors decides that the resolution plan selected under sub-section (9) is significantly better than the base resolution plan, such resolution plan may be selected for approval under sub-section (12):

Provided that the criteria laid down by the committee of creditors under this sub-section shall be subject to such conditions as may be specified.

(11) Where the resolution plan selected under subsection (9) is not considered for approval or does not fulfil the requirements of sub-section (10), it shall compete with the base resolution plan, in such manner and subject to such conditions as may be specified, and one of them shall be selected for approval under sub-section (12).

(12) The resolution plan selected for approval under sub-section (10) or sub-section

(11), as the case may be, may be approved by the committee of creditors for submission to the Adjudicating Authority:

Provided that where the resolution plan selected for approval under sub-section (11) is not approved by the committee of creditors, the resolution professional shall file an application for termination of the pre-packaged insolvency resolution process in such form and manner as may be specified.

(13) The approval of the resolution plan under sub-section (4) or sub-section (12), as the case may be, by the committee of creditors, shall be by a vote of not less than sixty-six per cent. of the voting shares, after considering its feasibility and viability, the manner of distribution proposed, taking into account the order of priority amongst creditors as laid down in sub-section (1) of section 53, including the priority and value of the security interest of a secured creditor and such other requirements as may be specified.

(14) While considering the feasibility and viability of a resolution plan, where the resolution plan submitted by the corporate debtor provides for impairment of any claims owed by the corporate debtor, the committee of creditors may require the promoters of the corporate debtor to dilute their shareholding or voting or control rights in the corporate debtor:

Provided that where the resolution plan does not provide for such dilution, the committee of creditors shall, prior to the approval of such resolution plan under sub-section (4) or sub-section (12), as the case may be, record reasons for its approval.

(15) The resolution professional shall submit the resolution plan as approved by the committee of creditors under sub-section (4) or sub-section (12), as the case may be, to the Adjudicating Authority.

*Explanation I.*—For the removal of doubts, it is hereby clarified that, the corporate debtor being a resolution applicant under clause (25) of section 5, may submit the base resolution plan either individually or jointly with any other person.

*Explanation II.*—For the purposes of sub-sections (4) and (14), claims shall be considered to be impaired where the resolution plan does not provide for the full payment of the confirmed claims as per the updated list of claims maintained by the resolution professional.

#### **54L. Approval of resolution plan.**

(1) If the Adjudicating Authority is satisfied that the resolution plan as approved by the committee of creditors under sub-section (4) or sub-section (12), as the case may be of section 54K, subject to the conditions provided therein, meets the requirements as referred to in sub-section (2) of section 30, it shall, within thirty days of the receipt of such resolution plan, by order, approve the resolution plan:

Provided that the Adjudicating Authority shall, before passing an order for approval of a resolution plan under this sub-section, satisfy itself that the resolution plan has provisions for its effective implementation.

(2) The order of approval under sub-section (1) shall have such effect as provided under

sub-sections (1), (3) and (4) of section 31, which shall, *mutatis mutandis* apply, to the proceedings under this Chapter.

(3) Where the Adjudicating Authority is satisfied that the resolution plan does not conform to the requirements referred to in sub-section (1), it may, within thirty days of the receipt of such resolution plan, by an order, reject the resolution plan and pass an order under section 54N.

(4) Notwithstanding anything to the contrary contained in this section, where the Adjudicating Authority has passed an order under sub-section (2) of section 54J and the resolution plan approved by the committee of creditors under sub-section (4) or sub-section (12), as the case may be of section 54K, does not result in the change in the management or control of the corporate debtor to a person who was not a promoter or in the management or control of the corporate debtor, the Adjudicating Authority shall pass an order —

- (a) rejecting such resolution plan;
- (b) terminating the pre-packaged insolvency resolution process and passing a liquidation order in respect of the corporate debtor as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 33; and
- (c) declaring that the pre-packaged insolvency resolution process costs, if any, shall be included as part of the liquidation costs for the purposes of liquidation of the corporate debtor.

#### **54M. Appeal against order under section 54L.**

Any appeal against an order approving the resolution plan under sub-section (1) of section 54L, shall be on the grounds laid down in sub-section (3) of section 61.

#### **54N. Termination of pre-packaged insolvency resolution process.**

(1) Where the resolution professional files an application with the Adjudicating Authority, —

- (a) under the proviso to sub-section (12) of section 54K; or
- (b) under sub-section (3) of section 54D,

the Adjudicating Authority shall, within thirty days of the date of such application, by an order, —

- (i) terminate the pre-packaged insolvency resolution process; and
- (ii) provide for the manner of continuation of proceedings initiated for avoidance of transactions under Chapter III or proceedings initiated under section 66 and section 67A, if any.

(2) Where the resolution professional, at any time after the pre-packaged insolvency commencement date, but before the approval of resolution plan under sub-section (4) or sub-section (12), as the case may be of section 54K, intimates the Adjudicating Authority of the

decision of the committee of creditors, approved by a vote of not less than sixty-six per cent. of the voting shares, to terminate the pre-packaged insolvency resolution process, the Adjudicating Authority shall pass an order under sub-section (1).

(3) Where the Adjudicating Authority passes an order under sub-section (1), the corporate debtor shall bear the pre-packaged insolvency resolution process costs, if any.

(4) Notwithstanding anything to the contrary contained in this section, where the Adjudicating Authority has passed an order under sub-section (2) of section 54J and the pre-packaged insolvency resolution process is required to be terminated under sub-section (1), the Adjudicating Authority shall pass an order —

(a) of liquidation in respect of the corporate debtor as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 33; and

(b) declare that the pre-packaged insolvency resolution process costs, if any, shall be included as part of the liquidation costs for the purposes of liquidation of the corporate debtor.

#### **54-O Initiation of corporate insolvency resolution process.**

(1) The committee of creditors, at any time after the pre-packaged insolvency commencement date but before the approval of resolution plan under sub-section (4) or sub-section (12), as the case may be of section 54K, by a vote of not less than sixty-six per cent. of the voting shares, may resolve to initiate a corporate insolvency resolution process in respect of the corporate debtor, if such corporate debtor is eligible for corporate insolvency resolution process under Chapter II.

(2) Notwithstanding anything to the contrary contained in Chapter II, where the resolution professional intimates the Adjudicating Authority of the decision of the committee of creditors under sub-section (1), the Adjudicating Authority shall, within thirty days of the date of such intimation, pass an order to —

(a) terminate the pre-packaged insolvency resolution process and initiate corporate insolvency resolution process under Chapter II in respect of the corporate debtor;

(b) appoint the resolution professional referred to in clause (b) of sub-section (1) of section 54E as the interim resolution professional, subject to submission of written consent by such resolution professional to the Adjudicating Authority in such form as may be specified; and

(c) declare that the pre-packaged insolvency resolution process costs, 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.

(3) Where the resolution professional fails to submit written consent under clause (b) of sub-section (2), the Adjudicating Authority shall appoint an interim resolution professional by making a reference to the Board for recommendation, in the manner as provided under

section 16.

- (4) Where the Adjudicating Authority passes an order under sub-section (2) —
- (a) such order shall be deemed to be an order of admission of an application under section 7 and shall have the same effect;
  - (b) the corporate insolvency resolution process shall commence from the date of such order;
  - (c) the proceedings initiated for avoidance of transactions under Chapter III or proceedings initiated under section 66 and section 67A, if any, shall continue during the corporate insolvency resolution process;
  - (d) for the purposes of sections 43, 46 and 50, references to “insolvency commencement date” shall mean “pre-packaged insolvency commencement date”; and
  - (e) in computing the relevant time or the period for avoidable transactions, the time-period for the duration of the pre-packaged insolvency resolution process shall also be included, notwithstanding anything to the contrary contained in sections 43, 46 and 50.

**54P. Application of provisions of Chapters II, III, VI, and VII to this Chapter.**

(1) Save as provided under this Chapter, the provisions of sections 24, 25A, 26, 27, 28, 29A, 32A, 43 to 51, and the provisions of Chapters VI and VII of this Part shall, *mutatis mutandis* apply, to the pre-packaged insolvency resolution process, subject to the following, namely:—

- (a) reference to “members of the suspended Board of Directors or the partners” under clause (b) of sub-section (3) of section 24 shall be construed as reference to “members of the Board of Directors or the partners, unless an order has been passed by the Adjudicating Authority under section 54J”;
- (b) reference to “clause (j) of sub-section (2) of section 25” under section 26 shall be construed as reference to “clause (h) of sub-section (2) of section 54F”;
- (c) reference to “section 16” under section 27 shall be construed as reference to “section 54E”;
- (d) reference to “resolution professional” in sub-sections (1) and (4) of section 28 shall be construed as “corporate debtor”;
- (e) reference to “section 31” under sub-section (3) of section 61 shall be construed as reference to “sub-section (1) of section 54L”;
- (f) reference to “section 14” in sub-sections (1) and (2) of section 74 shall be construed as reference to “clause (a) of sub-section (1) of section 54E”;
- (g) reference to “section 31” in sub-section (3) of section 74 shall be construed as



reference to “sub-section (1) of section 54L”.

(2) Without prejudice to the provisions of this Chapter and unless the context otherwise requires, where the provisions of Chapters II, III, VI and VII are applied to the proceedings under this Chapter, references to —

(a) “insolvency commencement date” shall be construed as references to “pre-packaged insolvency commencement date”;

(b) “resolution professional” or “interim resolution professional”, as the case may be, shall be construed as references to the resolution professional appointed under this Chapter;

(c) “corporate insolvency resolution process” shall be construed as references to “pre-packaged insolvency resolution process”; and

(d) “insolvency resolution process period” shall be construed as references to “pre-packaged insolvency resolution process period.”]

## **CHAPTER IV**

### **FAST TRACK CORPORATE INSOLVENCY RESOLUTION PROCESS**

#### **55. Fast track corporation insolvency resolution process. -**

(1) A corporate insolvency resolution process carried out in accordance with this Chapter shall be called as fast track corporate insolvency resolution process.

(2) An application for fast track corporate insolvency resolution process may be made in respect of the following corporate debtors, namely: -

(a) a corporate debtor with assets and income below a level as may be notified by the Central Government; or

(b) a corporate debtor with such class of creditors or such amount of debt as may be notified by the Central Government; or

(c) such other category of corporate persons as may be notified by the Central Government.

#### **56. Time period for completion of fast track corporate insolvency resolution process. -**

(1) Subject to the provisions of sub-section (3), the fast track corporate insolvency resolution process shall be completed within a period of ninety days from the insolvency commencement date.

(2) The resolution professional shall file an application to the Adjudicating Authority to extend the period of the fast track corporate insolvency resolution process beyond ninety days if instructed to do so by a resolution passed at a meeting of the

committee of creditors and supported by a vote of seventy-five percent of the voting share.

(3) On receipt of an application under sub-section (2), if the Adjudicating Authority is satisfied that the subject matter of the case is such that fast track corporate insolvency resolution process cannot be completed within a period of ninety days, it may, by order, extend the duration of such process beyond the said period of ninety days by such further period, as it thinks fit, but not exceeding forty-five days:

Provided that any extension of the fast track corporate insolvency resolution process under this section shall not be granted more than once.

#### **57. Manner of initiating fast track corporate insolvency resolution process. -**

An application for fast track corporate insolvency resolution process may be filed by a creditor or corporate debtor as the case may be, alongwith-

(a) the proof of the existence of default as evidenced by records available with an information utility or such other means as may be specified by the Board; and

(b) such other information as may be specified by the Board to establish that the corporate debtor is eligible for fast track corporate insolvency resolution process.  
Manner of initiating fast track corporate insolvency resolution process.

#### **58. Applicability of Chapter II to this Chapter. -**

The process for conducting a corporate insolvency resolution process under Chapter II and the provisions relating to offences and penalties under Chapter VII shall apply to this Chapter as the context may require.

### **CHAPTER V**

#### **VOLUNTARY LIQUIDATION OF CORPORATE PERSONS**

#### **59. Voluntary liquidation of corporate persons. -**

(1) A corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate voluntary liquidation proceedings under the provisions of this Chapter.

(2) The voluntary liquidation of a corporate person under sub-section (1) shall meet such conditions and procedural requirements as may be specified by the Board.

(3) Without prejudice to sub-section (2), voluntary liquidation proceedings of a corporate person registered as a company shall meet the following conditions, namely: -

(a) a declaration from majority of the directors of the company verified by an affidavit stating that –

(i) they have made a full inquiry into the affairs of the company and they have formed an opinion that either the company has no debt or that it will be able

to pay its debts in full from the proceeds of assets to be sold in the voluntary liquidation; and

(ii) the company is not being liquidated to defraud any person;

(b) the declaration under sub-clause (a) shall be accompanied with the following documents, namely: -

(i) audited financial statements and record of business operations of the company for the previous two years or for the period since its incorporation, whichever is later;

(ii) a report of the valuation of the assets of the company, if any prepared by a registered valuer;

(c) within four weeks of a declaration under sub-clause (a), there shall be -

(i) a special resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily and appointing an insolvency professional to act as the liquidator; or

(ii) a resolution of the members of the company in a general meeting requiring the company to be liquidated voluntarily as a result of expiry of the period of its duration, if any, fixed by its articles or on the occurrence of any event in respect of which the articles provide that the company shall be dissolved, as the case may be and appointing an insolvency professional to act as the liquidator:

Provided that the company owes any debt to any person, creditors representing two-thirds in value of the debt of the company shall approve the resolution passed under sub-clause (c) within seven days of such resolution.

(4) The company shall notify the Registrar of Companies and the Board about the resolution under sub-section (3) to liquidate the company within seven days of such resolution or the subsequent approval by the creditors, as the case may be.

(5) Subject to approval of the creditors under sub-section (3), the voluntary liquidation proceedings in respect of a company shall be deemed to have commenced from the date of passing of the resolution under sub-clause (c) of sub-section (3).

(6) The provisions of sections 35 to 53 of Chapter III and Chapter VII shall apply to voluntary liquidation proceedings for corporate persons with such modifications as may be necessary.

(7) Where the affairs of the corporate person have been completely wound up, and its assets completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate person.

(8) The Adjudicating Authority shall on an application filed by the liquidator under

sub-section (7), pass an order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.

(9) A copy of an order under sub-section (8) shall within fourteen days from the date of such order, be forwarded to the authority with which the corporate person is registered.

## CHAPTER VI

### ADJUDICATING AUTHORITY FOR CORPORATE PERSONS

#### **60. Adjudicating Authority for corporate persons. -**

(1) The Adjudicating Authority, in relation to insolvency resolution and liquidation for corporate persons including corporate debtors and personal guarantors thereof shall be the National Company Law Tribunal having territorial jurisdiction over the place where the registered office of the corporate person is located.

(2) Without prejudice to sub-section (1) and notwithstanding anything to the contrary contained in this Code, where a corporate insolvency resolution process or liquidation proceeding of a corporate debtor is pending before a National Company Law Tribunal, an application relating to the insolvency resolution or <sup>1</sup>[liquidation or bankruptcy of a corporate guarantor or personal guarantor, as the case may be, of such corporate debtor] shall be filed before such National Company Law Tribunal.

(3) An insolvency resolution process or <sup>2</sup>[liquidation or bankruptcy proceeding of a corporate guarantor or personal guarantor, as the case may be, of the corporate debtor] pending in any court or tribunal shall stand transferred to the Adjudicating Authority dealing with insolvency resolution process or liquidation proceeding of such corporate debtor.

(4) The National Company Law Tribunal shall be vested with all the powers of the Debt Recovery Tribunal as contemplated under Part III of this Code for the purpose of sub-section (2).

(5) Notwithstanding anything to the contrary contained in any other law for the time being in force, the National Company Law Tribunal shall have jurisdiction to entertain or dispose of -

(a) any application or proceeding by or against the corporate debtor or corporate

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<sup>1</sup> Subs. by Act. No 26 of 2018, sec. 29 (a), for the words “bankruptcy of a personal guarantor of such corporate debtor” (w.e.f. 6-6-2018)

<sup>2</sup> Subs. by Act. No 26 of 2018, sec 29 (b), for the words “bankruptcy proceeding of a personal guarantor of the corporate debtor” (w.e.f. 6-6-2018).

person;

(b) any claim made by or against the corporate debtor or corporate person, including claims by or against any of its subsidiaries situated in India; and

(c) any question of priorities or any question of law or facts, arising out of or in relation to the insolvency resolution or liquidation proceedings of the corporate debtor or corporate person under this Code.

(6) Notwithstanding anything contained in the Limitation Act, 1963 or in any other law for the time being in force, in computing the period of limitation specified for any suit or application by or against a corporate debtor for which an order of moratorium has been made under this Part, the period during which such moratorium is in place shall be excluded.

#### **61. Appeals and Appellate Authority. -**

(1) Notwithstanding anything to the contrary contained under the Companies Act 2013 (18 of 2013), any person aggrieved by the order of the Adjudicating Authority under this part may prefer an appeal to the National Company Law Appellate Tribunal.

(2) Every appeal under sub-section (1) shall be filed within thirty days before the National Company Law Appellate Tribunal:

Provided that the National Company Law Appellate Tribunal may allow an appeal to be filed after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing the appeal but such period shall not exceed fifteen days.

(3) An appeal against an order approving a resolution plan under section 31 may be filed on the following grounds, namely: –

(i) the approved resolution plan is in contravention of the provisions of any law for the time being in force;

(ii) there has been material irregularity in exercise of the powers by the resolution professional during the corporate insolvency resolution period;

(iii) the debts owed to operational creditors of the corporate debtor have not been provided for in the resolution plan in the manner specified by the Board;

(iv) the insolvency resolution process costs have not been provided for repayment in priority to all other debts; or

(v) the resolution plan does not comply with any other criteria specified by the Board.

<sup>1</sup>[(4) An appeal against a liquidation order passed under section 33, or sub-section (4)

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<sup>1</sup> Subs. by Act No. 26 of 2021, sec.9, for sub-section (4) (w.e.f. 04-04-2021). Sub-section (4) before substitution, stood as under:

“(4) An appeal against a liquidation order passed under section 33 may be filed on grounds of material irregularity

of section 54L, or sub-section (4) of section 54N, may be filed on grounds of material irregularity or fraud committed in relation to such a liquidation order.

(5) An appeal against an order for initiation of corporate insolvency resolution process passed under sub-section (2) of section 54-O, may be filed on grounds of material irregularity or fraud committed in relation to such an order.]

## **62. Appeal to Supreme Court. -**

(1) Any person aggrieved by an order of the National Company Law Appellate Tribunal may file an appeal to the Supreme Court on a question of law arising out of such order under this Code within forty-five days from the date of receipt of such order.

(2) The Supreme Court may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within forty-five days, allow the appeal to be filed within a further period not exceeding fifteen days.

## **63. Civil court not to have jurisdiction. -**

No civil court or authority shall have jurisdiction to entertain any suit or proceedings in respect of any matter on which National Company Law Tribunal or the National Company Law Appellate Tribunal has jurisdiction under this Code. Civil court not to have jurisdiction.

## **64. Expeditious disposal of applications. -**

(1) Where an application is not disposed of or an order is not passed within the period specified in this Code, the National Company Law Tribunal or the National Company Law Appellate Tribunal, as the case may be, shall record the reasons for not doing so within the period so specified; and the President of the National Company Law Tribunal or the Chairperson of the National Company Law Appellate Tribunal, as the case may be, may, after taking into account the reasons so recorded, extend the period specified in the Act but not exceeding ten days.

(2) No injunction shall be granted by any court, tribunal or authority in respect of any action taken, or to be taken, in pursuance of any power conferred on the National Company Law Tribunal or the National Company Law Appellate Tribunal under this Code.

## **65. Fraudulent or malicious initiation of proceedings. -**

(1) If, any person initiates the insolvency resolution process or liquidation proceedings fraudulently or with malicious intent for any purpose other than for the resolution of insolvency, or liquidation, as the case may be, the Adjudicating Authority may

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or fraud committed in relation to such a liquidation order.”

impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.

(2) If, any person initiates voluntary liquidation proceedings with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to one crore rupees.

<sup>1</sup>[(3) If any person initiates the pre-packaged insolvency resolution process—

(a) fraudulently or with malicious intent for any purpose other than for the resolution of insolvency; or

(b) with the intent to defraud any person,

the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.]

#### **66. Fraudulent trading or wrongful trading. -**

(1) If during the corporate insolvency resolution process or a liquidation process, it is found that any business of the corporate debtor has been carried on with intent to defraud creditors of the corporate debtor or for any fraudulent purpose, the Adjudicating Authority may on the application of the resolution professional pass an order that any persons who were knowingly parties to the carrying on of the business in such manner shall be liable to make such contributions to the assets of the corporate debtor as it may deem fit.

(2) On an application made by a resolution professional during the corporate insolvency resolution process, the Adjudicating Authority may by an order direct that a director or partner of the corporate debtor, as the case may be, shall be liable to make such contribution to the assets of the corporate debtor as it may deem fit, if-

(a) before the insolvency commencement date, such director or partner knew or ought to have known that there was no reasonable prospect of avoiding the commencement of a corporate insolvency resolution process in respect of such corporate debtor; and

(b) such director or partner did not exercise due diligence in minimising the potential loss to the creditors of the corporate debtor.

<sup>2</sup>[(3) Notwithstanding anything contained in this section, no application shall be filed by a resolution professional under sub-section (2), in respect of such default against which initiation of corporate insolvency resolution process is suspended as per section 10A.]

*Explanation.* – For the purposes of this section a director or partner of the corporate debtor, as the case may be, shall be deemed to have exercised due diligence if such diligence

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec. 10 (w.e.f. 04-04-2021).

<sup>2</sup> Ins. by Act No. 17 of 2020, sec. 3 (w.e.f. 05-06-2020).

was reasonably expected of a person carrying out the same functions as are carried out by such director or partner, as the case may be, in relation to the corporate debtor.

**67. Proceedings under section 66. -**

(1) Where the Adjudicating Authority has passed an order under sub-section (1) or sub-section (2) of section 66, as the case may be, it may give such further directions as it may deem appropriate for giving effect to the order, and in particular, the Adjudicating Authority may—

(a) provide for the liability of any person under the order to be a charge on any debt or obligation due from the corporate debtor to him, or on any mortgage or charge or any interest in a mortgage or charge on assets of the corporate debtor held by or vested in him, or any person on his behalf, or any person claiming as assignee from or through the person liable or any person acting on his behalf; and

(b) from time to time, make such further directions as may be necessary for enforcing any charge imposed under this section.

*Explanation.* – For the purposes of this section, “assignee” includes a person to whom or in whose favour, by the directions of the person held liable under clause (a) the debt, obligation, mortgage or charge was created, issued or transferred or the interest created, but does not include an assignee for valuable consideration given in good faith and without notice of any of the grounds on which the directions have been made.

(2) Where the Adjudicating Authority has passed an order under sub-section (1) or sub-section (2) of section 66, as the case may be, in relation to a person who is a creditor of the corporate debtor, it may, by an order, direct that the whole or any part of any debt owed by the corporate debtor to that person and any interest thereon shall rank in the order of priority of payment under section 53 after all other debts owed by the corporate debtor.

**<sup>1</sup>[67A. Fraudulent management of corporate debtor during pre-packaged insolvency resolution process.**

On and after the pre-packaged insolvency commencement date, where an officer of the corporate debtor manages its affairs with the intent to defraud creditors of the corporate debtor or for any fraudulent purpose, the Adjudicating Authority may, on an application by the resolution professional, pass an order imposing upon any such officer, a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.]

**CHAPTER VII  
OFFENCES AND PENALTIES**

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec. 11 (w.e.f. 04-04-2021).



## **68. Punishment for concealment of property. -**

Where any officer of the corporate debtor has, –

(i) within the twelve months immediately preceding the insolvency commencement date, –

(a) wilfully concealed any property or part of such property of the corporate debtor or concealed any debt due to, or from, the corporate debtor, of the value of ten thousand rupees or more; or

(b) fraudulently removed any part of the property of the corporate debtor of the value of ten thousand rupees or more; or

(c) wilfully concealed, destroyed, mutilated or falsified any book or paper affecting or relating to the property of the corporate debtor or its affairs, or

(d) wilfully made any false entry in any book or paper affecting or relating to the property of the corporate debtor or its affairs, or

(e) fraudulently parted with, altered or made any omission in any document affecting or relating to the property of the corporate debtor or its affairs, or

(f) wilfully created any security interest over, transferred or disposed of any property of the corporate debtor which has been obtained on credit and has not been paid for unless such creation, transfer or disposal was in the ordinary course of the business of the corporate debtor, or

(g) wilfully concealed the knowledge of the doing by others of any of the acts mentioned in clauses (c), (d) or clause (e); or

(ii) at any time after the insolvency commencement date, committed any of the acts mentioned in sub-clause (a) to (f) of clause (i) or has the knowledge of the doing by others of any of the things mentioned in sub-clauses (c) to (e) of clause (i); or

(iii) at any time after the insolvency commencement date, taken in pawn or pledge, or otherwise received the property knowing it to be so secured, transferred or disposed,

such officer shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to five years, or with fine, which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both:

Provided that nothing in this section shall render a person liable to any punishment under this section if he proves that he had no intent to defraud or to conceal the state of affairs of the corporate debtor.

## **69. Punishment for transactions defrauding creditors. -**

<sup>1</sup>[If] an officer of the corporate debtor or the corporate debtor-

(a) has made or caused to be made any gift or transfer of, or charge on, or has caused or connived in the execution of a decree or order against, the property of the corporate debtor;

(b) has concealed or removed any part of the property of the corporate debtor within two months before the date of any unsatisfied judgment, decree or order for payment of money obtained against the corporate debtor,

such officer of the corporate debtor or the corporate debtor, as the case may be, shall be punishable with imprisonment for a term which shall not be less than one year, but which may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both:

Provided that a person shall not be punishable under this section if the acts mentioned in clause (a) were committed more than five years before the insolvency commencement date; or if he proves that, at the time of commission of those acts, he had no intent to defraud the creditors of the corporate debtor.

**70. Punishment for misconduct in course of corporate insolvency resolution process. -**

(1) On or after the insolvency commencement date, where an officer of the corporate debtor —

(a) does not disclose to the resolution professional all the details of property of the corporate debtor, and details of transactions thereof, or any such other information as the resolution professional may require; or

(b) does not deliver to the resolution professional all or part of the property of the corporate debtor in his control or custody and which he is required to deliver; or

(c) does not deliver to the resolution professional all books and papers in his control or custody belonging to the corporate debtor and which he is required to deliver; or

(d) fails to inform there solution professional the information in his knowledge that a debt has been falsely proved by any person during the corporate insolvency resolution process; or

(e) prevents the production of any book or paper affecting or relating to the property or affairs of the corporate debtor; or

(f) accounts for any part of the property of the corporate debtor by fictitious losses or expenses, or if he has so attempted at any meeting of the creditors of the corporate debtor within the twelve months immediately preceding the insolvency commencement

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<sup>1</sup> Subs. by Act. No 26 of 2018, sec. 30, for the words “On or after the insolvency commencement date, if” (w.e.f. 6-6-2018).

date,

he shall be punishable with imprisonment for a term which shall not be less than three years, but which may extend to five years, or with fine, which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both:

Provided that nothing in this section shall render a person liable to any punishment under this section if he proves that he had no intent to do so in relation to the state of affairs of the corporate debtor.

(2) If an insolvency professional deliberately contravenes the provisions of this Part the shall be punishable with imprisonment for a term which may extend to six months, or with fine which shall not be less than one lakh rupees, but may extend to five lakhs rupees, or with both.

**71. Punishment for falsification of books of corporate debtor. -**

On and after the insolvency commencement date, where any person destroys, mutilates, alters or falsifies any books, papers or securities, or makes or is in the knowledge of making of any false or fraudulent entry in any register, books of account or document belonging to the corporate debtor with intent to defraud or deceive any person, he shall be punishable with imprisonment for a term which shall not be less than three years, but which may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

**72. Punishment for wilful and material omissions from statements relating to affairs of corporate debtor. -**

Where an officer of the corporate debtor makes any material and wilful omission in any statement relating to the affairs of the corporate debtor, he shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

**73. Punishment for false representations to creditors. -**

Where any officer of the corporate debtor —

(a) on or after the insolvency commencement date, makes a false representation or commits any fraud for the purpose of obtaining the consent of the creditors of the corporate debtor or any of them to an agreement with reference to the affairs of the corporate debtor, during the corporate insolvency resolution process, or the liquidation process;

(b) prior to the insolvency commencement date, has made any false representation, or committed any fraud, for that purpose,

he shall be punishable with imprisonment for a term which shall not be less than three years,

but may extend to five years or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

**74. Punishment for contravention of moratorium or the resolution plan. -**

(1) Where the corporate debtor or any of its officer violates the provisions of section 14, any such officer who knowingly or wilfully committed or authorised or permitted such contravention shall be punishable with imprisonment for a term which shall not be less than three years, but may extend to five years or with fine which shall not be less than one lakh rupees, but may extend to three lakh rupees, or with both.

(2) Where any creditor violates the provisions of section 14, any person who knowingly and wilfully authorised or permitted such contravention by a creditor shall be punishable with imprisonment for a term which shall not be less than one year, but may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

(3) Where the corporate debtor, any of its officers or creditors or any person on whom the approved resolution plan is binding under section 31, knowingly and wilfully contravenes any of the terms of such resolution plan or abets such contravention, such corporate debtor, officer, creditor or person shall be punishable with imprisonment of not less than one year, but may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.

**75. Punishment for false information furnished in application. -**

Where any person furnishes information in the application made under section 7, which is false in material particulars, knowing it to be false or omits any material fact, knowing it to be material, such person shall be punishable with fine which shall not be less than one lakh rupees, but may extend to one crore rupees.

**76. Punishment for non-disclosure of dispute or <sup>1</sup>[payment] of debt by operational creditor. -**

Where-

(a) an operational creditor has wilfully or knowingly 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 <sup>2</sup>[payment] of the unpaid operational debt; or

(b) any person who knowingly and wilfully authorised or permitted such concealment under clause (a)

such operational creditor or person, as the case may be, shall be punishable with imprisonment

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<sup>1</sup> Subs. by Act. No. 26 of 2018, sec. 31(a), for the word "repayment" (w.e.f. 6-6-2018).

<sup>2</sup> Subs. by Act. No. 26 of 2018, sec. 31(b), for the word "repayment" (w.e.f. 6-6-2018).

for a term which shall not be less than one year but may extend to five years or with fine which shall not be less than one lakh rupees but may extend to one crore rupees, or with both.

**77. Punishment for providing false information in application made by corporate debtor. -**

Where-

(a) a corporate debtor provides information in the application under section 10 which is false in material particulars, knowing it to be false and omits any material fact, knowing it to be material; or

(b) any person who knowingly and wilfully authorised or permitted the furnishing of such information under sub-clause (a)

such corporate debtor or person, as the case may be, shall be punishable with imprisonment for a term which shall not be less than three years, but which may extend to five years or with fine which shall not be less than one lakh rupees, but which may extend to one crore rupees, or with both.

<sup>1</sup>[\*\*\*]

**<sup>2</sup>77A. Punishment for offences related to pre-packaged insolvency resolution process.**

(1) Where—

(a) a corporate debtor provides any information in the application under section 54C which is false in material particulars, knowing it to be false or omits any material fact, knowing it to be material; or

(b) a corporate debtor provides any information in the list of claims or the preliminary information memorandum submitted under sub-section (1) of section 54G which is false in material particulars, knowing it to be false or omits any material fact, knowing it to be material; or

(c) any person who knowingly and wilfully authorised or permitted the furnishing of such information under sub-clauses (a) and (b),

such corporate debtor or person, as the case may be, shall be punishable with imprisonment for a term which shall not be less than three years, but which may extend to five years or with fine which shall not be less than one lakh rupees, but which may extend to one crore rupees, or with both.

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<sup>1</sup> Omitted by Act No. 26 of 2021, sec.12 (w.e.f. 04-04-2021). Before omission, it stood as: “*Explanation.* – For the purpose of this section and sections 75 and 76, an application shall be deemed to be false in material particulars in case the facts mentioned or omitted in the application, if true, or not omitted from the application as the case may be, would have been sufficient to determine the existence of a default under this Code.”

<sup>2</sup> Ins. by Act No. 26 of 2021, sec. 13 (w.e.f. 04-04-2021).

(2) If a director or partner of the corporate debtor, as the case may be, deliberately contravenes the provisions of Chapter III-A, such person shall be punishable with imprisonment for not less than three years, but which may extend to five years, or with fine which shall not be less than one lakh rupees, but which may extend to one crore rupees, or with both.

*Explanation.*—For the purposes of this section and sections 75, 76 and 77, an application shall be deemed to be false in material particulars in case the facts mentioned or omitted in the application, if true, or not omitted from the application as the case may be, would have been sufficient to determine the existence of a default under this Code.]

**PART III**  
**INSOLVENCY RESOLUTION AND BANKRUPTCY FOR INDIVIDUALS AND**  
**PARTNERSHIP FIRMS**

**CHAPTER I**  
**PRELIMINARY**

**78. Application. -**

This Part shall apply to matters relating to fresh start, insolvency and bankruptcy of individuals and partnership firms where the amount of the default is not less than one thousand rupees:

Provided that the Central Government may, by notification, specify the minimum amount of default of higher value which shall not be more than one lakh rupees.

**79. Definitions. -**

In this Part, unless the context otherwise requires, -

(1) “Adjudicating Authority” means the Debt Recovery Tribunal constituted under sub-section (1) of section 3 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993);

(2) “associate” of the debtor means –

- (a) a person who belongs to the immediate family of the debtor;
- (b) a person who is a relative of the debtor or a relative of the spouse of the debtor;
- (c) a person who is in partnership with the debtor;
- (d) a person who is a spouse or a relative of any person with whom the debtor is in partnership;
- (e) a person who is employer of the debtor or employee of the debtor;
- (f) a person who is a trustee of a trust in which the beneficiaries of the trust include

a debtor, or the terms of the trust confer a power on the trustee which may be exercised for the benefit of the debtor; and

(g) a company, where the debtor or the debtor along with his associates, own more than fifty per cent. of the share capital of the company or control the appointment of the board of directors of the company.

*Explanation.* - For the purposes of this sub-section, “relative”, with reference to any person, means anyone who is related to another, if-

- (i) they are members of a Hindu Undivided Family;
- (ii) one person is related to the other in such manner as may be prescribed;

(3) “bankrupt” means –

(a) a debtor who has been adjudged as bankrupt by a bankruptcy order under section 126;

(b) each of the partners of a firm, where a bankruptcy order under section 126 has been made against a firm; or

(c) any person adjudged as an undischarged insolvent;

(4) “bankruptcy” means the state of being bankrupt;

(5) “bankruptcy debt”, in relation to a bankrupt, means –

(a) any debt owed by him as on the bankruptcy commencement date;

(b) any debt for which he may become liable after bankruptcy commencement date but before his discharge by reason of any transaction entered into before the bankruptcy commencement date; and

(c) any interest which is a part of the debt under section 171;

(6) “bankruptcy commencement date” means the date on which a bankruptcy order is passed by the Adjudicating Authority under section 126;

(7) “bankruptcy order” means an order passed by an Adjudicating Authority under section 126;

(8) “bankruptcy process” means a process against a debtor under Chapters IV and V of this part;

(9) “bankruptcy trustee” means the insolvency professional appointed as a trustee for the estate of the bankrupt under section 125;

(10) “Chapter” means a chapter under this Part;

(11) “committee of creditors” means a committee constituted under section 134;

(12) “debtor” includes a judgment-debtor;

(13) “discharge order” means an order passed by the Adjudicating Authority discharging the debtor under sections 92, 119 and section 138, as the case may be;

(14) “excluded assets” for the purposes of this part includes –

(a) unencumbered tools, books, vehicles and other equipment as are necessary to the debtor or bankrupt for his personal use or for the purpose of his employment, business or vocation,

(b) unencumbered furniture, household equipment and provisions as are necessary for satisfying the basic domestic needs of the bankrupt and his immediate family;

(c) any unencumbered personal ornaments of such value, as may be prescribed, of the debtor or his immediate family which cannot be parted with, in accordance with religious usage;

(d) any unencumbered life insurance policy or pension plan taken in the name of debtor or his immediate family; and

(e) an unencumbered single dwelling unit owned by the debtor of such value as may be prescribed;

(15) “excluded debt” means –

(a) liability to pay fine imposed by a court or tribunal;

(b) liability to pay damages for negligence, nuisance or breach of a statutory, contractual or other legal obligation;

(c) liability to pay maintenance to any person under any law for the time being in force;

(d) liability in relation to a student loan; and

(e) any other debt as may be prescribed;

(16) “firm” means a body of individuals carrying on business in partnership whether or not registered under section 59 of the Indian Partnership Act, 1932 (9 of 1932);

(17) “immediate family” of the debtor means his spouse, dependent children and dependent parents;

(18) “partnership debt” means a debt for which all the partners in a firm are jointly liable;

(19) “qualifying debt” means amount due, which includes interest or any other sum due in respect of the amounts owed under any contract, by the debtor for a liquidated sum either immediately or at certain future time and does not include –

(a) an excluded debt;

(b) a debt to the extent it is secured; and



(c) any debt which has been incurred three months prior to the date of the application for fresh start process;

(20) “repayment plan” means a plan prepared by the debtor in consultation with the resolution professional under section 105 containing a proposal to the committee of creditors for restructuring of his debts or affairs;

(21) “resolution professional” means an insolvency professional appointed under this part as a resolution professional for conducting the fresh start process or insolvency resolution process;

(22) “undischarged bankrupt” means a bankrupt who has not received a discharge order under section 138.

## **CHAPTER II**

### **FRESH START PROCESS**

#### **80. Eligibility for making an application. -**

(1) A debtor, who is unable to pay his debt and fulfils the conditions specified in sub-section (2), shall be entitled to make an application for a fresh start for discharge of his qualifying debt under this Chapter.

(2) A debtor may apply, either personally or through a resolution professional, for a fresh start under this Chapter in respect of his qualifying debts to the Adjudicating Authority if -

(a) the gross annual income of the debtor does not exceed sixty thousand rupees;

(b) the aggregate value of the assets of the debtor does not exceed twenty thousand rupees;

(c) the aggregate value of the qualifying debts does not exceed thirty -five thousand rupees;

(d) he is not an undischarged bankrupt;

(e) he does not own a dwelling unit, irrespective of whether it is encumbered or not;

(f) a fresh start process, insolvency resolution process or bankruptcy process is not subsisting against him; and

(g) no previous fresh start order under this Chapter has been made in relation to him in the preceding twelve months of the date of the application for fresh start.

### **81. Application for fresh start order. -**

(1) When an application is filed under section 80 by a debtor, an interim-moratorium shall commence on the date of filing of said application in relation to all the debts and shall cease to have effect on the date of admission or rejection of such application, as the case may be.

(2) During the interim-moratorium period, -

(i) any legal action or legal proceeding pending in respect of any of his debts shall be deemed to have been stayed; and

(ii) no creditor shall initiate any legal action or proceedings in respect of such debt.

(3) The application under section 80 shall be in such form and manner and accompanied by such fee, as may be prescribed.

(4) The application under sub-section (3) shall contain the following information supported by an affidavit, namely: -

(a) a list of all debts owed by the debtor as on the date of the said application along with details relating to the amount of each debt, interest payable thereon and the names of the creditors to whom each debt is owed;

(b) the interest payable on the debts and the rate thereof stipulated in the contract;

(c) a list of security held in respect of any of the debts,

(d) the financial information of the debtor and his immediate family up to two years prior to the date of the application;

(e) the particulars of the debtor's personal details, as may be prescribed;

(f) the reasons for making the application;

(g) the particulars of any legal proceedings which, to the debtor's knowledge has been commenced against him;

(h) the confirmation that no previous fresh start order under this Chapter has been made in respect of the qualifying debts of the debtor in the preceding twelve months of the date of the application.

### **82. Appointment of resolution professional. -**

(1) Where an application under section 80 is filed by the debtor through a resolution professional, the Adjudicating Authority shall direct the Board within seven days of the date of receipt of the application and shall seek confirmation from the Board that there are no disciplinary proceedings against the resolution professional who has submitted such

application.

(2) The Board shall communicate to the Adjudicating Authority in writing either –

(a) confirmation of the appointment of the resolution professional who filed an application under sub-section (1); or

(b) rejection of the appointment of the resolution professional who filed an application under sub-section (1) and nominate a resolution professional suitable for the fresh start process.

(3) Where an application under section 80 is filed by the debtor himself and not through the resolution professional, the Adjudicating Authority shall direct the Board within seven days of the date of the receipt of an application to nominate a resolution professional for the fresh start process.

(4) The Board shall nominate a resolution professional within ten days of receiving the direction issued by the Adjudicating Authority under sub-section (3).

(5) The Adjudicating Authority shall by order appoint the resolution professional recommended or nominated by the Board under sub-section (2) or sub-section (4), as the case may be.

(6) A resolution professional appointed by the Adjudicating Authority under sub-section (5) shall be provided a copy of the application for fresh start.

### **83. Examination of application by resolution professional. -**

(1) The resolution professional shall examine the application made under section 80 within ten days of his appointment, and submit a report to the Adjudicating Authority, either recommending acceptance or rejection of the application.

(2) The report referred to in sub-section (1) shall contain the details of the amounts mentioned in the application which in the opinion of the resolution professional are–

(a) qualifying debts; and

(b) liabilities eligible for discharge under sub-section (3) of section 92.

(3) The resolution professional may call for such further information or explanation in connection with the application as may be required from the debtor or any other person who, in the opinion of the resolution professional, may provide such information.

(4) The debtor or any other person, as the case may be, shall furnish such information or explanation within seven days of receipt of the request under sub-section (3).

(5) The resolution professional shall presume that the debtor is unable to pay his debts at the date of the application if -

(a) in his opinion the information supplied in the application indicates that the debtor is unable to pay his debts and he has no reason to believe that the information supplied is incorrect or incomplete; and

(b) he has reason to believe that there is no change in the financial circumstances of the debtor since the date of the application enabling the debtor to pay his debts.

(6) The resolution professional shall reject the application, if in his opinion -

(a) the debtor does not satisfy the conditions specified under section 80; or

(b) the debts disclosed in the application by the debtor are not qualifying debts; or

(c) the debtor has deliberately made a false representation or omission in the application or with respect to the documents or information submitted.

(7) The resolution professional shall record the reasons for recommending the acceptance or rejection of the application in the report to the Adjudicating Authority under sub-section (1) and shall give a copy of the report to the debtor.

#### **84. Admission or rejection of application by Adjudicating Authority. -**

(1) The Adjudicating Authority may within fourteen days from the date of submission of the report by the resolution professional, pass an order either admitting or rejecting the application made under sub-section (1) of section 81.

(2) The order passed under sub-section (1) accepting the application shall state the amount which has been accepted as qualifying debts by the resolution professional and other amounts eligible for discharge under section 92 for the purposes of the fresh start order.

(3) A copy of the order passed by the Adjudicating Authority under sub-section (1) along with a copy of the application shall be provided to the creditors mentioned in the application within seven days of the passing of the order.

#### **85. Effect of admission of application. -**

(1) On the date of admission of the application, the moratorium period shall commence in respect of all the debts.

(2) During the moratorium period -

(a) any pending legal action or legal proceeding in respect of any debt shall be deemed to have been stayed; and

(b) subject to the provisions of section 86, the creditors shall not initiate any legal action or proceedings in respect of any debt.

(3) During the moratorium period, the debtor shall –

(a) not act as a director of any company, or directly or indirectly take part in or be concerned in the promotion, formation or management of a company;

- (b) not dispose of or alienate any of his assets;
- (c) inform his business partners that he is undergoing a fresh start process;
- (d) be required to inform prior to entering into any financial or commercial transaction of such value as may be notified by the Central Government, either individually or jointly, that he is undergoing a fresh start process;
- (e) disclose the name under which he enters into business transactions, if it is different from the name in the application admitted under section 84;
- (f) not travel outside India except with the permission of the Adjudicating Authority.

(4) The moratorium ceases to have effect at the end of the period of one hundred and eighty days beginning with the date of admission unless the order admitting the application is revoked under sub-section (2) of section 91.

**86. Objections by creditor and their examination by resolution professional. -**

(1) Any creditor mentioned in the order of the Adjudicating Authority under section 84 to whom a qualifying debt is owed may, within a period of ten days from the date of receipt of the order under section 84, object only on the following grounds, namely: -

- (a) inclusion of a debt as a qualifying debt; or
- (b) incorrectness of the details of the qualifying debt specified in the order under section 84.

(2) A creditor may file an objection under sub-section (1) by way of an application to the resolution professional.

(3) The application under sub-section (2) shall be supported by such information and documents as may be prescribed.

(4) The resolution professional shall consider every objection made under this section.

(5) The resolution professional shall examine the objections under sub-section (2) and either accept or reject the objections, within ten days of the date of the application.

(6) The resolution professional may examine any matter that appears to him to be relevant to the making of a final list of qualifying debts for the purposes of section 92.

(7) On the basis of the examination under sub-section (5) or sub-section (6), the resolution professional shall -

- (a) prepare an amended list of qualifying debts for the purpose of the discharge order;
- (b) make an application to the Adjudicating Authority for directions under section 90; or

(c) take such other steps as he considers necessary in relation to the debtor.

**87. Application against decision of resolution professional. -**

(1) The debtor or the creditor who is aggrieved by the action taken by the resolution professional under section 86, may, within ten days of such decision, make an application to the Adjudicating Authority challenging such action on any of the following grounds, namely: –

(a) that the resolution professional has not given an opportunity to the debtor or the creditor to make a representation; or

(b) that the resolution professional colluded with the other party in arriving at the decision; or

(c) that the resolution professional has not complied with the requirements of section 86.

(2) The Adjudicating Authority shall decide the application referred to in sub-section (1) within fourteen days of such application and make an order as it deems fit.

(3) Where the application under sub-section (1) has been allowed by the Adjudicating Authority, it shall forward its order to the Board and the Board may take such action as may be required under Chapter VI of Part IV against the resolution professional.

**88. General duties of debtor. -**

The debtor shall -

(a) make available to the resolution professional all information relating to his affairs, attend meetings and comply with the requests of the resolution professional in relation to the fresh start process.

(b) inform the resolution professional as soon as reasonably possible of -

(i) any material error or omission in relation to the information or document supplied to the resolution professional; or

(ii) any change in financial circumstances after the date of application, where such change has an impact on the fresh start process.

**89. Replacement of resolution professional. -**

(1) Where the debtor or the creditor is of the opinion that the resolution professional

appointed under section 82 is required to be replaced, he may apply to the Adjudicating Authority for the replacement of such resolution professional.

(2) The Adjudicating Authority shall within seven days of the receipt of the application under sub-section (1) make a reference to the Board for replacement of the resolution professional.

(3) The Board shall, within ten days of the receipt of a reference from the Adjudicating Authority under sub-section (2), recommend the name of an insolvency professional to the Adjudicating Authority against whom no disciplinary proceedings are pending.

(4) The Adjudicating Authority shall appoint another resolution professional for the purposes of the fresh start process on the basis of the recommendation by the Board.

(5) The Adjudicating Authority may give directions to the resolution professional replaced under sub-section (4) -

(a) to share all information with the new resolution professional in respect of the fresh start process; and

(b) to co-operate with the new resolution professional as may be required.

#### **90. Directions for compliances of restrictions, etc. -**

(1) The resolution professional may apply to the Adjudicating Authority for any of the following directions, namely: -

(a) compliance of any restrictions referred to in sub-section (3) of section 85, in case of non-compliance by the debtor; or

(b) compliance of the duties of the debtor referred to in section 88, in case of non-compliance by the debtor.

(2) The resolution professional may apply to the Adjudicating Authority for directions in relation to any other matter under this Chapter for which no specific provisions have been made.

#### **91. Revocation of order admitting application. -**

(1) The resolution professional may submit an application to the Adjudicating Authority seeking revocation of its order made under section 84 on the following grounds, namely: -

(a) if due to any change in the financial circumstances of the debtor, the debtor is ineligible for a fresh start process; or

(b) non-compliance by the debtor of the restrictions imposed under sub-section (3) of section 85; or

(c) if the debtor has acted in a *mala fide* manner and has wilfully failed to comply

with the provisions of this Chapter.

(2) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (1), may by order admit or reject the application.

(3) On passing of the order admitting the application referred to in sub-section (1), the moratorium and the fresh start process shall cease to have effect.

(4) A copy of the order passed by the Adjudicating Authority under this section shall be provided to the Board for the purpose of recording an entry in the register referred to in section 196.

## **92. Discharge order. -**

(1) The resolution professional shall prepare a final list of qualifying debts and submit such list to the Adjudicating Authority at least seven days before the moratorium period comes to an end.

(2) The Adjudicating Authority shall pass a discharge order at the end of the moratorium period for discharge of the debtor from the qualifying debts mentioned in the list under sub-section (1).

(3) Without prejudice to the provisions of sub-section (2), the Adjudicating Authority shall discharge the debtor from the following liabilities, namely: -

(a) penalties in respect of the qualifying debts from the date of application till the date of the discharge order;

(b) interest including penal interest in respect of the qualifying debts from the date of application till the date of the discharge order; and

(c) any other sums owed under any contract in respect of the qualifying debts from the date of application till the date of the discharge order.

(4) The discharge order shall not discharge the debtor from any debt not included in sub-section (2) and from any liability not included under sub-section (3).

(5) The discharge order shall be forwarded to the Board for the purpose of recording an entry in the register referred to in section 196.

(6) A discharge order under sub-section (2) shall not discharge any other person from any liability in respect of the qualifying debts.

## **93. Standard of conduct. -**

The resolution professional shall perform his functions and duties in compliance with the code of conduct provided under section 208.

### **CHAPTER III**

### **INSOLVENCY RESOLUTION PROCESS**



**94. Application by debtor to initiate insolvency resolution process. -**

(1) A debtor who commits a default may apply, either personally or through a resolution professional, to the Adjudicating Authority for initiating the insolvency resolution process, by submitting an application.

(2) Where the debtor is a partner of a firm, such debtor shall not apply under this Chapter to the Adjudicating Authority in respect of the firm unless all or a majority of the partners of the firm file the application jointly.

(3) An application under sub-section (1) shall be submitted only in respect of debts which are not excluded debts.

(4) A debtor shall not be entitled to make an application under sub-section (1) if he is

-

- (a) an undischarged bankrupt;
- (b) undergoing a fresh start process;
- (c) undergoing an insolvency resolution process; or
- (d) undergoing a bankruptcy process.

(5) A debtor shall not be eligible to apply under sub-section (1) if an application under this Chapter has been admitted in respect of the debtor during the period of twelve months preceding the date of submission of the application under this section.

(6) The application referred to in sub-section (1) shall be in such form and manner and accompanied with such fee as may be prescribed.

**95. Application by creditor to initiate insolvency resolution process. -**

(1) A creditor may apply either by himself, or jointly with other creditors, or through a resolution professional to the Adjudicating Authority for initiating an insolvency resolution process under this section by submitting an application.

(2) A creditor may apply under sub-section (1) in relation to any partnership debt owed to him for initiating an insolvency resolution process against-

- (a) any one or more partners of the firm; or
- (b) the firm.

(3) Where an application has been made against one partner in a firm, any other application against another partner in the same firm shall be presented in or transferred to the Adjudicating Authority in which the first mentioned application is pending for adjudication and such Adjudicating Authority may give such directions for consolidating the proceedings under the applications as it thinks just.

(4) An application under sub-section (1) shall be accompanied with details and

documents relating to-

(a) the debts owed by the debtor to the creditor or creditors submitting the application for insolvency resolution process as on the date of application;

(b) the failure by the debtor to pay the debt within a period of fourteen days of the service of the notice of demand; and

(c) relevant evidence of such default or non-repayment of debt.

(5) The creditor shall also provide a copy of the application made under sub-section (1) to the debtor.

(6) The application referred to in sub-section (1) shall be in such form and manner and accompanied by such fee as may be prescribed.

(7) The details and documents required to be submitted under sub-section (4) shall be such as may be specified.

**96. Interim- moratorium. -**

(1) When an application is filed under section 94 or section 95 –

(a) an interim-moratorium shall commence on the date of the application in relation to all the debts and shall cease to have effect on the date of admission of such application; and

(b) during the interim-moratorium period -

(i) any legal action or proceeding pending in respect of any debt shall be deemed to have been stayed; and

(ii) the creditors of the debtor shall not initiate any legal action or proceedings in respect of any debt.

(2) Where the application has been made in relation to a firm, the interim-moratorium under sub-section (1) shall operate against all the partners of the firm as on the date of the application.

(3) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

**97. Appointment of resolution professional. -**

(1) If the application under section 94 or 95 is filed through a resolution professional, the Adjudicating Authority shall direct the Board within seven days of the date of the application to confirm that there are no disciplinary proceedings pending against resolution professional.

(2) The Board shall within seven days of receipt of directions under sub-section (1) communicate to the Adjudicating Authority in writing either –

(a) confirming the appointment of the resolution professional; or

(b) rejecting the appointment of the resolution professional and nominating another resolution professional for the insolvency resolution process.

(3) Where an application under section 94 or 95 is filed by the debtor or the creditor himself, as the case may be, and not through the resolution professional, the Adjudicating Authority shall direct the Board, within seven days of the filing of such application, to nominate a resolution professional for the insolvency resolution process.

(4) The Board shall nominate a resolution professional within ten days of receiving the direction issued by the Adjudicating Authority under sub-section (3).

(5) The Adjudicating Authority shall by order appoint the resolution professional recommended under sub-section (2) or as nominated by the Board under sub-section (4).

(6) A resolution professional appointed by the Adjudicating Authority under sub-section (5) shall be provided a copy of the application for insolvency resolution process.

**98. Replacement of resolution professional. -**

(1) Where the debtor or the creditor is of the opinion that the resolution professional appointed under section 97 is required to be replaced, he may apply to the Adjudicating Authority for the replacement of the such resolution professional.

(2) The Adjudicating Authority shall, within seven days of the receipt of the application under sub-section (1) make a reference to the Board for replacement of the resolution professional.

(3) The Board shall, within ten days of the receipt of a reference from the Adjudicating Authority under sub-section (2), recommend the name of the resolution professional to the Adjudicating Authority against whom no disciplinary proceedings are pending.

(4) Without prejudice to the provisions contained in sub-section (1), the creditors may apply to the Adjudicating Authority for replacement of the resolution professional where it has been decided in the meeting of the creditors, to replace the resolution professional with a new resolution professional for implementation of the repayment plan.

(5) Where the Adjudicating Authority admits an application made under sub-section (1) or sub-section (4), it shall direct the Board to confirm that there are no disciplinary proceedings pending against the proposed resolution professional.

(6) The Board shall send a communication within ten days of receipt of the direction under sub-section (5) either-

(a) confirming appointment of the nominated resolution professional; or

(b) rejecting appointment of the nominated resolution professional and recommend a new resolution professional.

(7) On the basis of the communication of the Board under sub-section (3) or sub-section (6), the Adjudicating Authority shall pass an order appointing a new resolution professional.

(8) The Adjudicating Authority may give directions to the resolution professional replaced under sub-section (7) -

(a) to share all information with the new resolution professional in respect of the insolvency resolution process; and

(b) to co-operate with the new resolution professional in such matters as may be required.

**99. Submission of report by resolution professional. -**

(1) The resolution professional shall examine the application referred to in section 94 or section 95, as the case may be, within ten days of his appointment, and submit a report to the Adjudicating Authority recommending for approval or rejection of the application.

(2) Where the application has been filed under section 95, the resolution professional may require the debtor to prove repayment of the debt claimed as unpaid by the creditor by furnishing -

(a) evidence of electronic transfer of the unpaid amount from the bank account of the debtor;

(b) evidence of encashment of a cheque issued by the debtor; or

(c) a signed acknowledgment by the creditor accepting receipt of dues.

(3) Where the debt for which an application has been filed by a creditor is registered with the information utility, the debtor shall not be entitled to dispute the validity of such debt.

(4) For the purposes of examining an application, the resolution professional may seek such further information or explanation in connection with the application as may be required from the debtor or the creditor or any other person who, in the opinion of the resolution professional, may provide such information.

(5) The person from whom information or explanation is sought under sub-section (4) shall furnish such information or explanation within seven days of receipt of the request.

(6) The resolution professional shall examine the application and ascertain that -

(a) the application satisfies the requirements set out in section 94 or 95;

(b) the applicant has provided information and given explanation sought by the resolution professional under sub-section (4).

(7) After examination of the application under sub-section (6), he may recommend

acceptance or rejection of the application in his report.

(8) Where the resolution professional finds that the debtor is eligible for a fresh start under Chapter II, the resolution professional shall submit a report recommending that the application by the debtor under section 94 be treated as an application under section 81 by the Adjudicating Authority.

(9) The resolution professional shall record the reasons for recommending the acceptance or rejection of the application in the report under sub-section (7).

(10) The resolution professional shall give a copy of the report under sub-section (7) to the debtor or the creditor, as the case may be.

#### **100. Admission or rejection of application. -**

(1) The Adjudicating Authority shall, within fourteen days from the date of submission of the report under section 99 pass an order either admitting or rejecting the application referred to in section 94 or 95, as the case may be.

(2) Where the Adjudicating Authority admits an application under sub-section (1), it may, on the request of the resolution professional, issue instructions for the purpose of conducting negotiations between the debtor and creditors and for arriving at a repayment plan.

(3) The Adjudicating Authority shall provide a copy of the order passed under sub-section (1) along with the report of the resolution professional and the application referred to in section 94 or 95, as the case may be, to the creditors within seven days from the date of the said order.

(4) If the application referred to in section 94 or 95, as the case may be, is rejected by the Adjudicating Authority on the basis of report submitted by the resolution professional that the application was made with the intention to defraud his creditors or the resolution professional, the order under sub-section (1) shall record that the creditor is entitled to file for a bankruptcy order under Chapter IV.

#### **101. Moratorium. -**

(1) When the application is admitted under section 100, a moratorium shall commence in relation to all the debts and shall cease to have effect at the end of the period of one hundred and eighty days beginning with the date of admission of the application or on the date the Adjudicating Authority passes an order on the repayment plan under section 114, whichever is earlier.

(2) During the moratorium period-

(a) any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed;

(b) the creditors shall not initiate any legal action or legal proceedings in respect of any debt; and

(c) the debtor shall not transfer, alienate, encumber or dispose of any of his assets or his legal rights or beneficial interest therein;

(3) Where an order admitting the application under section 96 has been made in relation to a firm, the moratorium under sub-section (1) shall operate against all the partners of the firm.

(4) The provisions of this section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

#### **102. Public notice and claims from creditors. –**

(1) The Adjudicating Authority shall issue a public notice within seven days of passing the order under section 100 inviting claims from all creditors within twenty- one days of such issue.

(2) The notice under sub-section (1) shall include–

(a) details of the order admitting the application;

(b) particulars of the resolution professional with whom the claims are to be registered; and

(c) the last date for submission of claims.

(3) The notice shall be -

(a) published in at least one English and one vernacular newspaper which is in circulation in the state where the debtor resides;

(b) affixed in the premises of the Adjudicating Authority; and

(c) placed on the website of the Adjudicating Authority.

#### **103. Registering of claims by creditors. -**

(1) The creditors shall register claims with the resolution professional by sending details of the claims by way of electronic communications or through courier, speed post or registered letter.

(2) In addition to the claims referred to in sub-section (1), the creditor shall provide to the resolution professional, personal information and such particulars as may be prescribed.

#### **104. Preparation of list of creditors. -**

(1) The resolution professional shall prepare a list of creditors on the basis of -

(a) the information disclosed in the application filed by the debtor under section 94 or 95, as the case may be;

(b) claims received by the resolution professional under section 102.

(2) The resolution professional shall prepare the list mentioned in sub-section (1) within thirty days from the date of the notice.

**105. Repayment plan. -**

(1) The debtor shall prepare, in consultation with the resolution professional, a repayment plan containing a proposal to the creditors for restructuring of his debts or affairs.

(2) The repayment plan may authorise or require the resolution professional to -

(a) carry on the debtor's business or trade on his behalf or in his name; or

(b) realise the assets of the debtor; or

(c) administer or dispose of any funds of the debtor.

(3) The repayment plan shall include the following, namely: -

(a) justification for preparation of such repayment plan and reasons on the basis of which the creditors may agree upon the plan;

(b) provision for payment of fee to the resolution professional;

(c) such other matters as may be specified.

**106. Report of resolution professional on repayment plan. –**

(1) The resolution professional shall submit the repayment plan under section 105 along with his report on such plan to the Adjudicating Authority within a period of twenty-one days from the last date of submission of claims under section 102.

(2) The report referred in sub-section (1) shall include that-

(a) the repayment plan is in compliance with the provisions of any law for the time being in force;

(b) the repayment plan has a reasonable prospect of being approved and implemented; and

(c) there is a necessity of summoning a meeting of the creditors, if required, to consider the repayment plan:

Provided that where the resolution professional recommends that a meeting of the creditors is not required to be summoned, reasons for the same shall be provided.

(3) The report referred to in sub-section (2) shall also specify the date on which, and the time and place at which, the meeting should be held if he is of the opinion that a meeting of the creditors should be summoned.

(4) For the purposes of sub-section (3) -

(a) the date on which the meeting is to be held shall be not less than fourteen days and not more than twenty-eight days from the date of submission of report under sub-section(1);

(b) the resolution professional shall consider the convenience of creditors in fixing the date and venue of the meeting of the creditors.

**107. Summoning of meeting of creditors. -**

(1) The resolution professional shall issue a notice calling the meeting of the creditors at least fourteen days before the date fixed for such meeting.

(2) The resolution professional shall send the notice of the meeting to the list of creditors prepared under section 104.

(3) The notice sent under sub-section (1) shall state the address of the Adjudicating Authority to which the repayment plan and report of the resolution professional on the repayment plan has been submitted and shall be accompanied by -

- (a) a copy of the repayment plan;
- (b) a copy of the statement of affairs of the debtor;
- (c) a copy of the said report of the resolution professional; and
- (d) forms for proxy voting.

(4) The proxy voting, including electronic proxy voting shall take place in such manner and form as may be specified.

**108. Conduct of meeting of creditors. -**

(1) The meeting of the creditors shall be conducted in accordance with the provisions of this section and sections 109,110 and 111.

(2) In the meeting of the creditors, the creditors may decide to approve, modify or reject the repayment plan.

(3) The resolution professional shall ensure that if modifications are suggested by the creditors, consent of the debtor shall be obtained for each modification.

(4) The resolution professional may for a sufficient cause adjourn the meeting of the creditors for a period of not more than seven days at a time.

**109. Voting rights in meeting of creditors. -**

(1) A creditor shall be entitled to vote at every meeting of the creditors in respect of the repayment plan in accordance with the voting share assigned to him.

(2) The resolution professional shall determine the voting share to be assigned to each



creditor in the manner specified by the Board.

(3) A creditor shall not be entitled to vote in respect of a debt for an unliquidated amount.

(4) A creditor shall not be entitled to vote in a meeting of the creditors if he —

(a) is not a creditor mentioned in the list of creditors under section 104; or

(b) is an associate of the debtor.

#### **110. Rights of secured creditors in relation to repayment plan. -**

(1) Secured creditors shall be entitled to participate and vote in the meetings of the creditors.

(2) A secured creditor participating in the meetings of the creditors and voting in relation to the repayment plan shall forfeit his right to enforce the security during the period of the repayment plan in accordance with the terms of the repayment plan.

(3) Where a secured creditor does not forfeit his right to enforce security, he shall submit an affidavit to the resolution professional at the meeting of the creditors stating -

(a) that the right to vote exercised by the secured creditor is only in respect of the unsecured part of the debt; and

(b) the estimated value of the unsecured part of the debt.

(4) In case a secured creditor participates in the voting on the repayment plan by submitting an affidavit under sub-section (3), the secured and unsecured parts of the debt shall be treated as separate debts.

(5) The concurrence of the secured creditor shall be obtained if he does not participate in the voting on repayment plan but provision of the repayment plan affects his right to enforce security.

*Explanation.* – For the purposes of this section, "period of the repayment plan" means the period from the date of the order passed under section 114 till the date on which the notice is given by the resolution professional under section 117 or report submitted by the resolution professional under section 118, as the case may be.

#### **111. Approval of repayment plan by creditors. -**

The repayment plan or any modification to the repayment plan shall be approved by a majority of more than three-fourth in value of the creditors present in person or by proxy and voting on the resolution in a meeting of the creditors. Approval of repayment plan by creditors.

#### **112. Report of meeting of creditors on repayment plan. -**

(1) The resolution professional shall prepare a report of the meeting of the creditors on

repayment plan.

(2) The report under sub-section (1) shall contain -

(a) whether the repayment plan was approved or rejected and if approved, the list the modifications, if any;

(b) the resolutions which were proposed at the meeting and the decision on such resolutions;

(c) list of the creditors who were present or represented at the meeting, and the voting records of each creditor for all meetings of the creditors; and

(d) such other information as the resolution professional thinks appropriate to make known to the Adjudicating Authority.

**113. Notice of decisions taken at meeting of creditors. –**

The resolution professional shall provide a copy of the report of the meeting of creditors prepared under section 99 to -

(a) the debtor;

(b) the creditors, including those who were not present at the meeting; and

(c) the Adjudicating Authority.

**114. Order of Adjudicating Authority on repayment plan. –**

(1) The Adjudicating Authority shall by an order approve or reject the repayment plan on the basis of the report of the meeting of the creditors submitted by the resolution professional under section 112:

Provided that where a meeting of creditors is not summoned, the Adjudicating Authority shall pass an order on the basis of the report prepared by the resolution professional under section 106.

(2) The order of the Adjudicating Authority approving the repayment plan may also provide for directions for implementing the repayment plan.

(3) Where the Adjudicating Authority is of the opinion that the repayment plan requires modification, it may direct the resolution professional to re-convene a meeting of the creditors for reconsidering the repayment plan.

**115. Effect of order of Adjudicating Authority on repayment plan. -**

(1) Where the Adjudicating Authority has approved the repayment plan under section 114, such repayment plan shall –

(a) take effect as if proposed by the debtor in the meeting; and

(b) be binding on creditors mentioned in the repayment plan and the debtor.

(2) Where the Adjudicating Authority rejects the repayment plan under section 114, the debtor and the creditors shall be entitled to file an application for bankruptcy under Chapter IV.

(3) A copy of the order passed by the Adjudicating Authority under sub-section (2) shall be provided to the Board, for the purpose of recording an entry in the register referred to in section 196.

#### **116. Implementation and supervision of repayment plan. -**

(1) The resolution professional appointed under section 97 or under section 98 shall supervise the implementation of the repayment plan.

(2) The resolution professional may apply to the Adjudicating Authority for directions, if necessary, in relation to any particular matter arising under the repayment plan.

(3) The Adjudicating Authority may issue directions to the resolution professional on the basis of an application under sub-section (2).

#### **117. Completion of repayment plan. -**

(1) The resolution professional shall within fourteen days of the completion of the repayment plan, forward to the persons who are bound by the repayment plan under section 115 and the Adjudicating Authority, the following documents, namely -

(a) a notice that the repayment plan has been fully implemented; and

(b) a copy of a report by the resolution professional summarising all receipts and payments made in pursuance of the repayment plan and extent of the implementation of such plan as compared with the repayment plan approved by the meeting of the creditors.

(2) The resolution professional may apply to the Adjudicating Authority to extend the time mentioned in sub-section (1) for such further period not exceeding seven days.

#### **118. Repayment plan coming to end prematurely. -**

(1) A repayment plan shall be deemed to have come to an end prematurely if it has not been fully implemented in respect of all persons bound by it within the period as mentioned in the repayment plan.

(2) Where a repayment plan comes to an end prematurely under this section, the resolution professional shall submit a report to the Adjudicating Authority which shall state

-

(a) the receipts and payments made in pursuance of the repayment plan;

(b) the reasons for premature end of the repayment plan; and

(c) the details of the creditors whose claims have not been fully satisfied.

(3) The Adjudicating Authority shall pass an order on the basis of the report submitted under sub-section (2) by the resolution professional that the repayment plan has not been completely implemented.

(4) The debtor or the creditor, whose claims under repayment plan have not been fully satisfied, shall be entitled to apply for a bankruptcy order under Chapter IV.

(5) The Adjudicating Authority shall forward to the persons bound by the repayment plan under section 115, a copy of the -

(a) report submitted by the resolution professional to the Adjudicating Authority under sub-section (2); and

(b) order passed by the Adjudicating Authority under sub-section (3).

(6) The Adjudicating Authority shall forward a copy of the order passed under sub-section (4) to the Board, for the purpose of recording entries in the register referred to in section 196.

#### **119. Discharge order. -**

(1) On the basis of the repayment plan, the resolution professional shall apply to the Adjudicating Authority for a discharge order in relation to the debts mentioned in the repayment plan and the Adjudicating Authority may pass such discharge order.

(2) The repayment plan may provide for -

(a) early discharge; or

(b) discharge on complete implementation of the repayment plan.

(3) The discharge order shall be forwarded to the Board, for the purpose of recording entries in the register referred to in section 196.

(4) The discharge order under sub-section (3) shall not discharge any other person from any liability in respect of his debt.

#### **120. Standard of conduct. -**

The resolution professional shall perform his functions and duties in compliance with the code of conduct provided under section 208.

### **CHAPTER IV**

#### **BANKRUPTCY ORDER FOR INDIVIDUALS AND PARTNERSHIP FIRMS**

#### **121. Application for bankruptcy. -**

(1) An application for bankruptcy of a debtor may be made, by a creditor individually or jointly with other creditors or by a debtor, to the Adjudicating Authority in the following circumstances, namely; –

(a) where an order has been passed by an Adjudicating Authority under sub-section 4 of section 100; or

(b) where an order has been passed by an Adjudicating Authority under sub-section 2 of section 115; or

(c) where an order has been passed by an Adjudicating Authority under sub-section 3 of section 118.

(2) An application for bankruptcy shall be filed within a period of three months of the date of the order passed by the Adjudicating Authority under the sections referred to in sub-section (1).

(3) Where the debtor is a firm, the application under sub-section (1) may be filed by any of its partners.

**122. Application by debtor. -**

(1) The application for bankruptcy by the debtor shall be accompanied by -

(a) the records of insolvency resolution process undertaken under Chapter III of Part III;

(b) the statement of affairs of the debtor in such form and manner as may be prescribed, on the date of the application for bankruptcy; and

(c) a copy of the order passed by the Adjudicating Authority under Chapter III of Part III permitting the debtor to apply for bankruptcy.

(2) The debtor may propose an insolvency professional as the bankruptcy trustee in the application for bankruptcy.

(3) The application referred to in sub-section (1) shall be in such form and manner and accompanied by such fee as may be prescribed.

(4) An application for bankruptcy by the debtor shall not be withdrawn without the leave of the Adjudicating Authority.

**123. Application by creditor. -**

(1) The application for bankruptcy by the creditor shall be accompanied by-

(a) the records of insolvency resolution process undertaken under Chapter III;

(b) a copy of the order passed by the Adjudicating Authority under Chapter III permitting the creditor to apply for bankruptcy;

(c) details of the debts owed by the debtor to the creditor as on the date of the application for bankruptcy; and

(d) such other information as may be prescribed.

(2) An application under sub-section (1) made in respect of a debt which is secured, shall be accompanied with -

(a) a statement by the creditor having the right to enforce the security that he shall, in the event of a bankruptcy order being made, give up his security for the benefit of all the creditors of the bankrupt; or

(b) a statement by the creditor stating—

(i) that the application for bankruptcy is only in respect of the unsecured part of the debt; and

(ii) an estimated value of the unsecured part of the debt.

(3) If a secured creditor makes an application for bankruptcy and submits a statement under clause (b) of sub-section (2), the secured and unsecured parts of the debt shall be treated as separate debts.

(4) The creditor may propose an insolvency professional as the bankruptcy trustee in the application for bankruptcy.

(5) An application for bankruptcy under sub-section (1), in case of a deceased debtor, may be filed against his legal representatives.

(6) The application for bankruptcy shall be in such form and manner and accompanied by such fee as may be prescribed.

(7) An application for bankruptcy by the creditor shall not be withdrawn without the permission of the Adjudicating Authority.

#### **124. Effect of application. -**

(1) When an application is filed under sections 122 or 123 –

(a) an interim-moratorium shall commence on the date of the making of the application on all actions against the properties of the debtor in respect of his debts and such moratorium shall cease to have effect on the bankruptcy commencement date; and

(b) during the interim-moratorium period -

(i) any pending legal action or legal proceeding against any property of the debtor in respect of any of his debts shall be deemed to have been stayed;

(ii) the creditors of the debtor shall not be entitled to initiate any legal action or legal proceedings against any property of the debtor in respect of any of his debts.

(2) Where the application has been made in relation to a firm, the interim-moratorium under sub-section (1) shall operate against all the partners of the firm as on the date of the making of the application.

(3) The provisions of this section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

**125. Appointment of insolvency professional as bankruptcy trustee. –**

(1) If an insolvency professional is proposed as the bankruptcy trustee in the application for bankruptcy under section 122 or section 123, the Adjudicating Authority shall direct the Board within seven days of receiving the application for bankruptcy to confirm that there are no disciplinary proceedings pending against such professional.

(2) The Board shall within ten days of the receipt of the direction under sub-section (1) in writing either –

(a) confirm the appointment of the proposed insolvency professional as the bankruptcy trustee for the bankruptcy process; or

(b) reject the appointment of the proposed insolvency professional as the bankruptcy trustee and nominate another bankruptcy trustee for the bankruptcy process.

(3) Where a bankruptcy trustee is not proposed by the debtor or creditor under section 122 or 123, the Adjudicating Authority shall direct the Board within seven days of receiving the application to nominate a bankruptcy trustee for the bankruptcy process.

(4) The Board shall nominate a bankruptcy trustee within ten days of receiving the direction of the Adjudicating Authority under sub-section (3).

(5) The bankruptcy trustee confirmed or nominated under this section shall be appointed as the bankruptcy trustee by the Adjudicating Authority in the bankruptcy order under section 126.

**126. Bankruptcy order. –**

(1) The Adjudicating Authority shall pass a bankruptcy order within fourteen days of receiving the confirmation or nomination of the bankruptcy trustee under section 125.

(2) The Adjudicating Authority shall provide the following documents to bankrupt, creditors and the bankruptcy trustee within seven days of the passing of the bankruptcy order, namely: -

(a) a copy of the application for bankruptcy; and

(b) a copy of the bankruptcy order.

**127. Validity of bankruptcy order.**

The bankruptcy order passed by the Adjudicating Authority under section 126 shall continue to have effect till the debtor is discharged under section 138.

**128. Effect of bankruptcy order. -**

(1) On the passing of the bankruptcy order under section 126, –

(a) the estate of the bankrupt shall vest in the bankruptcy trustee as provided in section 154;

(b) the estate of the bankrupt shall be divided among his creditors;

(c) subject to provisions of sub-section (2), a creditor of the bankrupt indebted in respect of any debt claimed as a bankruptcy debt shall not—

(i) initiate any action against the property of the bankrupt in respect of such debt; or

(ii) commence any suit or other legal proceedings except with the leave of the Adjudicating Authority and on such terms as the Adjudicating Authority may impose.

(2) Subject to the provisions of section 123, the bankruptcy order shall not affect the right of any secured creditor to realise or otherwise deal with his security interest in the same manner as he would have been entitled if the bankruptcy order had not been passed:

Provided that no secured creditor shall be entitled to any interest in respect of his debt after the bankruptcy commencement date if he does not take any action to realise his security within thirty days from the said date.

(3) Where a bankruptcy order under section 126 has been passed against a firm, the order shall operate as if it were a bankruptcy order made against each of the individuals who, on the date of the order, is a partner in the firm.

(4) The provisions of sub-section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

### **129. Statement of financial position. -**

(1) Where a bankruptcy order is passed on the application for bankruptcy by a creditor under section 123, the bankrupt shall submit his statement of financial position to the bankruptcy trustee within seven days from the bankruptcy commencement date.

(2) The statement of financial position shall be submitted in the such form and manner as may be prescribed.

(3) Where the bankrupt is a firm, its partners on the date of the order shall submit a joint statement of financial position of the firm, and each partner of the firm shall submit a statement of his financial position.

(4) The bankruptcy trustee may require the bankrupt or any other person to submit in writing further information explaining or modifying any matter contained in the statement of financial position.

### **130. Public notice inviting claims from creditors. –**

(1) The Adjudicating Authority shall—



(a) send notices within ten days of the bankruptcy commencement date, to the creditors mentioned in -

- (i) the statement of affairs submitted by the bankrupt under section 129; or
- (ii) the application for bankruptcy submitted by the bankrupt under section 122.

(b) issue a public notice inviting claims from creditors.

(2) The public notice under clause (b) of sub-section (1) shall include the last date up to which the claims shall be submitted and such other matters and details as may be prescribed and shall be -

(a) published in leading newspapers, one in English and another in vernacular having sufficient circulation where the bankrupt resides;

(b) affixed on the premises of the Adjudicating Authority; and

(c) placed on the website of the Adjudicating Authority.

(3) The notice to the creditors referred to under clause (a) of sub-section (1) shall include such matters and details as may be prescribed.

### **131. Registration of claims. –**

(1) The creditors shall register claims with the bankruptcy trustee within seven days of the publication of the public notice, by sending details of the claims to the bankruptcy trustee in such manner as may be prescribed.

(2) The creditor, in addition to the details of his claims, shall provide such other information and in such manner as may be prescribed.

### **132. Preparation of list of creditors. –**

The bankruptcy trustee shall, within fourteen days from the bankruptcy commencement date, prepare a list of creditors of the bankrupt on the basis of -

(a) the information disclosed by the bankrupt in the application for bankruptcy filed by the bankrupt under section 118 and the statement of affairs filed under section 125; and

(b) claims received by the bankruptcy trustee under sub-section (2) of section 130.

### **133. Summoning of meeting of creditors. -**

(1) The bankruptcy trustee shall, within twenty-one days from the bankruptcy commencement date, issue a notice for calling a meeting of the creditors, to every creditor of the bankrupt as mentioned in the list prepared under section 132.

(2) The notices issued under sub-section (1) shall -

(a) state the date of the meeting of the creditors, which shall not be later than twenty-one days from the bankruptcy commencement date;

(b) be accompanied with forms of proxy voting;

(c) specify the form and manner in which the proxy voting may take place.

(3) The proxy voting, including electronic proxy voting shall take place in such manner and form as may be specified.

#### **134. Conduct of meeting of creditors. -**

(1) The bankruptcy trustee shall be the convener of the meeting of the creditors summoned under section 133.

(2) The bankruptcy trustee shall decide the quorum for the meeting of the creditors, and conduct the meeting only if the quorum is present.

(3) The following business shall be conducted in the meeting of the creditors in which regard a resolution may be passed, namely: –

(a) the establishment of a committee of creditors;

(b) any other business that the bankruptcy trustee thinks fit to be transacted.

(4) The bankruptcy trustee shall cause the minutes of the meeting of the creditors to be recorded, signed and retained as a part of the records of the bankruptcy process.

(5) The bankruptcy trustee shall not adjourn the meeting of the creditors for any purpose for more than seven days at a time.

#### **135. Voting rights of creditors. -**

(1) Every creditor mentioned in the list under section 132 or his proxy shall be entitled to vote in respect of the resolutions in the meeting of the creditors in accordance with the voting share assigned to him.

(2) The resolution professional shall determine the voting share to be assigned to each creditor in the manner specified by the Board.

(3) A creditor shall not be entitled to vote in respect of a debt for an unliquidated amount.

(4) The following creditors shall not be entitled to vote under this section, namely: –

(a) creditors who are not mentioned in the list of creditors under section 132 and those who have not been given a notice by the bankruptcy trustee;

(b) creditors who are associates of the bankrupt.

#### **136. Administration and distribution of estate of bankrupt. –**

The bankruptcy trustee shall conduct the administration and distribution of the estate of

the bankrupt in accordance with the provisions of Chapter V.

**137. Completion of administration. -**

(1) The bankruptcy trustee shall convene a meeting of the committee of creditors on completion of the administration and distribution of the estate of the bankrupt in accordance with the provisions of Chapter V.

(2) The bankruptcy trustee shall provide the committee of creditors with a report of the administration of the estate of the bankrupt in the meeting of the said committee.

(3) The committee of creditors shall approve the report submitted by the bankruptcy trustee under sub-section (2) within seven days of the receipt of the report and determine whether the bankruptcy trustee should be released under section 148.

(4) The bankruptcy trustee shall retain sufficient sums from the estate of the bankrupt to meet the expenses of convening and conducting the meeting required under this section during the administration of the estate.

**138. Discharge order. -**

(1) The bankruptcy trustee shall apply to the Adjudicating Authority for a discharge order –

(a) on the expiry of one year from the bankruptcy commencement date; or

(b) within seven days of the approval of the committee of creditors of the completion of administration of the estates of the bankrupt under section 137, where such approval is obtained prior to the period mentioned in clause (a).

(2) The Adjudicating Authority shall pass a discharge order on an application by the bankruptcy trustee under sub-section (1).

(3) A copy of the discharge order shall be provided to the Board, for the purpose of recording an entry in the register referred to in section 196.

**139. Effect of discharge. –**

The discharge order under sub-section (2) of section 138 shall release the bankrupt from all the bankruptcy debt:

Provided that discharge shall not –

(a) affect the functions of the bankruptcy trustee; or

(b) affect the operation of the provisions of Chapters IV and V of Part III:

(c) release the bankrupt from any debt incurred by means of fraud or breach of trust to which he was a party; or

(d) discharge the bankrupt from any excluded debt.

**140. Disqualification of bankrupt. -**

(1) The bankrupt shall, from the bankruptcy commencement date, be subject to the disqualifications mentioned in this section.

(2) In addition to any disqualification under any other law for the time being in force, a bankrupt shall be disqualified from—

(a) being appointed or acting as a trustee or representative in respect of any trust, estate or settlement;

(b) being appointed or acting as a public servant;

(c) being elected to any public office where the appointment to such office is by election; and

(d) being elected or sitting or voting as a member of any local authority.

(3) Any disqualification to which a bankrupt may be subject under this section shall cease to have effect, if –

(a) the bankruptcy order against him is modified or recalled under section 142; or

(b) he is discharged under section 138.

*Explanation.* - For the purposes of this section, the term “public servant” shall have the same meaning as assigned to it in section 21 of the Indian Penal Code, 1860 (45 of 1860).

**141. Restrictions on bankrupt. -**

(1) A bankrupt, from the bankruptcy commencement date, shall, –

(a) not act as a director of any company, or directly or indirectly take part in or be concerned in the promotion, formation or management of a company;

(b) without the previous sanction of the bankruptcy trustee, be prohibited from creating any charge on his estate or taking any further debt;

(c) be required to inform his business partners that he is undergoing a bankruptcy process;

(d) prior to entering into any financial or commercial transaction of such value as may be prescribed, either individually or jointly, inform all the parties involved in such transaction that he is undergoing a bankruptcy process;

(e) without the previous sanction of the Adjudicating Authority, be incompetent to maintain any legal action or proceedings in relation to the bankruptcy debts; and

(f) not be permitted to travel overseas without the permission of the Adjudicating Authority.

(2) Any restriction to which a bankrupt may be subject under this section shall cease to have effect, if -

- (a) the bankruptcy order against him is modified or recalled under section 142; or
- (b) he is discharged under section 138.

**142. Modification or recall of bankruptcy order. -**

(1) The Adjudicating Authority may, on an application or *suo motu*, modify or recall a bankruptcy order, whether or not the bankrupt is discharged, if it appears to the Adjudicating Authority that —

- (a) there exists an error apparent on the face of such order; or
- (b) both the bankruptcy debts and the expenses of the bankruptcy have, after the making of the bankruptcy order, either been paid for or secured to the satisfaction of the Adjudicating Authority.

(2) Where the Adjudicating Authority modifies or recalls the bankruptcy order under this section, any sale or other disposition of property, payment made or other things duly done by the bankruptcy trustee shall be valid except that the property of the bankrupt shall vest in such person as the Adjudicating Authority may appoint or, in default of any such appointment, revert to the bankrupt on such terms as the Adjudicating Authority may direct.

(3) A copy of the order passed by the Adjudicating Authority under sub-section (1) shall be provided to the Board, for the purpose of recording an entry in the register referred to in section 191.

(4) The modification or recall of the order by the Adjudicating Authority under sub-section (1) shall be binding on all creditors so far as it relates to any debts due to them which form a part of the bankruptcy.

**143. Standard of conduct. –**

The bankruptcy trustee shall perform his functions and duties in compliance with the code of conduct provided under section 208.

**144. Fees of bankruptcy trustee. -**

(1) A bankruptcy trustee appointed for conducting the bankruptcy process shall charge such fees as may be specified in proportion to the value of the estate of the bankrupt.

(2) The fees for the conduct of the bankruptcy process shall be paid to the bankruptcy trustee from the distribution of the estate of the bankrupt in the manner provided in section 178.

**145. Replacement of bankruptcy trustee. -**

(1) Where Committee of creditors is of the opinion that at any time during the bankruptcy process, a bankruptcy trustee appointed under section 125 is required to be replaced, it may replace him with another bankruptcy trustee in the manner provided under this section.

(2) The Committee of creditors may, at a meeting, by a vote of seventy-five per cent. of voting share, propose to replace the bankruptcy trustee appointed under section 125 with another bankruptcy trustee.

(3) The Committee of creditors may apply to the Adjudicating Authority for the replacement of the bankruptcy trustee.

(4) The Adjudicating Authority shall within seven days of the receipt of the application under sub-section (3) direct the Board to recommend for replacement of bankruptcy trustee.

(5) The Board shall, within ten days of the direction of the Adjudicating Authority under sub-section (4), recommend a bankruptcy trustee for replacement against whom no disciplinary proceedings are pending.

(6) The Adjudicating Authority shall, by an order, appoint the bankruptcy trustee as recommended by the Board under sub-section (5) within fourteen days of receiving such recommendation.

(7) The earlier bankruptcy trustee shall deliver possession of the estate of the bankrupt to the bankruptcy trustee appointed under sub-section (6), on the date of his appointment.

(8) The Adjudicating Authority may give directions to the earlier bankruptcy trustee-

(a) to share all information with the new bankruptcy trustee in respect of the bankruptcy process; and

(b) to co-operate with the new bankruptcy trustee in such matters as may be required.

(9) The earlier bankruptcy trustee replaced under this section shall be released in accordance with the provisions of section 148.

(10) The bankruptcy trustee appointed under this section shall give a notice of his appointment to the bankrupt within seven days of his appointment.

**146. Resignation by bankruptcy trustee. -**

(1) A bankruptcy trustee may resign if -

(a) he intends to cease practising as an insolvency professional; or

(b) there is conflict of interest or change of personal circumstances which preclude the further discharge of his duties as a bankruptcy trustee.

(2) The Adjudicating Authority shall, within seven days of the acceptance of the

resignation of the bankruptcy trustee, direct the Board for his replacement.

(3) The Board shall, within ten days of the direction of the Adjudicating Authority under sub-section (2) recommend another bankruptcy trustee as a replacement.

(4) The Adjudicating Authority shall appoint the bankruptcy trustee recommended by the Board under sub-section (3) within fourteen days of receiving the recommendation.

(5) The replaced bankruptcy trustee shall deliver possession of the estate of the bankrupt to the bankruptcy trustee appointed under sub-section (4), on the date of his appointment.

(6) The Adjudicating Authority may give directions to the bankruptcy trustee who has resigned -

(a) to share all information with the new bankruptcy trustee in respect of the bankruptcy process; and

(b) to co-operate with the new bankruptcy trustee in such matters as may be required.

(7) The bankruptcy trustee appointed under this section shall give a notice of his appointment to the committee of creditors and the bankrupt within seven days of his appointment.

(8) The bankruptcy trustee replaced under this section shall be released in accordance with the provisions of section 148.

#### **147. Vacancy in office of bankruptcy trustee. -**

(1) If a vacancy occurs in the office of the bankruptcy trustee for any reason other than his replacement or resignation, the vacancy shall be filled in accordance with the provisions of this section.

(2) In the event of the occurrence of vacancy referred to in sub-section (1), the Adjudicating Authority shall direct the Board for replacement of a bankruptcy trustee.

(3) The Board shall, within ten days of the direction of the Adjudicating Authority under sub-section (2), recommend a bankruptcy trustee as a replacement.

(4) The Adjudicating Authority shall appoint the bankruptcy trustee recommended by the Board under sub-section (3) within fourteen days of receiving the recommendation.

(5) The earlier bankruptcy trustee shall deliver possession of the estate of the bankrupt to the bankruptcy trustee appointed under sub-section (4), on the date of his appointment.

(6) The Adjudicating Authority may give directions to the bankruptcy trustee who has vacated the office -

(a) to share all information with the new bankruptcy trustee in respect of the

bankruptcy;

(b) to co-operate with the new bankruptcy trustee in such matters as may be required.

(7) The bankruptcy trustee appointed under sub-section (4) shall give a notice of his appointment to the committee of creditors and the bankrupt within seven days of his appointment.

(8) The earlier bankruptcy trustee replaced under this section shall be released in accordance with the provisions of section 148:

Provided that this section shall not apply if the vacancy has occurred due to temporary illness or temporary leave of the bankruptcy trustee.

**148. Release of bankruptcy trustee. -**

(1) A bankruptcy trustee shall be released from his office with effect from the date on which the Adjudicating Authority passes an order appointing a new bankruptcy trustee in the event of replacement, resignation or occurrence of vacancy under sections 145, 146 or section 147, as the case may be.

(2) Notwithstanding the release under sub-section (1), the bankruptcy trustee who has been so released, shall share all information with the new bankruptcy trustee in respect of the bankruptcy process and co-operate with the new bankruptcy trustee in such matters as may be required.

(3) A bankruptcy trustee who has completed the administration of the bankruptcy process shall be released of his duties with effect from the date on which the committee of creditors approves the report of the bankruptcy trustee under section 137.

## **CHAPTER V**

### **ADMINISTRATION AND DISTRIBUTION OF THE ESTATE OF THE BANKRUPT**

**149. Functions of bankruptcy trustee. -**

The bankruptcy trustee shall perform the following functions in accordance with the provisions of this Chapter –

- (a) investigate the affairs of the bankrupt;
- (b) realise the estate of the bankrupt; and
- (c) distribute the estate of the bankrupt.

**150. Duties of bankrupt towards bankruptcy trustee. –**



(1) The bankrupt shall assist the bankruptcy trustee in carrying out his functions under this Chapter by -

- (a) giving to the bankruptcy trustee the information of his affairs;
- (b) attending on the bankruptcy trustee at such times as may be required;
- (c) giving notice to the bankruptcy trustee of any of the following events which have occurred after the bankruptcy commencement date, -
  - (i) acquisition of any property by the bankrupt;
  - (ii) devolution of any property upon the bankrupt;
  - (iii) increase in the income of the bankrupt;
  - (d) doing all other things as may be prescribed.

(2) The bankrupt shall give notice of the increase in income or acquisition or devolution of property under clause (c) of sub-section (1) within seven days of such increase, acquisition or devolution.

(3) The bankrupt shall continue to discharge the duties under sub-section (1) other than the duties under clause (c) even after the discharge under section 138.

**151. Rights of bankruptcy trustee. -**

For the purpose of performing his functions under this Chapter, the bankruptcy trustee may, by his official name -

- (a) hold property of every description;
- (b) make contracts;
- (c) sue and be sued;
- (d) enter into engagements in respect of the estate of the bankrupt;
- (e) employ persons to assist him;
- (f) execute any power of attorney, deed or other instrument; and
- (g) do any other act which is necessary or expedient for the purposes of or in connection with the exercise of his rights.

**152. General powers of bankruptcy trustee. -**

The bankruptcy trustee may while discharging his functions under this Chapter, -

- (a) sell any part of the estate of the bankrupt;
- (b) give receipts for any money received by him;
- (c) prove, rank, claim and draw a dividend in respect of such debts due to the bankrupt as are comprised in his estate;

(d) where any property comprised in the estate of the bankrupt is held by any person by way of pledge or hypothecation, exercise the right of redemption in respect of any such property subject to the relevant contract by giving notice to the said person;

(e) where any part of the estate of the bankrupt consists of securities in a company or any other property which is transferable in the books of a person, exercise the right to transfer the property to the same extent as the bankrupt might have exercised it if he had not become bankrupt; and

(f) deal with any property comprised in the estate of the bankrupt to which the bankrupt is beneficially entitled in the same manner as he might have dealt with it.

### **153. Approval of creditors for certain acts. -**

The bankruptcy trustee for the purposes of this Chapter may after procuring the approval of the committee of creditors, -

(a) carry on any business of the bankrupt as far as may be necessary for winding it up beneficially;

(b) bring, institute or defend any legal action or proceedings relating to the property comprised in the estate of the bankrupt;

(c) accept as consideration for the sale of any property a sum of money due at a future time subject to certain stipulations such as security;

(d) mortgage or pledge any property for the purpose of raising money for the payment of the debts of the bankrupt;

(e) where any right, option or other power forms part of the estate of the bankrupt, make payments or incur liabilities with a view to obtaining, for the benefit of the creditors, any property which is the subject of such right, option or power;

(f) refer to arbitration or compromise on such terms as may be agreed, any debts subsisting or supposed to subsist between the bankrupt and any person who may have incurred any liability to the bankrupt;

(g) make compromise or other arrangement as may be considered expedient, with the creditors;

(h) make compromise or other arrangement as he may deem expedient with respect to any claim arising out of or incidental to the bankrupt's estate;

(i) appoint the bankrupt to -

(A) supervise the management of the estate of the bankrupt or any part of it;

(B) carry on his business for the benefit of his creditors;

(C) assist the bankruptcy trustee in administering the estate of the bankrupt.

**154. Vesting of estate of bankrupt in bankruptcy trustee. -**

(1) The estate of the bankrupt shall vest in the bankruptcy trustee immediately from the date of his appointment.

(2) The vesting under sub-section (1) shall take effect without any conveyance, assignment or transfer.

**155. Estate of bankrupt. -**

(1) The estate of the bankrupt shall include, –

(a) all property belonging to or vested in the bankrupt at the bankruptcy commencement date;

(b) the capacity to exercise and to initiate proceedings for exercising all such powers in or over or in respect of property as might have been exercised by the bankrupt for his own benefit at the bankruptcy commencement date or before the date of the discharge order passed under section 138; and

(c) all property which by virtue of any of the provisions of this Chapter is comprised in the estate.

(2) The estate of the bankrupt shall not include –

(a) excluded assets;

(b) property held by the bankrupt on trust for any other person;

(c) all sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund; and

(d) such assets as may be notified by the Central Government in consultation with any financial sector regulator.

**156. Delivery of property and documents to bankruptcy trustee. -**

The bankrupt, his banker or agent or any other person having possession of any property, books, papers or other records which bankruptcy trustee is required to take possession for the purposes of the bankruptcy process shall deliver the said property and documents to the bankruptcy trustee.

**157. Acquisition of control by bankruptcy trustee. –**

(1) The bankruptcy trustee shall take possession and control of all property, books, papers and other records relating to the estate of the bankrupt or affairs of the bankrupt which belong to him or are in his possession or under his control.

(2) Where any part of the estate of the bankrupt consists of things in actionable claims,

they shall be deemed to have been assigned to the bankruptcy trustee without any notice of the assignment.

**158. Restrictions on disposition of property. –**

(1) Any disposition of property made by the debtor, during the period between the date of filing of the application for bankruptcy and the bankruptcy commencement date shall be void.

(2) Any disposition of property made under sub-section (1) shall not give rise to any right against any person, in respect of such property, even if he has received such property before the bankruptcy commencement date in –

(a) good faith;

(b) for value; and

(c) without notice of the filing of the application for bankruptcy.

(3) For the purposes of this section, the term “property” means all the property of the debtor, whether or not it is comprised in the estate of the bankrupt, but shall not include property held by the debtor in trust for any other person.

**159. After-acquired property of bankrupt. –**

(1) The bankruptcy trustee shall be entitled to claim for the estate of the bankrupt, any after-acquired property by giving a notice to the bankrupt.

(2) A notice under sub-section (1) shall not be served in respect of -

(a) excluded assets, or

(b) any property which is acquired by or devolves upon the bankrupt after a discharge order is passed under section 138.

(3) The notice under sub-section (2) shall be given within fifteen days from the day on which the acquisition or devolution of the after-acquired property comes to the knowledge of the bankruptcy trustee.

(4) For the purposes of sub-section (3)-

(a) anything which comes to the knowledge of the bankruptcy trustee shall be deemed to have come to the knowledge of the successor of the bankruptcy trustee at the same time; and

(b) anything which comes to the knowledge of a person before he is appointed as a bankruptcy trustee shall be deemed to have come to his knowledge on the date of his appointment as bankruptcy trustee.

(5) The bankruptcy trustee shall not be entitled, by virtue of this section, to claim from any person who has acquired any right over after-acquired property, in good faith, for value

and without notice of the bankruptcy.

(6) A notice may be served after the expiry of the period under sub-section (3) only with the approval of the Adjudicating Authority.

*Explanation.* – For the purposes of this section, the term "after-acquired property" means any property which has been acquired by or has devolved upon the bankrupt after the bankruptcy commencement date.

**160. Onerous property of bankrupt. –**

(1) The bankruptcy trustee may, by giving notice to the bankrupt or any person interested in the onerous property, disclaim any onerous property which forms a part of the estate of the bankrupt.

(2) The bankruptcy trustee may give the notice under sub-section (1) notwithstanding that he has taken possession of the onerous property, endeavoured to sell it or has exercised rights of ownership in relation to it.

(3) A notice of disclaimer under sub-section (1) shall -

(a) determine, as from the date of such notice, the rights, interests and liabilities of the bankrupt in respect of the onerous property disclaimed;

(b) discharge the bankruptcy trustee from all personal liability in respect of the onerous property as from the date of appointment of the bankruptcy trustee.

(4) A notice of disclaimer under sub-section (1) shall not be given in respect of the property which has been claimed for the estate of the bankrupt under section 155 without the permission of the committee of creditors.

(5) A notice of disclaimer under sub-section (1) shall not affect the rights or liabilities of any other person, and any person who sustains a loss or damage in consequence of the operation of a disclaimer under this section shall be deemed to be a creditor of the bankrupt to the extent of the loss or damage.

*Explanation.* – For the purposes of this section, the term “onerous property” means -

(i) any unprofitable contract; and

(ii) any other property comprised in the estate of the bankrupt which is unsaleable or not readily saleable, or is such that it may give rise to a claim.

**161. Notice to disclaim onerous property. –**

(1) No notice of disclaimer under section 160 shall be necessary if -

(a) a person interested in the onerous property has applied in writing to the bankruptcy trustee or his predecessor requiring him to decide whether the onerous property should be disclaimed or not; and

(b) a decision under clause (a) has not been taken by the bankruptcy trustee within seven days of receipt of the notice.

(2) Any onerous property which cannot be disclaimed under sub-section (1) shall be deemed to be part of the estate of the bankrupt.

*Explanation.* – For the purposes of this section, an onerous property is said to be disclaimed where notice in relation to that property has been given by the bankruptcy trustee under section 160.

**162. Disclaimer of leaseholds. –**

(1) The bankruptcy trustee shall not be entitled to disclaim any leasehold interest, unless a notice of disclaimer has been served on every interested person and –

(a) no application objecting to the disclaimer by the interested person, has been filed with respect to the leasehold interest, within fourteen days of the date on which notice was served; and

(b) where the application objecting to the disclaimer has been filed by the interested person, the Adjudicating Authority has directed under section 163 that the disclaimer shall take effect.

(2) Where the Adjudicating Authority gives a direction under clause (b) of sub-section (1), it may also make order with respect to fixtures, improvements by tenant and other matters arising out of the lease as it may think fit.

**163. Challenge against disclaimed property. –**

(1) An application challenging the disclaimer may be made by the following persons under this section to the Adjudicating Authority-

(a) any person who claims an interest in the disclaimed property; or

(b) any person who is under any liability in respect of the disclaimed property; or

(c) where the disclaimed property is a dwelling house, any person who on the date of application for bankruptcy was in occupation of or entitled to occupy that dwelling house.

(2) The Adjudicating Authority may on an application under sub-section (1) make an order for the vesting of the disclaimed property in, or for its delivery to any of the persons mentioned in sub-section (1).

(3) The Adjudicating Authority shall not make an order in favour of a person who has made an application under clause (b) of sub-section (1) except where it appears to the Adjudicating Authority that it would be just to do so for the purpose of compensating the person.

(4) The effect of an order under this section shall be taken into account while assessing loss or damage sustained by any person in consequence of the disclaimer under sub-section (5) of section 160.

(5) An order under sub-section (2) vesting property in any person need not be completed by any consequence, assignment or transfer.

**164. Undervalued transactions. –**

(1) The bankruptcy trustee may apply to the Adjudicating Authority for an order under this section in respect of an undervalued transaction between a bankrupt and any person.

(2) The undervalued transaction referred to in sub-section (1) should have –

(a) been entered into during the period of two years ending on the filing of the application for bankruptcy; and

(b) caused bankruptcy process to be triggered.

(3) A transaction between a bankrupt and his associate entered into during the period of two years preceding the date of making of the application for bankruptcy shall be deemed to be an undervalued transaction under this section.

(4) On the application of the bankruptcy trustee under sub-section (1), the Adjudicating Authority may -

(a) pass an order declaring an undervalued transaction void;

(b) pass an order requiring any property transferred as a part of an undervalued transaction to be vested with the bankruptcy trustee as a part of the estate of the bankrupt; and

(c) pass any other order it thinks fit for restoring the position to what it would have been if the bankrupt had not entered into the undervalued transaction.

(5) The order under clause (a) of sub-section (4) shall not be passed if it is proved by the bankrupt that the transaction was undertaken in the ordinary course of business of the bankrupt:

Provided that the provisions of this sub-section shall not be applicable to undervalued transaction entered into between a bankrupt and his associate under sub-section (3) of this section.

(6) For the purposes of this section, a bankrupt enters into an undervalued transaction with any person if -

- (a) he makes a gift to that person;
- (b) no consideration has been received by that person from the bankrupt;
- (c) it is in consideration of marriage; or
- (d) it is for a consideration, the value of which in money or money's worth is significantly less than the value in money or money's worth of the consideration provided by the bankrupt.

**165. Preference transactions. -**

(1) The bankruptcy trustee may apply to the Adjudicating Authority for an order under this section if a bankrupt has given a preference to any person.

(2) The transaction giving preference to an associate of the bankrupt under sub-section (1) should have been entered into by the bankrupt with the associate during the period of two years ending on the date of the application for bankruptcy.

(3) Any transaction giving preference not covered under sub-section (2) should have been entered into by the bankrupt during the period of six months ending on the date of the application for bankruptcy.

(4) The transaction giving preference under sub-section (2) or under sub-section (3) should have caused the bankruptcy process to be triggered.

(5) On the application of the bankruptcy trustee under sub-section (1), the Adjudicating Authority may –

- (a) pass an order declaring a transaction giving preference void;
- (b) pass an order requiring any property transferred in respect of a transaction giving preference to be vested with the bankruptcy trustee as a part of the estate of the bankrupt; and
- (c) pass any other order it thinks fit for restoring the position to what it would have been if the bankrupt had not entered into the transaction giving preference.

(6) The Adjudicating Authority shall not pass an order under sub-section (5) unless the bankrupt was influenced in his decision of giving preference to a person by a desire to produce in relation to that person an effect under clause (b) of sub-section (8).

(7) For the purpose of sub-section (6), if the person is an associate of the bankrupt, (otherwise than by reason only of being his employee), at the time when the preference was given, it shall be presumed that the bankrupt was influenced in his decision under that sub-section.

(8) For the purposes of this section, a bankrupt shall be deemed to have entered into a transaction giving preference to any person if –



(a) the person is the creditor or surety or guarantor for any debt of the bankrupt; and

(b) the bankrupt does anything or suffers anything to be done which has the effect of putting that person into a position which, in the event of the debtor becoming a bankrupt, will be better than the position he would have been in, if that thing had not been done.

**166. Effect of order. -**

(1) Subject to the provision of sub-section (2), an order passed by the Adjudicating Authority under section 164 or section 165 shall not, -

(a) give rise to a right against a person interested in the property which was acquired in an undervalued transaction or a transaction giving preference, whether or not he is the person with whom the bankrupt entered into such transaction; and

(b) require any person to pay a sum to the bankruptcy trustee in respect of the benefit received from the undervalued transaction or a transaction giving preference, whether or not he is the person with whom the bankrupt entered into such transaction.

(2) The provision of sub-section (1) shall apply only if the interest was acquired or the benefit was received -

(a) in good faith;

(b) for value;

(c) without notice that the bankrupt entered into the transaction at an undervalue or for giving preference;

(d) without notice that the bankrupt has filed an application for bankruptcy or a bankruptcy order has been passed; and

(e) by any person who at the time of acquiring the interest or receiving the benefit was not an associate of the bankrupt.

(3) Any sum required to be paid to the bankruptcy trustee under sub-section (1) shall be included in the estate of the bankrupt.

**167. Extortionate credit transactions. -**

(1) Subject to sub-section (6), on an application by the bankruptcy trustee, the Adjudicating Authority may make an order under this section in respect of extortionate credit transactions to which the bankrupt is or has been a party.

(2) The transactions under sub-section (1) should have been entered into by the bankrupt during the period of two years ending on the bankruptcy commencement date.

(3) An order of the Adjudicating Authority may -

(a) set aside the whole or part of any debt created by the transaction;

(b) vary the terms of the transaction or vary the terms on which any security for the purposes of the transaction is held;

(c) require any person who has been paid by the bankrupt under any transaction, to pay a sum to the bankruptcy trustee;

(d) require any person to surrender to the bankruptcy trustee any property of the bankrupt held as security for the purposes of the transaction.

(4) Any sum paid or any property surrendered to the bankruptcy trustee shall be included in the estate of the bankrupt.

(5) For the purposes of this section, an extortionate credit transaction is a transaction for or involving the provision of credit to the bankrupt by any person-

(a) on terms requiring the bankrupt to make exorbitant payments in respect of the credit provided; or

(b) which is unconscionable under the principles of law relating to contracts.

(6) Any debt extended by a person regulated for the provision of financial services in compliance with the law in force in relation to such debt, shall not be considered as an extortionate credit transaction under this section.

**168. Obligations under contracts. -**

(1) This section shall apply where a contract has been entered into by the bankrupt with a person before the bankruptcy commencement date.

(2) Any party to a contract, other than the bankrupt under sub-section (1), may apply to the Adjudicating Authority for –

(a) an order discharging the obligations of the applicant or the bankrupt under the contract; and

(b) payment of damages by the party or the bankrupt, for non-performance of the contract or otherwise.

(3) Any damages payable by the bankrupt by virtue of an order under clause (b) of sub-section (2) shall be provable as bankruptcy debt.

(4) When a bankrupt is a party to the contract under this section jointly with another person, that person may sue or be sued in respect of the contract without joinder of the bankrupt.

**169. Continuance of proceedings on death of bankrupt. -**

If a bankrupt dies, the bankruptcy proceedings shall, continue as if he were alive.

**170. Administration of estate of deceased bankrupt. -**

(1) All the provisions of Chapter V relating to the administration and distribution of the estate of the bankrupt shall, so far as the same are applicable, apply to the administration of the estate of a deceased bankrupt.

(2) While administering the estate of a deceased bankrupt, the bankruptcy trustee shall have regard to the claims by the legal representatives of the deceased bankrupt to payment of the proper funeral and testamentary expenses incurred by them.

(3) The claims under sub-section (2) shall rank equally to the secured creditors in the priority provided under section 178.

(4) If, on the administration of the estate of a deceased bankrupt, any surplus remains in the hands of the bankruptcy trustee after payment in full of all the debts due from the deceased bankrupt, together with the costs of the administration and interest as provided under section 178, such surplus shall be paid to the legal representatives of the estate of the deceased bankrupt or dealt with in such manner as may be prescribed.

**171. Proof of debt. -**

(1) The bankruptcy trustee shall give notice to each of the creditors to submit proof of debt within fourteen days of preparing the list of creditors under section 132.

(2) The proof of debt shall –

(a) require the creditor to give full particulars of debt, including the date on which the debt was contracted and the value at which that person assesses it;

(b) require the creditor to give full particulars of the security, including the date on which the security was given and the value at which that person assesses it;

(c) be in such form and manner as may be prescribed.

(3) In case the creditor is a decree holder against the bankrupt, a copy of the decree shall be a valid proof of debt.

(4) Where a debt bears interest, that interest shall be provable as part of the debt except in so far as it is owed in respect of any period after the bankruptcy commencement date.

(5) The bankruptcy trustee shall estimate the value of any bankruptcy debt which does not have a specific value.

(6) The value assigned by the bankruptcy trustee under sub-section (5) shall be the amount provable by the concerned creditor.

(7) A creditor may prove for a debt where payment would have become due at a date later than the bankruptcy commencement date as if it were owed presently and may receive dividends in a manner as may be prescribed.

(8) Where the bankruptcy trustee serves a notice under sub-section (1) and the person on whom the notice is served does not file a proof of security within thirty days after the date

of service of the notice, the bankruptcy trustee may, with leave of the Adjudicating Authority, sell or dispose of any property that was subject to the security, free of that security.

**172. Proof of debt by secured creditors. -**

(1) Where a secured creditor realises his security, he may produce proof of the balance due to him.

(2) Where a secured creditor surrenders his security to the bankruptcy trustee for the general benefit of the creditors, he may produce proof of his whole claim.

**173. Mutual credit and set-off. -**

(1) Where before the bankruptcy commencement date, there have been mutual dealings between the bankrupt and any creditor, the bankruptcy trustee shall -

(a) take an account of what is due from each party to the other in respect of the mutual dealings and the sums due from one party shall be set off against the sums due from the other; and

(b) only the balance shall be provable as a bankruptcy debt or as the amount payable to the bankruptcy trustee as part of the estate of the bankrupt.

(2) Sums due from the bankrupt to another party shall not be included in the account taken by the bankruptcy trustee under sub-section (1), if that other party had notice at the time they became due that an application for bankruptcy relating to the bankrupt was pending.

**174. Distribution of interim dividend. -**

(1) Whenever the bankruptcy trustee has sufficient funds in his hand, he may declare and distribute interim dividend among the creditors in respect of the bankruptcy debts which they have respectively proved.

(2) Where the bankruptcy trustee has declared any interim dividend, he shall give notice of such dividend and the manner in which it is proposed to be distributed.

(3) In the calculation and distribution of the interim dividend, the bankruptcy trustee shall make provision for -

(a) any bankruptcy debts which appear to him to be due to persons who, by reason of the distance of their place of residence, may not have had sufficient time to tender and establish their debts; and

(b) any bankruptcy debts which are subject of claims which have not yet been determined;

(c) disputed proofs and claims; and

(d) expenses necessary for the administration of the estate of the bankrupt.

### **175. Distribution of property. –**

(1) The bankruptcy trustee may, with the approval of the committee of creditors, divide in its existing form amongst the creditors, according to its estimated value, any property in its existing form which from its peculiar nature or other special circumstances cannot be readily or advantageously sold.

(2) An approval under sub-section (1) shall be sought by the bankruptcy trustee for each transaction, and a person dealing with the bankruptcy trustee in good faith and for value shall not be required to enquire whether any approval required under sub-section (1) has been given.

(3) Where the bankruptcy trustee has done anything without the approval of the committee of creditors, the committee may, for the purpose of enabling him to meet his expenses out of the estate of the bankrupt, ratify the act of the bankruptcy trustee.

(4) The committee of the creditors shall not ratify the act of the bankruptcy trustee under sub-section (3) unless it is satisfied that the bankruptcy trustee acted in a case of urgency and has sought its ratification without undue delay.

### **176. Final dividend. -**

(1) Where the bankruptcy trustee has realised the entire estate of the bankrupt or so much of it as could be realised in the opinion of the bankruptcy trustee, he shall give notice -

- (a) of his intention to declare a final dividend; or
- (b) that no dividend or further dividend shall be declared.

(2) The notice under sub-section (1) shall contain such particulars as may be prescribed and shall require all claims against the estate of the bankrupt to be established by a final date specified in the notice.

(3) The Adjudicating Authority may, on the application of any person interested in the administration of the estate of the bankrupt, postpone the final date referred to in sub-section (2).

(4) After the final date referred to in sub-section (2), the bankruptcy trustee shall -

(a) defray any outstanding expenses of the bankruptcy out of the estate of the bankrupt; and

(b) if he intends to declare a final dividend, declare and distribute that dividend among the creditors who have proved their debts, without regard to the claims of any other persons.

(5) If a surplus remains after payment in full with interest to all the creditors of the bankrupt and the payment of the expenses of the bankruptcy, the bankrupt shall be entitled to the surplus.

(6) Where a bankruptcy order has been passed in respect of one partner in a firm, a creditor to whom the bankrupt is indebted jointly with the other partners in the firm or any of them shall not receive any dividend out of the separate property of the bankrupt until all the separate creditors have received the full amount of their respective debts.

**177. Claims of creditors. -**

(1) A creditor who has not proved his debt before the declaration of any dividend is not entitled to disturb, by reason that he has not participated in it, the distribution of that dividend or any other dividend declared before his debt was proved, but –

(a) when he has proved the debt, he shall be entitled to be paid any dividend or dividends which he has failed to receive, out of any money for the time being available for the payment of any further dividend; and

(b) any dividend or dividends payable to him shall be paid before that money is applied to the payment of any such further dividend.

(2) No action shall lie against the bankruptcy trustee for a dividend, but if the bankruptcy trustee refuses to pay a dividend payable under sub-section (1), the Adjudicating Authority may order him to –

(a) pay the dividend; and

(b) pay, out of his own money -

(i) interest on the dividend; and

(ii) the costs of the proceedings in which the order to pay has been made.

**178. Priority of payment of debts. –**

(1) Notwithstanding anything to the contrary contained in any law enacted by the Parliament or the State Legislature for the time being in force, in the distribution of the final dividend, the following debts shall be paid in priority to all other debts —

(a) *firstly*, the costs and expenses incurred by the bankruptcy trustee for the bankruptcy process in full;

(b) *secondly*, -

(i) the workmen's dues for the period of twenty-four months preceding the bankruptcy commencement date; and

(ii) debts owed to secured creditors

(c) *thirdly*, wages and any unpaid dues owed to employees, other than workmen, of the bankrupt for the period of twelve months preceding the bankruptcy commencement date;

(d) *fourthly*, any amount due to the Central Government and the State Government including the amount to be received on account of Consolidated Fund of India and the Consolidated Fund of a State, if any, in respect of the whole or any part of the period of two years preceding the bankruptcy commencement date;

(e) *lastly*, all other debts and dues owed by the bankrupt including unsecured debts.

(2) The debts in each class specified in sub-section (1) shall rank in the order mentioned in that sub-section but debts of the same class shall rank equally amongst themselves, and shall be paid in full, unless the estate of the bankrupt is insufficient to meet them, in which case they shall abate in equal proportions between themselves.

(3) Where any creditor has given any indemnity or has made any payment of moneys by virtue of which any asset of the bankrupt has been recovered, protected or preserved, the Adjudicating Authority may make such order as it thinks just with respect to the distribution of such asset with a view to giving that creditor an advantage over other creditors in consideration of the risks taken by him in so doing.

(4) Unsecured creditors shall rank equally amongst themselves unless contractually agreed to the contrary by such creditors.

(5) Any surplus remaining after the payment of the debts under sub-section (1) shall be applied in paying interest on those debts in respect of the periods during which they have been outstanding since the bankruptcy commencement date.

(6) Interest payments under sub-section (5) shall rank equally irrespective of the nature of the debt.

(7) In the case of partners, the partnership property shall be applicable in the first instance in payment of the partnership debts and the separate property of each partner shall be applicable in the first instance in payment of his separate debts.

(8) Where there is a surplus of the separate property of the partners, it shall be dealt with as part of the partnership property; and where there is a surplus of the partnership property, it shall be dealt with as part of the respective separate property in proportion to the rights and interests of each partner in the partnership property.

## CHAPTER VI

### ADJUDICATING AUTHORITY FOR INDIVIDUALS AND PARTNERSHIP FIRMS

#### **179. Adjudicating Authority for individuals and partnership firms. -**

(1) Subject to the provisions of section 60, the Adjudicating Authority, in relation to insolvency matters of individuals and firms shall be the Debt Recovery Tribunal having territorial jurisdiction over the place where the individual debtor actually and voluntarily

resides or carries on business or personally works for gain and can entertain an application under this Code regarding such person.

(2) The Debt Recovery Tribunal shall, notwithstanding anything contained in any other law for the time being in force, have jurisdiction to entertain or dispose of -

(a) any suit or proceeding by or against the individual debtor;

(b) any claim made by or against the individual debtor;

(c) any question of priorities or any other question whether of law or facts, arising out of or in relation to insolvency and bankruptcy of the individual debtor or firm under this Code.

(3) Notwithstanding anything contained in the Limitation Act, 1963 (14 of 1963) or in any other law for the time being in force, in computing the period of limitation specified for any suit or application in the name and on behalf of a debtor for which an order of moratorium has been made under this Part, the period during which such moratorium is in place shall be excluded.

#### **180. Civil court not to have jurisdiction. –**

(1) No civil court or authority shall have jurisdiction to entertain any suit or proceedings in respect of any matter on which the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal has jurisdiction under this Code.

(2) No injunction shall be granted by any court, tribunal or authority in respect of any action taken, or to be taken, in pursuance of any power conferred on the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal by or under this Code.

#### **181. Appeal to Debt Recovery Appellate Tribunal. -**

(1) An appeal from an order of the Debt Recovery Tribunal under this Code shall be filed within thirty days before the Debt Recovery Appellate Tribunal.

(2) The Debt Recovery 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 within a further period not exceeding fifteen days.

#### **182. Appeal to Supreme Court. -**

(1) An appeal from an order of the Debt Recovery Appellate Tribunal on a question of law under this Code shall be filed within forty-five days before the Supreme Court.

(2) The Supreme Court may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within forty-five days, allow the appeal to be filed within a further period not exceeding fifteen days.



### **183. Expeditious disposal of applications. -**

Where an application is not disposed of or order is not passed within the period specified in this Code, the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal, as the case may be, shall record the reasons for not doing so within the period so specified; and the Chairperson of the Debt Recovery Appellate Tribunal, after taking into account the reasons so recorded, extend the period specified in this Code, but not exceeding ten days.

## **CHAPTER VII**

### **OFFENCES AND PENALTIES**

### **184. Punishment for false information etc. by creditor in insolvency resolution process. -**

(1) If a debtor or creditor provides information which is false in any material particulars to the resolution professional, he shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to five lakh rupees, or with both.

(2) If a creditor promises to vote in favour of the repayment plan dishonestly by accepting any money, property or security from the debtor, he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to three times the amount or its equivalent of such money, property or security accepted by such creditor, as the case may be, or with both:

Provided that where such amount is not quantifiable, the total amount of fine shall not exceed five lakh rupees.

### **185. Punishment for contravention of provisions. -**

If an insolvency professional deliberately contravenes the provisions of this Part, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which shall not be less than one lakh rupees, but may extend to five lakhs rupees, or with both.

### **186. Punishment for false information, concealment, etc., by bankrupt. -**

If the bankrupt -

(a) knowingly makes a false representation or wilfully omits or conceals any material information while making an application for bankruptcy under section 122 or while providing any information during the bankruptcy process, he shall be punishable with imprisonment which may extend to six months, or with fine which may extend to five lakh rupees, or with both;

*Explanation.* – For the purposes of clause (a), a false representation or omission includes non-disclosure of the details of disposal of any property, which but for the disposal, would be comprised in the estate of the bankrupt, other than dispositions made in the ordinary course of business carried on by the bankrupt;

(b) fraudulently has failed to provide or deliberately withheld the production of, destroyed, falsified or altered, his books of account, financial information and other records under his custody or control, he shall be punishable with imprisonment which may extend to one year, or with fine, which may extend to five lakh rupees, or with both;

(c) has contravened the restrictions under section 140 or the provisions of section 141, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which may extend to five lakh rupees, or with both;

(d) has failed to deliver the possession of any property comprised in the estate of the bankrupt under his possession or control, which he is required to deliver under section 156, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which may extend to five lakh rupees, or with both;

(e) has failed to account, without any reasonable cause or satisfactory explanation, for any loss incurred of any substantial part of his property comprised in the estate of the bankrupt from the date which is twelve months before the filing of the bankruptcy application, he shall be punishable with imprisonment for a term which may extend to two years, or with fine, which may extend to three times of the value of the loss, or with both:

Provided that that where such loss is not quantifiable, the total amount of fine imposed shall not exceed five lakh rupees;

(f) has absconded or attempts to absconds after the bankruptcy commencement date, he shall be punishable with imprisonment for a term which may extend to one year, or with fine, which may extend to five lakh rupees, or with both;

*Explanation.* – For the purposes of this clause, a bankrupt shall be deemed to have absconded if he leaves, or attempts to leave the country without delivering the possession of any property which he is required to deliver to the bankruptcy trustee under section 156.

#### **187. Punishment for certain actions. -**

(1) If a bankruptcy trustee, –

(a) has fraudulently misapplied, retained or accounted for any money or property comprised in the estate of the bankrupt; or

(b) has wilfully acted in a manner that the estate of the bankrupt has suffered any loss in consequence of breach of any duty of the bankruptcy trustee in carrying out his functions under section 149,

he shall be punishable with imprisonment for a term which may extend to three years, or with fine, which shall not be less than three times the amount of the loss caused, or likely to have been caused, to persons concerned on account of such contravention, or with both:

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

Provided further that the bankruptcy trustee shall not be liable under this section if he seizes or disposes of any property which is not comprised in the estate of the bankrupt and at that time had reasonable grounds to believe that he is entitled to seize or dispose that property.

## **PART IV**

### **REGULATION OF INSOLVENCY PROFESSIONALS, AGENCIES AND INFORMATION UTILITIES**

#### **CHAPTER I**

##### **THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**

#### **188. Establishment and incorporation of Board. –**

(1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Code, a Board by the name of the Insolvency and Bankruptcy Board of India.

(2) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power, subject to the provisions of this Code, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued.

(3) The head office of the Board shall be at such place in the National Capital Region, as the Central Government may, by notification, specify.

*Explanation.* - For the purposes of this section, the expression “National Capital Region” shall have the same meaning as assigned to it in clause (f) of section 2 of the National Capital Region Planning Board Act, 1985 (2 of 1985).

(4) The Board may establish offices at other places in India.

#### **189. Constitution of Board. -**

(1) The Board shall consist of the following members who shall be appointed by the Central Government, namely: -

(a) a Chairperson;

(b) three members from amongst the officers of the Central Government not below the rank of Joint Secretary or equivalent, one each to represent the Ministry of Finance,

the Ministry of Corporate Affairs and Ministry of Law, *ex-officio*;

(c) one member to be nominated by the Reserve Bank of India, *ex-officio*;

(d) five other members to be nominated by the Central Government, of whom at least three shall be the whole-time members.

(2) The Chairperson and the other members shall be persons of ability, integrity and standing, who have shown capacity in dealing with problems relating to insolvency or bankruptcy and have special knowledge and experience in the field of law, finance, economics, accountancy or administration.

(3) The appointment of the Chairperson and the members of the Board other than the appointment of an *ex-officio* member under this section shall be made after obtaining the recommendation of a selection committee consisting of -

(a) Cabinet Secretary- Chairperson;

(b) Secretary to the Government of India to be nominated by the Central Government-Member;

(c) Chairperson of the Insolvency and Bankruptcy Board of India (in case of selection of members of the Board)- Member;

(d) three experts of repute from the field of finance, law, management, insolvency and related subjects, to be nominated by the Central Government- Members.

(4) The term of office of the Chairperson and members (other than *ex-officio* members) shall be five years or till they attain the age of sixty-five years, whichever is earlier, and they shall be eligible for reappointment.

(5) The salaries and allowances payable to, and other terms and conditions of service of, the Chairperson and members (other than the *ex-officio* members) shall be such as may be prescribed.

#### **190. Removal of member from office. -**

The Central Government may remove a member from office if he—

(a) is an undischarged bankrupt as defined under Part III;

(b) has become physically or mentally incapable of acting as a member;

(c) has been convicted of an offence, which in the opinion of the Central Government involves moral turpitude;

(d) has, so abused his position as to render his continuation in office detrimental to the public interest:

Provided that no member shall be removed under clause (d) unless he has been given a reasonable opportunity of being heard in the matter.

**191. Powers of Chairperson. -**

Save as otherwise determined by regulations, the Chairperson shall have powers of general superintendence and direction of the affairs of the Board and may also exercise such other powers as may be delegated to him by the Board.

**192. Meetings of Board. -**

(1) The Board shall meet at such times and places, and observe such rules of procedure in regard to the transaction of business at its meetings (including quorum at such meetings) as may be determined by regulations.

(2) The Chairperson, or if, for any reason, the Chairperson is unable to attend any meeting of the Board, any other member chosen by the members present at the meeting shall preside at the meeting.

(3) All questions which come up before any meeting of the Board shall be decided by a majority votes of the members present and voting, and, in the event of an equality of votes, the Chairperson, or in his absence, the person presiding, shall have a second or casting vote.

**193. Member not to participate in meetings in certain cases. -**

Any member, who is a director of a company and who as such director has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Board, shall, as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the Board, and the member shall not take any part in any deliberation or decision of the Board with respect to that matter.

**194. Vacancies etc., not to invalidate proceedings of Board, and Officers and employees of Board. -**

(1) No act or proceeding of the Board shall be invalid merely by reason of –

(a) any vacancy in, or any defect in the constitution of, the Board; or

(b) any defect in the appointment of a person acting as a member of the Board; or

(c) any irregularity in the procedure of the Board not affecting the merits of the case.

(2) The Board may appoint such other officers and employees as it considers necessary for the efficient discharge of its functions in such manner as may be specified.

(3) The salaries and allowances payable to, and other terms and conditions of service of, officers and employees of the Board appointed under sub-section (2) shall be such as may be specified by regulations.

**195. Power to designate financial sector regulator. –**

Until the Board is established, the Central Government may by notification, designate any financial sector regulator to exercise the powers and functions of the Board under this Code.

**CHAPTER II**

**POWERS AND FUNCTIONS OF THE BOARD**

**196. Powers and functions of Board. -**

(1) The Board shall, subject to the general direction of the Central Government, perform all or any of the following functions namely: -

(a) register insolvency professional agencies, insolvency professionals and information utilities and renew, withdraw, suspend or cancel such registrations;

<sup>1</sup>[(aa) promote the development of, and regulate, the working and practices of, insolvency professionals, insolvency professional agencies and information utilities and other institutions, in furtherance of the purposes of this Code;]

(b) specify the minimum eligibility requirements for registration of insolvency professional agencies, insolvency professionals and information utilities;

(c) levy fee or other charges <sup>2</sup>[for carrying out the purposes of this Code, including fee for registration and renewal] of insolvency professional agencies, insolvency professionals and information utilities;

(d) specify by regulations standards for the functioning of insolvency professional agencies, insolvency professionals and information utilities;

(e) lay down by regulations the minimum curriculum for the examination of the insolvency professionals for their enrolment as members of the insolvency professional agencies;

(f) carry out inspections and investigations on insolvency professional agencies, insolvency professionals and information utilities and pass such orders as may be required for compliance of the provisions of this Code and the regulations issued hereunder;

(g) monitor the performance of insolvency professional agencies, insolvency professionals and information utilities and pass any directions as may be required for

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 32 (i) (w.e.f. 6-6-2018).

<sup>2</sup> Subs. by Act No. 26 of 2018, sec. 32 (ii), for the words “for the registration” (w.e.f. 6-6-2018).

compliance of the provisions of this Code and the regulations issued hereunder;

(h) call for any information and records from the insolvency professional agencies, insolvency professionals and information utilities;

(i) publish such information, data, research studies and other information as may be specified by regulations;

(j) specify by regulations the manner of collecting and storing data by the information utilities and for providing access to such data;

(k) collect and maintain records relating to insolvency and bankruptcy cases and disseminate information relating to such cases;

(l) constitute such committees as may be required including in particular the committees laid down in section 197;

(m) promote transparency and best practices in its governance;

(n) maintain websites and such other universally accessible repositories of electronic information as may be necessary;

(o) enter into memorandum of understanding with any other statutory authorities;

(p) issue necessary guidelines to the insolvency professional agencies, insolvency professionals and information utilities;

(q) specify mechanism for redressal of grievances against insolvency professionals, insolvency professional agencies and information utilities and pass orders relating to complaints filed against the aforesaid for compliance of the provisions of this Code and the regulations issued hereunder;

(r) conduct periodic study, research and audit the functioning and performance of to the insolvency professional agencies, insolvency professionals and information utilities at such intervals as may be specified by the Board;

(s) specify mechanisms for issuing regulations, including the conduct of public consultation processes before notification of any regulations;

(t) make regulations and guidelines on matters relating to insolvency and bankruptcy as may be required under this Code, including mechanism for time bound disposal of the assets of the corporate debtor or debtor; and

(u) perform such other functions as may be prescribed.

(2) The Board may make model bye-laws to be adopted by insolvency professional agencies which may provide for –

(a) the minimum standards of professional competence of the members of insolvency professional agencies;

(b) the standards for professional and ethical conduct of the members of insolvency professional agencies;

(c) requirements for enrolment of persons as members of insolvency professional agencies which shall be non-discriminatory;

*Explanation.* - For the purposes of this clause, the term “non-discriminatory” means lack of discrimination on the grounds of religion, caste, gender or place of birth and such other grounds as may be specified;

(d) the manner of granting membership;

(e) setting up of a governing board for internal governance and management of insolvency professional agency in accordance with the regulations specified by the Board;

(f) the information required to be submitted by members including the form and the time for submitting such information;

(g) the specific classes of persons to whom services shall be provided at concessional rates or for no remuneration by members;

(h) the grounds on which penalties may be levied upon the members of insolvency professional agencies and the manner thereof;

(i) a fair and transparent mechanism for redressal of grievances against the members of insolvency professional agencies;

(j) the grounds under which the insolvency professionals may be expelled from the membership of insolvency professional agencies;

(k) the quantum of fee and the manner of collecting fee for inducting persons as its members;

(l) the procedure for enrolment of persons as members of insolvency professional agency;

(m) the manner of conducting examination for enrolment of insolvency professionals;

(n) the manner of monitoring and reviewing the working of insolvency professional who are members;

(o) the duties and other activities to be performed by members;

(p) the manner of conducting disciplinary proceedings against its members and imposing penalties;

(q) the manner of utilising the amount received as penalty imposed against any insolvency professional.



(3) Notwithstanding anything contained in any other law for the time being in force, while exercising the powers under this Code, the Board shall have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 (5 of 1908), while trying a suit, in respect of the following matters, namely: –

- (i) the discovery and production of books of account and other documents, at such place and such time as may be specified by the Board;
- (ii) summoning and enforcing the attendance of persons and examining them on oath;
- (iii) inspection of any books, registers and other documents of any person at any place;
- (iv) issuing of commissions for the examination of witnesses or documents.

**197. Constitution of advisory committee, executive committee or other committee. -**

The Board may, for the efficient discharge of its functions, may constitute advisory and executive committees or such other committees, as it may deem fit, consisting of a Chairperson and such other members as may be specified by regulations.

**198. Condonation of delay. -**

Notwithstanding anything contained in this Code, where the Board does not perform any act within the period specified under this Code, the relevant Adjudicating Authority may, for reasons to be recorded in writing, condone the delay.

### **CHAPTER III**

#### **INSOLVENCY PROFESSIONAL AGENCIES**

**199. No person to function as insolvency professional agency without valid certificate of registration. –**

Save as otherwise provided in this Code, no person shall carry on its business as insolvency professional agencies under this Code and enrol insolvency professionals as its members except under and in accordance with a certificate of registration issued in this behalf by the Board.

**200. Principles governing registration of insolvency professional agency. -**

The Board shall have regard to the following principles while registering the insolvency professional agencies under this Code, namely: –

(a) to promote the professional development of and regulation of insolvency professionals;

(b) to promote the services of competent insolvency professionals to cater to the needs of debtors, creditors and such other persons as may be specified;

(c) to promote good professional and ethical conduct amongst insolvency professionals;

(d) to protect the interests of debtors, creditors and such other persons as may be specified;

(e) to promote the growth of insolvency professional agencies for the effective resolution of insolvency and bankruptcy processes under this Code.

**201. Registration of insolvency professional agency. -**

(1) Every application for registration shall be made to the Board in such form and manner, containing such particulars, and accompanied by such fee, as may be specified by regulations:

Provided that every application received by the Board shall be acknowledged within seven days of its receipt.

(2) On receipt of the application under sub-section (1), the Board may, on being satisfied that the application conforms with all requirements specified under sub-section (1), grant a certificate of registration to the applicant or else, reject, by order, such application:

Provided that no order rejecting the application shall be made without giving an opportunity of being heard to the applicant:

Provided further that every order so made shall be communicated to the applicant within a period of fifteen days.

(3) The Board may issue a certificate of registration to the applicant in such form and manner and subject to such terms and conditions as may be specified.

(4) The Board may renew the certificate of registration from time to time in such manner and on payment of such fee as may be specified.

(5) The Board may, by order, suspend or cancel the certificate of registration granted to an insolvency professional agency on any of the following grounds, namely: –

(a) that it has obtained registration by making a false statement or misrepresentation or by any other unlawful means;

(b) that it has failed to comply with the requirements of the regulations made by the Board or bye-laws made by the insolvency professional agency;

(c) that it has contravened any of the provisions of the Act or the rules or the

regulations made thereunder;

(d) on any other ground as may be specified by regulations:

Provided that no order shall be made under this sub-section unless the insolvency professional agency concerned has been given a reasonable opportunity of being heard:

Provided further that no such order shall be passed by any member except whole-time members of the Board.

### **202. Appeal to National Company Law Appellate Tribunal. -**

Any insolvency professional agency which is aggrieved by the order of the Board made under section 201 may prefer an appeal to the National Company Law Appellate Tribunal in such form, within such period, and in such manner, as may be specified by regulations.

### **203. Governing Board of insolvency professional agency. –**

The Board may, for the purposes of ensuring that every insolvency professional agency takes into account the objectives sought to be achieved under this Code, make regulations to specify–

(a) the setting up of a governing board of an insolvency professional agency;

(b) the minimum number of independent members to be on the governing board of the insolvency professional agency; and

(c) the number of the insolvency professionals being its members who shall be on the governing board of the insolvency professional agency.

### **204. Functions of insolvency professional agencies. -**

An insolvency professional agency shall perform the following functions, namely: –

(a) grant membership to persons who fulfil all requirements set out in its bye-laws on payment of membership fee;

(b) lay down standards of professional conduct for its members;

(c) monitor the performance of its members;

(d) safeguard the rights, privileges and interests of insolvency professionals who are its members;

(e) suspend or cancel the membership of insolvency professionals who are its members on the grounds set out in its bye-laws;

(f) redress the grievances of consumers against insolvency professionals who are its members; and

(g) publish information about its functions, list of its members, performance of its members and such other information as may be specified by regulations.

**205. Insolvency professional agencies to make bye-laws. –**

Subject to the provisions of this Code and any rules or regulations made thereunder and after obtaining the approval of the Board, every insolvency professional agency shall make bye-laws consistent with the model bye-laws specified by the Board under sub-section (2) of section 196.

**CHAPTER IV**

**INSOLVENCY PROFESSIONALS**

**206. Enrolled and registered persons to act as insolvency professionals. -**

No person shall render his services as insolvency professional under this Code without being enrolled as a member of an insolvency professional agency and registered with the Board.

**207. Registration of insolvency professionals. -**

(1) Every insolvency professional shall, after obtaining the membership of any insolvency professional agency, register himself with the Board within such time, in such manner and on payment of such fee, as may be specified by regulations.

(2) The Board may specify the categories of professionals or persons possessing such qualifications and experience in the field of finance, law, management, insolvency or such other field, as it deems fit.

**208. Functions and obligations of insolvency professionals. –**

(1) Where any insolvency resolution, fresh start, liquidation or bankruptcy process has been initiated, it shall be the function of an insolvency professional to take such actions as may be necessary, in the following matters, namely: –

- (a) a fresh start order process under Chapter II of Part III;
- (b) individual insolvency resolution process under Chapter III of Part III
- (c) corporate insolvency resolution process under Chapter II of Part II.
- <sup>1</sup>[(ca) pre-packaged insolvency resolution process under Chapter III-A of Part II;]
- (d) individual bankruptcy process under Chapter IV of Part III; and
- (e) liquidation of a corporate debtor firm under Chapter III of Part II.

<sup>2</sup>[(1A) Where the name of the insolvency professional proposed to be appointed as a resolution professional, is approved under clause (e) of sub-section (2) of section 54A, it shall be the function of such insolvency professional to take such actions as may be necessary to

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.14 (i) (w.e.f. 04-04-2021).

<sup>2</sup> Ins. by Act No. 26 of 2021, sec.14 (ii) (w.e.f. 04-04-2021).

perform his functions and duties prior to the initiation of the pre-packaged insolvency resolution process under Chapter III-A of Part II.]

(2) Every insolvency professional shall abide by the following code of conduct: –

(a) to take reasonable care and diligence while performing his duties;

(b) to comply with all requirements and terms and conditions specified in the bye-laws of the insolvency professional agency of which he is a member;

(c) to allow the insolvency professional agency to inspect his records;

(d) to submit a copy of the records of every proceeding before the Adjudicating Authority to the Board as well as to the insolvency professional agency of which he is a member; and

(e) to perform his functions in such manner and subject to such conditions as may be specified.

## CHAPTER V

### INFORMATION UTILITIES

**209. No person to function as information utility without certificate of registration. –**

Save as otherwise provided in this Code, no person shall carry on its business as information utility under this Code without a certificate of registration issued in that behalf by the Board.

**210. Registration of information utility. –**

(1) Every application for registration shall be made to the Board in such form and manner, containing such particulars, and accompanied by such fee, as may be specified by regulations:

Provided that every application received by the Board shall be acknowledged within seven days of its receipt.

(2) On receipt of the application under sub-section (1), the Board may, on being satisfied that the application conforms to all requirements specified under sub-section (1), grant a certificate of registration to the applicant or else, reject, by order, such application.

(3) The Board may issue a certificate of registration to the applicant in such form and manner and subject to such terms and conditions as may be specified.

(4) The Board may renew the certificate of registration from time to time in such manner and on payment of such fee as may be specified by regulations.

(5) The Board may, by order, suspend or cancel the certificate of registration granted to an information utility on any of the following grounds, namely: –

(a) that it has obtained registration by making a false statement or misrepresentation

or any other unlawful means;

(b) that it has failed to comply with the requirements of the regulations made by the Board;

(c) that it has contravened any of the provisions of the Act or the rules or the regulations made thereunder;

(d) on any other ground as may be specified by regulations:

Provided that no order shall be made under this sub-section unless the information utility concerned has been given a reasonable opportunity of being heard:

Provided further that no such order shall be passed by any member except whole-time members of the Board.

**211. Appeal to National Company Law Appellate Tribunal. –**

Any information utility which is aggrieved by the order of the Board made under section 210 may prefer an appeal to the National Company Law Appellate Tribunal in such form, within such period, and in such manner, as may be specified by regulations.

**212. Governing Board of information utility. –**

The Board may, for ensuring that an information utility takes into account the objectives sought to be achieved under this Code, require every information utility to set up a governing board, with such number of independent members, as may be specified by regulations.

**213. Core services, etc. of information utilities. –**

An information utility shall provide such services as may be specified including core services to any person if such person complies with the terms and conditions as may be specified by regulations.

**214. Obligations of information utility. –**

For the purposes of providing core services to any person, every information utility shall–

(a) create and store financial information in a universally accessible format;

(b) accept electronic submissions of financial information from persons who are under obligations to submit financial information under sub-section (1) of section 215, in such form and manner as may be specified by regulations;

(c) accept, in specified form and manner, electronic submissions of financial information from persons who intend to submit such information;

(d) meet such minimum service quality standards as may be specified by

regulations;

(e) get the information received from various persons authenticated by all concerned parties before storing such information;

(f) provide access to the financial information stored by it to any person who intends to access such information in such manner as may be specified by regulations;

(g) publish such statistical information as may be specified by regulations.

(h) have inter-operability with other information utilities.

**215. Procedure for submission, etc. of financial information. –**

(1) Any person who intends to submit financial information to the information utility or access the information from the information utility shall pay such fee and submit information in such form and manner as may be specified by regulations.

(2) A financial creditor shall submit financial information and information relating to assets in relation to which any security interest has been created, in such form and manner as may be specified by regulations.

(3) An operational creditor may submit financial information to the information utility in such form and manner as may be specified.

**216. Rights and obligations of persons submitting financial information. -**

(1) A person who intends to update or modify or rectify errors in the financial information submitted under section 215, he may make an application to the information utility for such purpose stating reasons therefor, in such manner and within such time, as may be specified

(2) A person who submits financial information to an information utility shall not provide such information to any other person, except to such extent, under such circumstances, and in such manner, as may be specified.

**CHAPTER VI**

**INSPECTION AND INVESTIGATION**

**217. Complaints against insolvency professional agency or its member or information utility. -**

Any person aggrieved by the functioning of an insolvency professional agency or insolvency professional or an information utility may file a complaint to the Board in such form, within such time and in such manner as may be specified.

**218. Investigation of insolvency professional agency or its member or information utility. -**

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(1) Where the Board, on receipt of a complaint under section 217 or has reasonable

grounds to believe that any insolvency professional agency or insolvency professional or an information utility has contravened any of the provisions of the Code or the rules or regulations made or directions issued by the Board thereunder, it may, at any time by an order in writing, direct any person or persons to act as an investigating authority to conduct an inspection or investigation of the insolvency professional agency or insolvency professional or an information utility.

(2) The inspection or investigation carried out under sub-section (1) of this section shall be conducted within such time and in such manner as may be specified by regulations.

(3) The Investigating Authority may, in the course of such inspection or investigation, require any other person who is likely to have any relevant document, record or information to furnish the same, and such person shall be bound to furnish such document, record or information:

Provided that the Investigating Authority shall provide detailed reasons to such person before requiring him to furnish such document, record or information.

(4) The Investigating Authority may, in the course of its inspection or investigation, enter any building or place where they may have reasons to believe that any such document, record or information relating to the subject-matter of the inquiry may be found and may seize any such document, record or information or take extracts or copies therefrom, subject to the provisions of section 100 of the Code of Criminal Procedure, 1973, insofar as they may be applicable.

(5) The Investigating Authority shall keep in its custody the books, registers, other documents and records seized under this section for such period not later than the conclusion of the investigation as it considers necessary and thereafter shall return the same to the concerned person from whose custody or power they were seized:

Provided that the Investigating Authority may, before returning such books, registers, other documents and record as aforesaid, place identification marks on them or any part thereof.

(6) A detailed report of inspection or investigation shall be submitted to the Board by the Investigating Authority.

**219. Show cause notice to insolvency professional agency or its member or information utility. -**

The Board may, upon completion of an inspection or investigation under section 218, issue a show cause notice to such insolvency professional agency or insolvency professional or information utility, and carry out inspection of such insolvency professional agency or insolvency professional or information utility in such manner, giving such time for giving reply, as may be specified by regulations.

**220. Appointment of disciplinary committee. –**



(1) The Board shall constitute a disciplinary committee to consider the reports of the investigating Authority submitted under sub-section (6) of section 218:

Provided that the members of the disciplinary committee shall consist of whole-time members of the Board only.

(2) On the examination of the report of the Investigating Authority, if the disciplinary committee is satisfied that sufficient cause exists, it may impose penalty as specified in sub-section (3) or suspend or cancel the registration of the insolvency professional or, suspend or cancel the registration of insolvency professional agency or information utility as the case may be.

(3) Where any insolvency professional agency or insolvency professional or an information utility has contravened any provision of this Code or rules or regulations made thereunder, the disciplinary committee may impose penalty which shall be –

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

(ii) 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 more than one crore rupees.

(4) Notwithstanding anything contained in sub-section (3), the Board may direct any person who has made unlawful gain or averted loss by indulging in any activity in contravention of this Code, or the rules or regulations made thereunder, to disgorge an amount equivalent to such unlawful gain or aversion of loss.

(5) The Board may take such action as may be required to provide restitution to the person who suffered loss on account of any contravention from the amount so disgorged, if the person who suffered such loss is identifiable and the loss so suffered is directly attributable to such person.

(6) The Board may make regulations to specify-

(a) the procedure for claiming restitution under sub-section (5)

(b) the period within which such restitution may be claimed; and

(c) the manner in which restitution of amount may be made.

## **CHAPTER VII**

### **FINANCE, ACCOUNTS AND AUDIT**

#### **221. Grants by Central Government. -**

The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Board grants of such sums of money as that Government may think fit for being utilised for the purposes of this Code.

**222. Board's Fund. –**

- (1) There shall be constituted a Fund to be called the Fund of the Insolvency and Bankruptcy Board and there shall be credited thereto –
  - (a) all grants, fees and charges received by the Board under this Code;
  - (b) all sums received by the Board from such other sources as may be decided upon by the Central Government;
  - (c) such other funds as may be specified by the Board or prescribed by the Central Government.
- (2) The Fund shall be applied for meeting –
  - (a) the salaries, allowances and other remuneration of the members, officers and other employees of the Board;
  - (b) the expenses of the Board in the discharge of its functions under section 196;
  - (c) the expenses on objects and for purposes authorised by this Code.
  - (d) such other purposes as may be prescribed.

**223. Accounts and audit. –**

- (1) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.
- (2) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor-General of India.
- (3) The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.
- (4) The accounts of the Board as certified by the Comptroller and Auditor General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

**PART V**  
**MISCELLANEOUS**

**224. Insolvency and Bankruptcy Fund. –**

(1) There shall be formed a Fund to be called the Insolvency and Bankruptcy Fund (hereafter in this section referred to as the “Fund”) for the purposes of insolvency resolution, liquidation and bankruptcy of persons under the Code.

(2) There shall be credited to the Fund the following amounts, namely —

- (a) the grants made by the Central Government for the purposes of the Fund;
- (b) the amount deposited by persons as contribution to the Fund;
- (c) the amount received in the Fund from any other source; and
- (d) the interest or other income received out of the investment made from the Fund.

(3) A person who has contributed any amount to the Fund may, in the event of proceedings initiated in respect of such person under this Code before an Adjudicating Authority, make an application to such Adjudicating Authority for withdrawal of funds not exceeding the amount contributed by it, for making payments to workmen, protecting the assets of such persons, meeting the incidental costs during the proceedings or such other purposes as may be prescribed.

(4) The Central Government shall, by notification, appoint an administrator to administer the fund in such manner as may be prescribed.

**225. Power of Central Government to issue directions. –**

(1) Without prejudice to the foregoing provisions of this Code, the Board shall, in exercise of its powers or the performance of its functions under this Code, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time:

Provided that the Board shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

(2) The decision of the Central Government as to whether a question is one of policy or not shall be final.

**226. Power of Central Government to supersede Board. –**

(1) If at any time the Central Government is of opinion –

(a) that on account of grave emergency, the Board is unable to discharge the functions and duties imposed on it by or under the provisions of this Code; or

(b) that the Board has persistently not complied with any direction issued by the Central Government under this Code or in the discharge of the functions and duties

imposed on it by or under the provisions of this Code and as a result of such non-compliance the financial position of the Board or the administration of the Board has deteriorated; or

(c) that circumstances exist which render it necessary in the public interest so to do,

the Central Government may, by notification, supersede the Board for such period, not exceeding six months, as may be specified in the notification.

(2) Upon the publication of a notification under sub-section (1) superseding the Board, - (a) all the members shall, as from the date of supersession, vacate their offices as such; (b) all the powers, functions and duties which may, by or under the provisions of this Code, be exercised or discharged by or on behalf of the Board, shall until the Board is reconstituted under sub-section (3), be exercised and discharged by such person or persons as the Central Government may direct; and (c) all property owned or controlled by the Board shall, until the Board is reconstituted under sub-section (3), vest in the Central Government.

(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may reconstitute the Board by a fresh appointment and in such case any person or persons who vacated their offices under clause (a) of sub-section (2), shall not be deemed disqualified for appointment:

Provided that the Central Government may, at any time, before the expiration of the period of supersession, take action under this sub-section.

(4) The Central Government shall cause a notification issued under sub-section (1) and a full report of any action taken under this section and the circumstances leading to such action to be laid before each House of Parliament at the earliest.

### **227. Power of Central Government to notify financial sector providers etc.-**

Notwithstanding anything to the contrary <sup>1</sup>[contained in this Code] or any other law for the time being in force, the Central Government may, if it considers necessary, in consultation with the appropriate financial sector regulators, notify financial service providers or categories of financial service providers for the purpose of their insolvency and liquidation proceedings, which may be conducted under this Code, in such manner as may be prescribed.

<sup>2</sup>[*Explanation.*- For the removal of doubts, it is hereby clarified that the insolvency and liquidation proceedings for financial service providers or categories of financial service providers may be conducted with such modifications and in such manner as may be prescribed.]

### **228. Budget. -**

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<sup>1</sup> Subs. by Act No. 1 of 2020, sec. 11 (w.e.f. 28-12-2019). Before substitution, it stood as “examined in this Code”.

<sup>2</sup> Ins. by Act No. 1 of 2020, sec. 11 (w.e.f. 28-12-2019).

The Board shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Board and forward the same to the Central Government.

**229. Annual Report. –**

(1) The Board shall prepare, in such form and at such time in each financial year as may be prescribed, its annual report, giving a full account of its activities during the previous financial year, and submit a copy thereof to the Central Government.

(2) A copy of the report received under sub-section (1) shall be laid, as soon as may be after it is received, before each House of Parliament.

**230. Delegation. -**

The Board may, by general or special order in writing delegate to any member or officer of the Board subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Code (except the powers under section 240 as it may deem necessary).

**231. Bar of jurisdiction. -**

No civil court shall have jurisdiction in respect of any matter in which the <sup>1</sup>[Adjudicating Authority or the Board] is empowered by, or under, this Code to pass any order and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any order passed by such <sup>1</sup>[Adjudicating Authority or the Board] under this Code.

**232. Members, officers and employees of the Board to be public servants. -**

The Chairperson, Members, officers and other employees of the Board shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Code, to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).

**233. Protection of action taken in good faith. -**

No suit, prosecution or other legal proceeding shall lie against the Government or any officer of the Government, or the Chairperson, Member, officer or other employee of the Board or an insolvency professional or liquidator for anything which is in done or intended to be done in good faith under this Code or the rules or regulations made thereunder.

**234. Agreements with foreign countries. -**

(1) The Central Government may enter into an agreement with the Government of any country outside India for enforcing the provisions of this Code.

(2) The Central Government may, by notification in the Official Gazette, direct that the application of provisions of this Code in relation to assets or property of corporate debtor or debtor, including a personal guarantor of a corporate debtor, as the case may be, situated at any

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 33 (w.e.f. 6-6-2018).

place in a country outside India with which reciprocal arrangements have been made, shall be subject to such conditions as may be specified.

**235. Letter of request to a country outside India in certain cases. -**

(1) Notwithstanding anything contained in this Code or any law for the time being in force if, in the course of insolvency resolution process, or liquidation or bankruptcy proceedings, as the case may be, under this Code, the resolution professional, liquidator or bankruptcy trustee, as the case may be, is of the opinion that assets of the corporate debtor or debtor, including a personal guarantor of a corporate debtor, are situated in a country outside India with which reciprocal arrangements have been made under section 234, he may make an application to the Adjudicating Authority that evidence or action relating to such assets is required in connection with such process or proceeding.

(2) The Adjudicating Authority on receipt of an application under sub-section (1) and, on being satisfied that evidence or action relating to assets under sub-section (1) is required in connection with insolvency resolution process or liquidation or bankruptcy proceeding, may issue a letter of request to a court or an authority of such country competent to deal with such request.

**<sup>1</sup>[235A. Punishment where no specific penalty or punishment is provided. -**

If any person contravenes any of the provisions of this Code or the rules or regulations made thereunder for which no penalty or punishment is provided in this Code, such person shall be punishable with fine which shall not be less than one lakh rupees but which may extend to two crore rupees.]

**236. Trial of offences by Special Court. -**

(1) Notwithstanding anything in the Code of Criminal Procedure, 1973(2 of 1974), offences under this Code shall be tried by the Special Court established under Chapter XXVIII of the Companies Act, 2013 (18 of 2013).

(2) No Court shall take cognizance of any offence punishable under this Act, save on a complaint made by the Board or the Central Government or any person authorised by the Central Government in this behalf.

(3) The provisions of the Code of Criminal Procedure, 1973 shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting a prosecution before a Special Court shall be deemed to be a Public Prosecutor.

(4) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, in case of a complaint under sub-section (2), the presence of the person authorised by the Central Government or the Board before the Court trying the offences shall not be necessary unless the

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<sup>1</sup> Ins. by Act 8 of 2018, sec. 8 (w.r.e.f. 23-11-2017)

Court requires his personal attendance at the trial.

**237. Appeal and revision. -**

The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 (2 of 1974) on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

**238. Provisions of this Code to override other laws. -**

The provisions of this Code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by virtue of any such law.

**<sup>1</sup>[238A. Limitation. –**

The provisions of the Limitation Act, 1963 (36 of 1963) shall, as far as may be, apply to the proceedings or appeals before the Adjudicating Authority, the National Company Law Appellate Tribunal, the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal, as the case may be.]

**239. Power to make rules. -**

(1) The Central Government may, by notification, make rules for carrying out the provisions of this Code.

(2) Without prejudice to the generality of the provisions of sub-section (1), the Central Government may make rules for any of the following matters, namely: —

(a) any other instrument which shall be a financial product under clause (15) of section 3;

(b) other accounting standards which shall be a financial debt under clause (d) of sub-section (8) of section 5;

(c) the form, the manner and the fee for making application before the Adjudicating Authority for initiating corporate insolvency resolution process by financial creditor under sub-section (2) of section 7;

(d) the form and manner in which demand notice may be made and the manner of delivery thereof to the corporate debtor under sub-section (1) of section 8;

(e) the form, the manner and the fee for making application before the Adjudicating Authority for initiating corporate insolvency resolution process by operational creditor under sub-section (2) of section 9;

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 34 (w.e.f. 6-6-2018).

<sup>1</sup>[(ea) other proof confirming that there is no payment of an unpaid operational debt by the corporate debtor or such other information under clause (e) of sub-section (3) of section 9;]

(f) the form, the manner and the fee for making application before the Adjudicating Authority for initiating corporate insolvency resolution process by corporate applicant under sub-section (2) of section 10;

<sup>2</sup>[(fa) the transactions under the second proviso to sub-section (2) of section 21;

(fb) the transactions under the Explanation I to clause (c) of section 29A;

(fc) the transactions under the second proviso to clause (j) of section 29A.]

<sup>3</sup>[(fd) the form, particulars, manner and fee for making application before the Adjudicating Authority under sub-section (2) of section 54C;

(fe) the conditions and restrictions with which the promoters, members, personnel and partners of the corporate debtor shall exercise and discharge contractual or statutory rights and obligations under clause (c) of section 54H;]

(g) the persons who shall be relative under clause (ii) of the Explanation to sub-section (1) of section 79;

(h) the value of unencumbered single dwelling unit owned by the debtor under clause (e) of sub-section (13) of section 79;

(i) the value under clause (c), and any other debt under clause (f), of sub-section (14) of section 79;

(j) the form, the manner and the fee for making application for fresh start order under sub-section (3) of section 81;

(k) the particulars of the debtor's personal details under clause (e) of sub-section (3) of section 81;

(l) the information and documents to support application under sub-section (3) of section 86;

(m) the form, the manner and the fee for making application for initiating the insolvency resolution process by the debtor under sub-section (6) of section 94;

(n) the form, the manner and the fee for making application for initiating the insolvency resolution process by the creditor under sub-section (6) of section 95;

(o) the particulars to be provided by the creditor to the resolution professional

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec 35 (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 1 of 2020, sec. 12 (w.e.f. 28-12-2019).

<sup>3</sup> Ins. by Act No. 26 of 2021, sec.15 (w.e.f. 04-04-2021).



under sub-section (2) of section 103;

(p) the form and the manner for making application for bankruptcy by the debtor under clause (b) of sub-section (1) of section 122;

(q) the form and the manner of the statement of affairs of the debtor under sub-section (3) of section 122;

(r) the other information under clause (d) of sub-section (1) of section 123;

(s) the form, the manner and the fee for making application for bankruptcy under sub-section (6) of section 123;

(t) the form and the manner in which statement of financial position shall be submitted under sub-section (2) of section 129;

(u) the matters and the details which shall be included in the public notice under sub-section (2) of section 130;

(v) the matters and the details which shall be included in the notice to the creditors under sub-section (3) of section 130;

(w) the manner of sending details of the claims to the bankruptcy trustee and other information under sub-sections (1) and (2) of section 131;

(x) the value of financial or commercial transaction under clause (d) of sub-section (1) of section 141;

(y) the other things to be done by a bankrupt to assist bankruptcy trustee in carrying out his functions under clause (d) of sub-section (1) of section 150;

(z) the manner of dealing with the surplus under sub-section (4) of section 170;

(za) the form and the manner of proof of debt under clause (c) of sub-section (2) of section 171;

(zb) the manner of receiving dividends under sub-section (7) of section 171;

(zc) the particulars which the notice shall contain under sub-section (2) of section 176;

(zd) the salaries and allowances payable to, and other terms and conditions of service of, the Chairperson and members of the Board under sub-section (5) of section 189;

(ze) the other functions of the Board under clause (u) of sub-section (1) of section 196;

(zf) the other funds under clause (c) of sub-section (1) of section 222;

(zg) the other purposes for which the fund shall be applied under clause (d) of

sub-section (2) of section 222;

(zh) the form in which annual statement of accounts shall be prepared under sub-section (1) of section 223;

(zi) the purpose for which application for withdrawal of funds may be made under sub-section (3) of section 224;

(zj) the manner of administering the fund under sub-section (4) of section 224;

(zk) the manner of conducting insolvency and liquidation proceedings under section 227;

(zl) the form and the time for preparing budget by the Board under section 228;

(zm) the form and the time for preparing annual report under sub-section (1) of section 229;

(zn) the time up to which a person appointed to any office shall continue to hold such office under clause (vi) of sub-section (2) of section 243.

#### **240. Power to make regulations. –**

(1) The Board may, by notification, make regulations consistent with this Code and the rules made thereunder, to carry out the provisions of this Code.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely: —

(a) the form and the manner of accepting electronic submission of financial information under sub-clause (a) of clause (9) of section 3;

(b) the persons to whom access to information stored with the information utility may be provided under sub-clause (d) of clause (9) of section 3;

(c) the other information under sub-clause (f) of clause (13) of section 3;

(d) the other costs under clause (e) of sub-section (13) of section 5;

(e) the cost incurred by the liquidator during the period of liquidation which shall be liquidation cost under sub-section (16) of section 5;

<sup>1</sup>[(ea) the other costs under sub-clause (e) of clause (23C) of section 5;]

(f) the other record or evidence of default under clause (a), and any other information under clause (c), of sub-section (3) of section 7;

<sup>2</sup>[(g) \* \* \* \* ]

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.16 (i) (w.e.f. 04-04-2021).

<sup>2</sup> Omitted by Act No. 26 of 2018, sec. 36 (i) (w.e.f. 6-6-2018). Before omission, it stood as “(g) the other information under clause (d) of sub -section (3) of section 7;”

- (h) the period under clause (a) of sub-section (3) of section 10;
- (i) the supply of essential goods or services to the corporate debtor under sub-section (2) of section 14;
- <sup>1</sup>[(ia) circumstances in which supply of critical goods or services may be terminated, suspended or interrupted during the period of moratorium under sub-section (2A) of section 14;]
- (j) the manner of making public announcement under sub-section (2) of section 15;
- <sup>2</sup>[(ja) the last date for submission of claims under clause (c) of sub-section (1) of section 15;]
- (k) the manner of taking action and the restrictions thereof under clause (b) of sub-section (2) of section 17;
- (l) the other persons under clause (d) of sub-section (2) of section 17;
- (m) the other matters under clause (d) of sub-section (2) of section 17;
- (n) the other matters under sub-clause (iv) of clause (a), and the other duties to be performed by the interim resolution professional under clause (g), of section 18;
- <sup>3</sup>[(na) the number of creditors within a class of creditors under clause (b) of sub-section (6A) of section 21;
- (nb) the remuneration payable to authorised representative under clause (ii) of the proviso to sub-section (6B) of section 21;
- (nc) the manner of voting and determining the voting share in respect of financial debts under sub-section (7) of section 21;]
- (o) the persons who shall comprise the committee of creditors, the functions to be exercised such committee and the manner in which functions shall be exercised under the proviso to sub-section (8) of section 21;
- (p) the other electronic means by which the members of the committee of creditors may meet under sub-section (1) of section 24;
- (q) the manner of assigning voting share to each creditor under sub-section (7) of section 24;
- (r) the manner of conducting the meetings of the committee of creditors under sub-section (8) of section 24;

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<sup>1</sup> Ins. by Act No. 1 of 2020, sec. 13 (w.e.f. 28-12-2019).

<sup>2</sup> Ins. by Act No. 26 of 2018, sec. 36 (ii) (w.e.f. 6-6-2018).

<sup>3</sup> Ins. by Act No. 26 of 2018, sec 36 (iii) (w.e.f. 6-6-2018).

(s) the manner of appointing accountants, lawyers and other advisors under clause (d) of sub-section (2) of section 25;

<sup>1</sup>[(sa) other conditions under clause (h) of sub-section (2) of section 25;

(t) the other actions under clause (k) of sub-section (2) of section 25;

(u) the form and the manner in which an information memorandum shall be prepared by the resolution professional sub-section (1) of section 29;

(v) the other matter pertaining to the corporate debtor under the Explanation to sub-section (2) of section 29;

(w) the manner of making payment of insolvency resolution process costs under clause (a), the manner of <sup>2</sup>[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;

<sup>3</sup>[(wa) other requirements under sub-section (4) of section 30;]

(x) 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;

(y) the manner of evaluating the assets and property of the corporate debtor under clause (c), the manner of selling property in parcels under clause (f), the manner of reporting progress of the liquidation process under clause (n), and the other functions to be performed under clause (o), of sub-section (1) of section 35;

(z) the manner of making the records available to other stakeholders under sub-section (2) of section 35;

(za) the other means under clause (a) of sub-section (3) of section 36;

(zb) the other assets under clause (e) of sub-section (4) of section 36;

(zc) the other source under clause (g) of sub-section (1) of section 37;

(zd) the manner of providing financial information relating to the corporate debtor under sub-section (2) of section 37;

(ze) the form, the manner and the supporting documents to be submitted by operational creditor to prove the claim under sub-section (3) of section 38;

(zf) the time within which the liquidator shall verify the claims under sub-section (1) of section 39;

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<sup>1</sup> Ins. by Act No. 8 of 2018, sec. 9 (i) (w.r.e.f. 23-11-2017).

<sup>2</sup> Subs. by Act No. 26 of 2019, sec. 9 (w.e.f. 16-8-2019), before substitution, it stood as “repayment of debts of operational creditors”.

<sup>3</sup> Ins. by Act No. 8 of 2018, sec. 9 (ii) (w.r.e.f. 23-11-2017).

(zg) the manner of determining the value of claims under section 41;

(zh) the manner of relinquishing security interest to the liquidation estate and receiving proceeds from the sale of assets by the liquidator under clause (a), and the manner of realising security interest under clause (b) of sub-section (1) of section 52;

(zi) the other means under clause (b) of sub-section (3) of section 52;

(zj) the manner in which secured creditor shall be paid by the liquidator under sub-section (9) of section 52;

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

<sup>1</sup>[(zka) such number of financial creditors and the manner of proposing the insolvency professional, and the form for approving such insolvency professional by the financial creditors under clause (e), the persons who shall provide approval under the proviso to clause (e), the form for making a declaration under clause (f) of sub-section (2) of section 54A;

(zkb) the form for obtaining approval from financial creditors under sub-section (3), and the persons who shall provide approval under the proviso to sub-section (3) of section 54A;

(zkc) the other conditions for the base resolution plan under clause (c), and such information and documents under clause (d) of sub-section (4) of section 54A;

(zkd) the form in which the report is to be prepared under clause (a), such reports and other documents under clause (b), and such other duties under clause (c) of sub-section (1), and the manner of determining and bearing the fees in sub-section (3) of section 54B;

(zke) the form for providing written consent of the insolvency professional under clause (b), the form for declaration under clause (c), the information relating to books of account and such other documents relating to such period under clause (d) of sub-section (3) of section 54C;

(zkf) the form and manner for making application for termination of the pre-packaged insolvency resolution process under sub-section (3) of section 54D;

(zkg) the form and manner of making public announcement under clause (c) of sub-section (1) of section 54E;

(zkh) the manner of confirming the list of claims under clause (a), the manner of informing creditors under clause (b), the manner of maintaining an updated list of claims under clause (c), the form and manner of preparing the information

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<sup>1</sup> Ins. by Act No. 26 of 2021, sec.16 (ii) (w.e.f. 04-04-2021).

memorandum under clause (g), and such other duties under clause (i) of sub-section (2) of section 54F;

(zki) such other persons under clause (c), the manner of appointing accountants, legal or other professionals under clause (e), such other matters under sub-clause (iv) of clause (f) and the manner of taking other actions under clause (g) of sub-section (3) of section 54F;

(zkj) the manner of determination of fees and expenses as may be incurred by the resolution professional under sub-section (6) of section 54F;

(zkk) the manner of bearing fees and expenses under sub-section (7) of section 54F;

(zkl) the form and manner of list of claims and preliminary information memorandum under subsection (1) of section 54G;

(zkm) the conditions under clause (a) of section 54H;

(zkn) the manner of alteration of the composition of the committee of creditors under the proviso to sub-section (1) of section 54-I;

(zko) the form and manner of making application under sub-section (1) of section 54J;

(zkp) the manner of inviting prospective resolution applicants under sub-section (5) of section 54K;

(zkq) the other conditions under sub-section (6) of section 54K;

(zkr) the conditions under clause (a) and the manner of providing the basis for evaluation of resolution plans and the information referred to in section 29 under sub-section (7) of section 54K;

(zks) the conditions under the proviso to sub-section (10) of section 54K;

(zkt) the manner and conditions under sub-section (11) of section 54K;

(zku) the form and manner of filing application under the proviso to sub-section (12) of section 54K;

(zkv) the other requirements under sub-section (13) of section 54K;

(zkw) the form for submission of written consent under clause (b) of sub-section (2) of section 54-O;]

(zli) the other means under clause (a) and the other information under clause (b) of section 57;

(zlm) the conditions and procedural requirements under sub-section (2) of section 59;

- (zn) the details and the documents required to be submitted under sub-section (7) of section 95;
- (zo) the other matters under clause (c) of sub-section (3) of section 105;
- (zp) the manner and form of proxy voting under sub-section (4) of section 107;
- (zq) the manner of assigning voting share to creditor under sub-section (2) of section 109;
- (zr) the manner and form of proxy voting under sub-section (3) of section 133;
- (zs) the fee to be charged under sub-section (1) of section 144;
- (zt) the appointment of other officers and employees under sub-section (2), and the salaries and allowances payable to, and other terms and conditions of service of, such officers and employees of the Board under sub-section (3), of section 194;
- (zu) the other information under clause (i) of sub-section (1) of section 196;
- (zv) the intervals in which the periodic study, research and audit of the functioning and performance of the insolvency professional agencies, insolvency professionals and information utilities under clause (r), and mechanism for disposal of assets under clause (t), of sub-section (1) of section 196;
- (zw) the place and the time for discovery and production of books of account and other documents under clause (i) of sub-section (3) of section 196;
- (zx) the other committees to be constituted by the Board and the other members of such committees under section 197;
- (zy) the other persons under clause (b) and clause (d) of section 200;
- (zz) the form and the manner of application for registration, the particulars to be contained therein and the fee it shall accompany under sub-section (1) of section 201;
- (zza) the form and manner of issuing a certificate of registration and the terms and conditions thereof, under sub-section (3) of section 201;
- (zzb) the manner of renewal of the certificate of registration and the fee therefor, under sub-section (4) of section 201;
- (zzc) the other ground under clause (d) of sub-section (5) of section 201;
- (zzd) the form of appeal to the National Company Law Appellate Tribunal, the period within which it shall be filed under section 202;
- (zze) the other information under clause (g) of section 204;
- (zzf) the other grounds under Explanation to section 196;
- (zzg) the setting up of a governing board for its internal governance and

management under clause (e), the curriculum under clause (l), the manner of conducting examination under clause (m), of section 196;

(zzh) the time within which, the manner in which, and the fee for registration of insolvency professional under sub-section (1) of section 207;

(zzi) the categories of professionals or persons, the qualifications and experience and the fields under sub-section (2) of section 207;

(zzj) the manner and the conditions subject to which the insolvency professional shall perform his function under clause (f) of sub-section (2) of section 208;

(zzk) the form and manner in which, and the fee for registration of information utility under sub-section (1) of section 210;

(zzl) the form and manner for issuing certificate of registration and the terms and conditions thereof, under sub-section (3) of section 210;

(zzm) the manner of renewal of the certificate of registration and the fee therefor, under sub-section (4) of section 210;

(zzn) the other ground under clause (d) of sub-section (5) of section 210;

(zzo) the form, the period and the manner of filing appeal to the National Company Law Appellate Tribunal under section 211;

(zzp) the number of independent members under section 212;

(zzq) the services to be provided by information utility and the terms and conditions under section 213;

(zzr) the form and manner of accepting electronic submissions of financial information under clause (b) and clause (c) of section 214;

(zzs) the minimum service quality standards under clause (d) of section 214;

(zzt) the information to be accessed and the manner of accessing such information under clause (f) of section 214;

(zzu) the statistical information to be published under clause (g) of section 214;

(zzv) the form, the fee and the manner for submitting or accessing information under sub-section (1) of section 215;

(zzw) the form and manner for submitting financial information and information relating to assets under sub-section (2) of section 215;

(zzx) the manner and the time within which financial information may be updated or modified or rectified under section 216;

(zzy) the form, manner and time of filing complaint under section 217;



(zzz) the time and manner of carrying out inspection or investigation under sub-section (2) of section 218;

(zzza) the manner of carrying out inspection of insolvency professional agency or insolvency professional or information utility and the time for giving reply under section 219;

(zzzb) the procedure for claiming restitution under sub-section (6), the period within which such restitution may be claimed and the manner in which restitution of amount may be made under sub-section (7) of section 220;

(zzzc) the other funds of clause (c) of sub-section (1) of section 222.

#### **<sup>1</sup>[240A. Application of this Code to micro, small and medium enterprises. –**

(1) Notwithstanding anything to the contrary contained in this Code, the provisions of clauses (c) and (h) of section 29A shall not apply to the resolution applicant in respect of corporate insolvency resolution process <sup>2</sup>[or pre-packaged insolvency resolution process] of any micro, small and medium enterprises.

(2) Subject to sub-section (1), the Central Government may, in the public interest, by notification, direct that any of the provisions of this Code shall—

(a) not apply to micro, small and medium enterprises; or

(b) apply to micro, small and medium enterprises, with such modifications as may be specified in the notification.

(3) A draft of every notification proposed to be issued under sub-section (2), 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.

(4) If both Houses agree in disapproving the issue of notification or both Houses agree in making any modification in the notification, the notification shall not be issued or shall be issued only in such modified form as may be agreed upon by both the Houses, as the case may be.

(5) The period of thirty days referred to in sub-section (3) 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.

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 37 (w.e.f. 6-6-2018).

<sup>2</sup> Ins. by Act No. 26 of 2021, sec.17 (w.e.f. 04-04-2021).

(6) Every notification issued under this section shall be laid, as soon as may be after it is issued, before each House of Parliament.

*Explanation.*— For the purposes of this section, the expression "micro, small and medium enterprises" means any class or classes of enterprises classified as such under sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006).]

#### **241. Rules and Regulations to be laid before Parliament. –**

Every rule and every regulation made under this Code shall be laid, as soon as may be after it is made, 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, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

#### **242. Power to remove difficulties. -**

(1) If any difficulty arises in giving effect to the provisions of this Code, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Code as may appear to be necessary for removing the difficulty:

Provided that no order shall be made under this section after the expiry of five years from the commencement of this Code.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

#### **243. Repeal of certain enactments and savings. –**

(1) The Presidency Towns Insolvency Act, 1909 (3 of 1909) and the Provincial Insolvency Act, 1920 (5 of 1920) are hereby repealed.

(2) Notwithstanding the repeal under sub-sections (1) -

(i) all proceedings pending under and relating to the Presidency Towns Insolvency Act 1909, and the Provincial Insolvency Act 1920 immediately before the commencement of this Code shall continue to be governed under the aforementioned Acts and be heard and disposed of by the concerned courts or tribunals, as if the aforementioned Acts have not been repealed;

(ii) any order, rule, notification, regulation, appointment, conveyance, mortgage, deed, document or agreement made, fee directed, resolution passed, direction given, proceeding taken, instrument executed or issued, or thing done under or in pursuance of any repealed enactment shall, if in force at the commencement of this Code, continue to be in force, and shall have effect as if the aforementioned Acts have not been repealed;

(iii) anything done or any action taken or purported to have been done or taken, including any rule, notification, inspection, order or notice made or issued or any appointment or declaration made or any operation undertaken or any direction given or any proceeding taken or any penalty, punishment, forfeiture or fine imposed under the repealed enactments shall be deemed valid;

(iv) any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure or existing usage, custom, privilege, restriction or exemption shall not be affected, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in, or from, the repealed enactments;

(v) any prosecution instituted under the repealed enactments and pending immediately before the commencement of this Code before any court or tribunal shall, subject to the provisions of this Code, continue to be heard and disposed of by the concerned court or tribunal;

(vi) any person appointed to any office under or by virtue of any repealed enactment shall continue to hold such office until such time as may be prescribed; and

(vii) any jurisdiction, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not in existence or in force shall not be revised or restored.

(3) The mention of particular matters in sub-section (2) shall not be held to prejudice the general application of section 6 of the General Clauses Act, 1897 (10 of 1897) with regard to the effect of repeal of the repealed enactments or provisions of the enactments mentioned in the Schedule.

#### **244. Transitional provisions. –**

(1) Until the Board is constituted or a financial sector regulator is designated under section 195, as the case may be, the powers and functions of the Board or such designated financial sector regulator, including its power to make regulations, shall be exercised by the Central Government.

(2) Without prejudice to the generality of the power under sub-section (1), the Central Government may by regulations provide for the following matters: -

(a) recognition of persons, categories of professionals and persons having such qualifications and experience in the field of finance, law, management or insolvency as it deems necessary, as insolvency professionals and insolvency professional agencies under this Code;

(b) recognition of persons with technological, statistical, and data protection capability as it deems necessary, as information utilities under this Code; and

(c) conduct of the corporate insolvency resolution process, insolvency resolution process, liquidation process, fresh start process and bankruptcy process under this Code.

**245. Amendments of Act 9 of 1932.-**

The Indian Partnership Act, 1932 shall be amended in the manner specified in the First Schedule.

**246. Amendments of Act 1 of 1944.-**

The Central Excise Act, 1944 shall be amended in the manner specified in the Second Schedule.

**247. Amendments of Act 43 of 1961.-**

The Income – tax Act, 1961 shall be amended in the manner specified in the Third Schedule.

**248. Amendments of Act 52 of 1962.-**

The Customs Act, 1962 shall be amended in the manner specified in the Fourth Schedule.

**249. Amendments of Act 51 of 1993.-**

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 shall be amended in the manner specified in the Fifth Schedule.

**250. Amendments of Act 32 of 1994.-**

The Finance Act, 1994 shall be amended in the manner specified in the Sixth Schedule.

**251. Amendments of Act 54 of 2002.-**

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 shall be amended in the manner specified in the Seventh Schedule.

**252. Amendments of Act 1 of 2004.-**

The Sick Industrial Companies (Special Provisions) Repeal Act, 2003 shall be amended in the manner specified in the Eighth Schedule.

**253. Amendments of Act 51 of 2007.-**

The Payment and Settlement Systems Act, 2007 shall be amended in the manner

specified in the Ninth Schedule.

**254. Amendments of Act 6 of 2009.-**

The Limited Liability Partnership Act, 2008 shall be amended in the manner specified in the Tenth Schedule.

**255. Amendments of Act 18 of 2013.-**

The Companies Act, 2013 shall be amended in the manner specified in the Eleventh Schedule.

**THE FIRST SCHEDULE**

(See section 245)

**AMENDMENT TO THE INDIAN PARTNERSHIP ACT, 1932**

(9 of 1932)

1. In section 41, clause (a) shall be omitted.

**THE SECOND SCHEDULE**

(See section 246)

**AMENDMENT TO THE CENTRAL EXCISE ACT, 1944**

(1 of 1944)

1 In section 11E, for the words, figures and brackets “and the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 (54 of 2002)”, the words, figures and brackets “the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 (54 of 2002) and the Insolvency and Bankruptcy Code, 2016” shall be substituted.

### **THE THIRD SCHEDULE**

*(See section 247)*

#### **AMENDMENT TO THE INCOME-TAX ACT, 1961**

(43 of 1961)

In sub-section (6) of section 178, after the words “for the time being in force”, the words and figures “except the provisions of the Insolvency and Bankruptcy Code, 2016” shall be inserted.

### **THE FOURTH SCHEDULE**

*(See section 248)*

#### **AMENDMENT TO THE CUSTOMS ACT, 1962**

(52 of 1962)

In section 142A, for the words and figures “and the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 (54 of 2002)”, the words and figures “the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 and the Insolvency and Bankruptcy Code, 2016” shall be substituted.

### **THE FIFTH SCHEDULE**

*(See section 249)*

#### **AMENDMENT TO RECOVERY OF DEBTS DUE TO BANKS AND FINANCIAL INSTITUTIONS ACT, 1993**

(51 of 1993)

1. In the long title, after the words “financial institutions”, the words “,

insolvency resolution and bankruptcy of individuals and partnership firms” shall be inserted, namely: -.

2. In section 1, –

(a) in sub-section (1), for the words “Due to Banks and Financial Institutions” the words “and Bankruptcy” shall be substituted;

(b) in sub-section (4), for the words “The provision of this Code”, the words “Save as otherwise provided, the provisions of this Code”, shall be substituted.

3. In section 3, after sub-section (1), the following sub-section shall be inserted, namely: -

“(1A) The Central Government shall by notification establish such number of Debts Recovery Tribunals and its benches as it may consider necessary, to exercise the jurisdiction, powers and authority of the Adjudicating Authority conferred on such Tribunal by or under the Insolvency and Bankruptcy Code, 2016”.

4. In section 8, after sub-section (1), the following section shall be inserted, namely: -

“(1A) The Central Government shall, by notification, establish such number of Debt Recovery Appellate Tribunals to exercise jurisdiction, powers and authority to entertain appeal against the order made by the Adjudicating Authority under Part III of the Insolvency and Bankruptcy Code, 2016”.

5. In section 17, -

(i) after sub-section (1), the following sub-section shall be inserted, namely: -

“(1A) Without prejudice to sub-section (1), –

(a) the Tribunal shall exercise, on and from the date to be appointed by the Central Government, the jurisdiction, powers and authority to entertain and decide applications under Part III of Insolvency and Bankruptcy Code, 2016.

(b) the Tribunal shall have circuit sittings in all district headquarters.”

(ii) after sub-section (2), the following sub-section shall be inserted,

namely: -

“(2A) Without prejudice to sub-section (2), the Appellate Tribunal shall exercise, on and from the date to be appointed by the Central Government, the jurisdiction, powers and authority to entertain appeals against the order made by the Adjudicating Authority under Part III of the Insolvency and Bankruptcy Code, 2016.”

6. After section 19, the following section shall be inserted, namely: –

“19A. The application made to Tribunal for exercising the powers of the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 shall be dealt with in the manner as provided under that Code”.

7. In section 20, in sub-section (4), after the word, brackets and figure “sub-section (1)”, the words, brackets and figures “or under sub-section (1) of section 181 of the Insolvency and Bankruptcy Code, 2016” shall be inserted.

## **THE SIXTH SCHEDULE**

*(See section 250)*

### **AMENDMENT TO THE FINANCE ACT, 1994**

*(32 of 1994)*

In section 88, for the words and figures “and the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 (54 of 2002)”, the words and figures “the Securitisation and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002 and the Insolvency and Bankruptcy Code, 2016” shall be substituted.

## **THE SEVENTH SCHEDULE**

*(See section 251)*

### **AMENDMENT TO THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002**

*(54 of 2002)*



In section 13, in sub-section (9), for the words “In the case of”, the words and figures “Subject to the provisions of the Insolvency and Bankruptcy Code, 2016, in the case of” shall be substituted.

## THE EIGHTH SCHEDULE

(See section 252)

### AMENDMENT TO THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) REPEAL ACT, 2003

(1 of 2004)

In section 4, for sub-clause (b), the following sub-clause shall be substituted, namely—

" (b) On such date as may be notified by the Central Government in this behalf, any appeal preferred to the Appellate Authority or any reference made or inquiry pending to or before the Board or any proceeding of whatever nature pending before the Appellate Authority or the Board under the Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986) shall stand abated:

Provided that a company in respect of which such appeal or reference or inquiry stands abated under this clause may make reference to the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016 within one hundred and eighty days from the commencement of the Insolvency and Bankruptcy Code, 2016 in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016:

Provided further that no fees shall be payable for making such reference under Insolvency and Bankruptcy Code, 2016 by a company whose appeal or reference or inquiry stands abated under this clause."

<sup>1</sup>[Provided also that any scheme sanctioned under sub-section (4) or any scheme under implementation under sub-section (12) of section 18 of the Sick Industrial Companies (Special Provisions) Act, 1985 shall be deemed to be an approved resolution plan under sub-section (1) of section 31 of the Insolvency and Bankruptcy Code, 2016 and the same shall be dealt with, in accordance with the provisions of Part II of the said Code:

Provided also that in case, the statutory period within which an appeal was allowed under the Sick Industrial Companies (Special Provisions) Act, 1985 against an order of the Board had not expired as on the date of notification of this Act, an appeal against any such deemed approved resolution plan may be preferred by any person before National Company Law Appellate Tribunal within ninety days from the date of publication of this order.]

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<sup>1</sup> Ins. by the Insolvency and Bankruptcy Code (Removal of Difficulties) Order, 2017.

## **THE NINTH SCHEDULE**

**(See section 253)**

### **AMENDMENT TO THE PAYMENT AND SETTLEMENT SYSTEMS ACT, 2007**

(51 of 2007)

1. In section 23, in sub-sections (4), (5) and (6), after the words and figures “the Banking Regulation Act, 1949 (10 of 1949)” “the Companies Act, 2013 (18 of 2013)”, the words and figures “or the Insolvency and Bankruptcy Code, 2016” shall be inserted.
2. In section 23A, in sub-section (3), after the words and figures "the Companies Act, 2013", the words and figures "or the Insolvency and Bankruptcy Code, 2016" shall be inserted.

## **THE TENTH SCHEDULE**

**(See section 254)**

### **AMENDMENT TO THE LIMITED LIABILITY PARTNERSHIP ACT, 2008**

(6 of 2009)

In section 64, Clause (c) shall be omitted.

## **THE ELEVENTH SCHEDULE**

**(See section 255)**

### **AMENDMENTS TO THE COMPANIES ACT, 2013**

(18 Of 2013)

1. In section 2, -

(a) for clause (23), the following clause shall be substituted, namely: -

“(23) “Company Liquidator”, means a person appointed by the Tribunal as the Company Liquidator in accordance with the provisions of section 275 for the winding up of a company under this Act”;

(b) after clause (94), the following clause shall be inserted, namely: -

“(94A) “winding up” means winding up under this Act or liquidation under the Insolvency and Bankruptcy Code, 2016, as applicable.”

2. In section 8, in sub-section (9), for the words “the Rehabilitation and Insolvency Fund formed under section 269”, the words “Insolvency and Bankruptcy Fund formed under section 224 of the Insolvency and Bankruptcy Code, 2016” shall be substituted.

3. In section 66, in sub-section (8), for the words, brackets and figures “is unable, within the meaning of sub-section (2) of section 271, to pay the amount of his debt or claim,” the words and figures “commits a default, within the meaning of section 6 of the Insolvency and Bankruptcy Code, 2016, in respect of the amount of his debt or claim,” shall be substituted.

4. In sections 77, in sub-section (3), after the words “the liquidator”, the words and figures “appointed under this Act or the Insolvency and Bankruptcy Code, 2016, as the case may be,” shall be inserted.

5. In section 117, in sub-section (3), in clause (f), for the word and figures “section 304”, the words and figures “section 59 of the Insolvency and Bankruptcy Code, 2016” shall be substituted.

6. In section 224, in sub-section (2), after the words “wound up under this Act”, the words and figures “or under the Insolvency and Bankruptcy Code, 2016” shall be inserted.

6A. In section 230, —

(a) in sub-section (1), after the word "liquidator", the words "appointed under this Act or under the Insolvency and Bankruptcy Code, 2016, as the case may be," shall be inserted;

(b) in sub-section (6), after the word "on the liquidator", the words "appointed under this Act or under the Insolvency and Bankruptcy Code, 2016, as the case may be," shall be inserted;

7. In section 249, in sub-section (1), for clause (e), the following clause shall be substituted, namely: -

“(e) is being wound up under Chapter XX of this Act or under the Insolvency and Bankruptcy Code, 2016.”

8. Sections 253 to 269 shall be omitted.

9. For section 270, the following section shall be substituted, namely: -

“270. Winding up by Tribunal. - The provisions of Part I shall apply to the winding up of a company by the Tribunal under this Act.”

10. For section 271, the following section shall be substituted, namely: -

“271. Circumstances in which company may be wound up by Tribunal. - A company may, on a petition under section 272, be wound up by the Tribunal, —

- (a) if the company has, by special resolution, resolved that the company be wound up by the Tribunal;
- (b) if the company has acted against the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality;
- (c) if on an application made by the Registrar or any other person authorised by the Central Government by notification under this Act, the Tribunal is of the opinion that the affairs of the company have been conducted in a fraudulent manner or the company was formed for fraudulent and unlawful purpose or the persons concerned in the formation or management of its affairs have been guilty of fraud, misfeasance or misconduct in connection therewith and that it is proper that the company be wound up;
- (d) if the company has made a default in filing with the Registrar its financial statements or annual returns for immediately preceding five consecutive financial years; or
- (e) if the Tribunal is of the opinion that it is just and equitable that the company should be wound up.”

12. For section 272, the following section shall be substituted, namely: -

“272. Petition for winding up. - (1) Subject to the provisions of this section, a petition to the Tribunal for the winding up of a company shall be presented by—

- (a) the company;<sup>[L]</sup><sub>[SEP]</sub>
- (b) any contributory or contributories;
- (c) all or any of the persons specified in clauses (a) and (b);
- (d) the Registrar;
- (e) any person authorised by the Central Government in that behalf; or
- (f) in a case falling under clause (b) of section 271, by the Central Government or a State Government.

(2) A contributory shall be entitled to present a petition for the winding up of a company, notwithstanding that he may be the holder of fully paid-up shares, or that the company may have no assets at all or may have no surplus assets left for distribution among the shareholders after the satisfaction of its liabilities, and shares in respect of which he is a contributory or some of them were either originally allotted to him or have been held by him, and registered in his name, for at least six months during the eighteen months immediately before the commencement of the winding up or have devolved on him through the death of a former holder.

(3) The Registrar shall be entitled to present a petition for winding up under section 271, except

on the grounds specified in clause (a) or clause (e) of that sub-section:

Provided that the Registrar shall obtain the previous sanction of the Central Government to the presentation of a petition:

Provided further that the Central Government shall not accord its sanction unless the company has been given a reasonable opportunity of making representations.

(4) A petition presented by the company for winding up before the Tribunal shall be admitted only if accompanied by a statement of affairs in such form and in such manner as may be prescribed.

(5) A copy of the petition made under this section shall also be filed with the Registrar and the Registrar shall, without prejudice to any other provisions, submit his views to the Tribunal within sixty days of receipt of such petition.”

13. In section 275, -

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

“(2) The provisional liquidator or the Company Liquidator, as the case may, shall be appointed by the Tribunal from amongst the insolvency professionals registered under the Insolvency and Bankruptcy Code, 2016.”;

(b) sub-section (4) shall be omitted.

14. For section 280, the following section shall be substituted, namely: -

“280. Jurisdiction of Tribunal. -The Tribunal shall, notwithstanding anything contained in any other law for the time being in force, have jurisdiction to entertain, or dispose of, —

(a) any suit or proceeding by or against the company;

(b) any claim made by or against the company, including claims by or against any of its branches in India;

(c) any application made under section 233;

(d) any question of priorities or any other question whatsoever, whether of law or facts, including those relating to assets, business, actions, rights, entitlements, privileges, benefits, duties, responsibilities, obligations or in any matter arising out of, or in relation to winding up of the company,

whether such suit or proceeding has been instituted, or is instituted, or such claim or question has arisen or arises or such application has been made or is made or such scheme has been submitted, or is submitted, before or after the order for the winding up of the company is made.”

15. Section 289 shall be omitted.

15A. The heading “Part II.- Voluntary winding up” shall be omitted.

16. Sections 304 to 323 shall be omitted.

17. Section 325 shall be omitted.

18. For section 326, the following section shall be substituted, namely: -

“326. Overriding preferential payments. - (1) In the winding up of a company under this Act, the following debts shall be paid in priority to all other debts:

(a) workmen’s dues; and;

(b) where a secured creditor has realised a secured asset, so much of the debts due to such secured creditor as could not be realised by him or the amount of the workmen’s portion in his security (if payable under the law), whichever is less, *pari passu* with the workmen’s dues:

Provided that in case of the winding up of a company, the sums referred to in sub-clauses (i) and (ii) of clause (b) of the Explanation, which are payable for a period of two years preceding the winding up order or such other period as may be prescribed, shall be paid in priority to all other debts (including debts due to secured creditors), within a period of thirty days of sale of assets and shall be subject to such charge over the security of secured creditors as may be prescribed.

(2) The debts payable under the proviso to sub-section (1) shall be paid in full before any payment is made to secured creditors and thereafter debts payable under that sub-section shall be paid in full, unless the assets are insufficient to meet them, in which case they shall abate in equal proportions.

*Explanation.* – For the purposes of this section, and section 327—

(a) “workmen”, in relation to a company, means the employees of the company, being workmen within the meaning of clause (s) of section 2 of the Industrial Disputes Act, 1947 (14 of 1947);

(b) “workmen’s dues”, in relation to a company, means the aggregate of the following sums due from the company to its workmen, namely: —

(i) all wages or salary including wages payable for time or piece work and salary earned wholly or in part by way of commission of any workman in respect of services rendered to the company and any compensation payable to any workman under any of the provisions of the Industrial Disputes Act, 1947 (14 of 1947);

(ii) all accrued holiday remuneration becoming payable to any workman or, in the case of his death, to any other person in his right on the termination of his

employment before or by the effect of the winding up order or resolution;

(iii) unless the company is being wound up voluntarily merely for the purposes of reconstruction or amalgamation with another company or unless the company has, at the commencement of the winding up, under such a contract with insurers as is mentioned in section 14 of the Workmen's Compensation Act, 1923 (19 of 1923), rights capable of being transferred to and vested in the workmen, all amount due in respect of any compensation or liability for compensation under the said Act in respect of the death or disablement of any workman of the company;

(iv) all sums due to any workman from the provident fund, the pension fund, the gratuity fund or any other fund for the welfare of the workmen, maintained by the company.

(c) "workmen's portion", in relation to the security of any secured creditor of a company, means the amount which bears to the value of the security the same proportion as the amount of the workmen's dues bears to the aggregate of the amount of workmen's dues and the amount of the debts due to the secured creditors.

*Illustration*

The value of the security of a secured creditor of a company is Rs. 1,00,000. The total amount of the workmen's dues is Rs. 1,00,000. The amount of the debts due from the company to its secured creditors is Rs. 3,00,000. The aggregate of the amount of workmen's dues and the amount of debts due to secured creditors is Rs. 4,00,000. The workmen's portion of the security is, therefore, one-fourth of the value of the security, that is Rs. 25,000."

19. In section 327, -

(a) after sub-section (6), the following sub-section shall be inserted, namely: -

"(7) Sections 326 and 327 shall not be applicable in the event of liquidation under the Insolvency and Bankruptcy Code 2016.";

(b) in the *Explanation*, for clause (c), the following clause shall be substituted, namely; -

"(c) the expression "relevant date" means in the case of a company being wound up by the Tribunal, the date of appointment or first appointment of a provisional liquidator, or if no such appointment was made, the date of the winding up order, unless, in either case, the company had commenced to be wound up voluntarily before that date under the Insolvency and Bankruptcy Code 2016;"

20. For section 329, the following section shall be substituted, namely: -

"329. Transfer not in good faith to be void.- Any transfer of property, movable or immovable, or any delivery of goods, made by a company, not being a transfer or delivery made in the ordinary course of its business or in favour of a purchaser or encumbrancer in

good faith and for valuable consideration, if made within a period of one year before the presentation of a petition for winding up by the Tribunal under this Act shall be void against the Company Liquidator.”.

21. For section 334, the following section shall be substituted, namely: -

“334. Transfer, etc., after commencement of winding up to be void. - In the case of a winding up by the Tribunal, any disposition of the property, including actionable claims, of the company, and any transfer of shares in the company or alteration in the status of its members, made after the commencement of the winding up, shall, unless the Tribunal otherwise orders, be void.”

22. In section 336, in sub-section (1), in the opening paragraph, for the words “whether by the Tribunal or voluntarily, or which is subsequently ordered to be wound up by the Tribunal or which subsequently passes a resolution for voluntary winding up,”, the words “by the Tribunal under this Act or which is subsequently ordered to be wound up by the Tribunal under this Act”, shall be substituted.

23. In section 337, for the words “or which subsequently passes a resolution for voluntary winding up,”, the words “under this Act”, shall be substituted.

24. In section 342 sub-sections (2), (3) and (4) shall be omitted.

25. In section 343, for sub-section (1), the following sub-section shall be substituted, namely-

“(1) The Company Liquidator may, with the sanction of the Tribunal, when the company is being wound up by the Tribunal, -

(i) pay any class of creditors in full;

(ii) make any compromise or arrangement with creditors or persons claiming to be creditors, or having or alleging themselves to have any claim, present or future, certain or contingent, against the company, or whereby the company may be rendered liable; or

(iii) compromise any call or liability to call, debt, and liability capable of resulting in a debt, and any claim, present or future, certain or contingent, ascertained or sounding only in damages, subsisting or alleged to subsist between the company and a contributory or alleged contributory or other debtor or person apprehending liability to the company, and all questions in any way relating to or affecting the assets or liabilities or the winding up of the company, on such terms as may be agreed, and take any security for the discharge of any such call, debt, liability or claim, and give a complete discharge in respect thereof.”

26. In section 347, for sub-section (1), the following sub-section shall be substituted, namely-



“(1) When the affairs of a company have been completely wound up and it is about to be dissolved, the books and papers of such Company and those of the Company Liquidator may be disposed of in such manner as the Tribunal directs.”

27. In section 348, for sub-section (1), the following sub-section shall be substituted, namely-

“(1) If the winding up of a company is not concluded within one year after its commencement, the Company Liquidator shall, unless he is exempted from so doing, either wholly or in part by the Central Government, within two months of the expiry of such year and thereafter until the winding up is concluded, at intervals of not more than one year or at such shorter intervals, if any, as may be prescribed, file a statement in such form containing such particulars as may be prescribed, duly audited, by a person qualified to act as auditor of the company, with respect to the proceedings in, and position of, the liquidation, with the Tribunal:

Provided that no such audit as is referred to in this sub-section shall be necessary where the provisions of section 294 apply.”

28. For section 357, the following section shall be substituted, namely:-

“357. Commencement of winding up by Tribunal. -The winding up of a company by the Tribunal under this Act shall be deemed to commence at the time of the presentation of the petition for the winding up.”

29. In section 370, in the proviso, after the words “obtained for the winding up the company”, the words “in accordance with the provisions of this Act or of the Insolvency and Bankruptcy Code, 2016” shall be inserted.

30. In section 372, after the words “The provisions of this Act”, the words “or of the Insolvency and Bankruptcy Code, 2016, as the case may be” shall be inserted.

31. In section 419, for sub-section (4), the following sub-section shall be substituted, namely:

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“(4) The Central Government shall, by notification, establish such number of benches of the Tribunal, as it may consider necessary, to exercise the jurisdiction, powers and authority of the Adjudicating Authority conferred on such Tribunal by or under Part II of the Insolvency and Bankruptcy Code, 2016”.

32. In section 424, -

(i) in sub-section (1), after the words, “other provisions of this Act”, the words “or of the Insolvency and Bankruptcy Code, 2016” shall be inserted;

(ii) in sub-section (2), after the words, “under this Act”, the words “or under the Insolvency and Bankruptcy Code, 2016” shall be inserted.

33. In section 429, for sub section (1), the following sub-section shall be substituted, namely:—

“(1) The Tribunal may, in any proceedings for winding up of a company under this Act or in any proceedings under the Insolvency and Bankruptcy Code, 2016, in order to take into custody or under its control all property, books of account or other documents, request, in writing, the Chief Metropolitan Magistrate, Chief Judicial Magistrate or the District Collector within whose jurisdiction any such property, books of account or other documents of such company under this Act or of corporate persons under the said Code, are situated or found, to take possession thereof, and the Chief Metropolitan Magistrate, Chief Judicial Magistrate or the District Collector, as the case may be, shall, on such request being made to him,—

(a) take possession of such property, books of account or other documents; and

(b) cause the same to be entrusted to the Tribunal or other persons authorised by it.”.

34. For section 434, the following section shall be substituted, namely: -

“434. Transfer of certain pending proceedings. - (1) On such date as may be notified by the Central Government in this behalf, —

(a) all matters, proceedings or cases pending before the Board of Company Law Administration (herein in this section referred to as the Company Law Board) constituted under sub-section (1) of section 10E of the Companies Act, 1956 (1 of 1956), immediately before such date shall stand transferred to the Tribunal and the Tribunal shall dispose of such matters, proceedings or cases in accordance with the provisions of this Act;

(b) any person aggrieved by any decision or order of the Company Law Board made before such date may file an appeal to the High Court within sixty days from the date of communication of the decision or order of the Company Law Board to him on any question of law arising out of such order:

Provided that the High Court may if it is satisfied that the appellant was prevented by sufficient cause from filing an appeal within the said period, allow it to be filed within a further period not exceeding sixty days; and

(c) all proceedings under the Companies Act, 1956 (1 of 1956), including proceedings relating to arbitration, compromise, arrangements and reconstruction and winding up of companies, pending immediately before such date before any District Court or High Court, shall stand transferred to the Tribunal and the Tribunal may proceed to deal with such proceedings from the stage before their transfer:

Provided that only such proceedings relating to the winding up of companies shall be transferred to the Tribunal that are at a stage as may be prescribed by the Central Government:

<sup>1</sup>[Provided further that any party or parties to any proceedings relating to the winding up of companies pending before any Court immediately before the commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018, may file an application for transfer of such proceedings and the Court may by order transfer such proceedings to the Tribunal and the

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<sup>1</sup>Ins by Act No. 26 of 2018, sec.39 (w.e.f. 6-6-2018).

proceedings so transferred shall be dealt with by the Tribunal as an application for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.]

(2) The Central Government may make rules consistent with the provisions of this Act to ensure timely transfer of all matters, proceedings or cases pending before the Company Law Board or the courts, to the Tribunal under this section.”

35. In section 468, for sub-section (2), the following sub-section shall be substituted, namely :-

“(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely: —

- (i) as to the mode of proceedings to be held for winding up of a company by the Tribunal under this Act;
- (ii) for the holding of meetings of creditors and members in connection with proceedings under section 230;
- (iii) for giving effect to the provisions of this Act as to the reduction of the capital;
- (iv) generally for all applications to be made to the Tribunal under the provisions of this Act;
- (v) the holding and conducting of meetings to ascertain the wishes of creditors and contributories;
- (vi) the settling of lists of contributories and the rectifying of the register of members where required, and collecting and applying the assets;
- (vii) the payment, delivery, conveyance, surrender or transfer of money, property, books or papers to the liquidator;
- (viii) the making of calls; and
- (ix) the fixing of a time within which debts and claims shall be proved.”

36. In Schedule V, in Part II, in section III, for clause (b), the following clause shall be substituted, namely: -

“(b) where the company—

- (i) is a newly incorporated company, for a period of seven years from the date of its incorporation, or
- (ii) is a sick company, for whom a scheme of revival or rehabilitation has been ordered by the Board for Industrial and Financial Reconstruction for a period of five years from the date of sanction of scheme of revival, or
- (iii) is a company in relation to which a resolution plan has been approved by the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016

for a period of five years from the date of such approval,  
it may pay remuneration up to two times the amount permissible under section II.”

#### **<sup>1</sup>[THE TWELFTH SCHEDULE**

*(See clause (d) of section 29A)*

#### **ACTS FOR THE PURPOSES OF CLAUSE (d) OF SECTION 29A**

- (1) The Foreign Trade (Development and Regulation) Act, 1922 (22 of 1922);
- (2) The Reserve Bank of India Act, 1934 (2 of 1934);
- (3) The Central Excise Act, 1944 (1 of 1944);
- (4) The Prevention of Food Adulteration Act, 1954 (37 of 1954);
- (5) The Essential Commodities Act, 1955 (10 of 1955);
- (6) The Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- (7) The Income-tax Act, 1961 (43 of 1961);
- (8) The Customs Act, 1962 (52 of 1962);
- (9) The Water (Prevention and Control of Pollution) Act, 1974 (6 of 1974);
- (10) The Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974);
- (11) The Air (Prevention and Control of Pollution) Act, 1981 (14 of 1981);
- (12) The Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986);
- (13) The Environment (Protection) Act, 1986 (29 of 1986);
- (14) The Prohibition of Benami Property Transactions Act, 1988 (45 of 1988);
- (15) The Prevention of Corruption Act, 1988 (49 of 1988);
- (16) The Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (17) The Foreign Exchange Management Act, 1999 (42 of 1999);

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<sup>1</sup> Ins. by Act No. 26 of 2018, sec. 38 (w.e.f. 6-6-2018).

- (18) The Competition Act, 2002 (12 of 2003);
- (19) The Prevention of Money-laundering Act, 2002 (15 of 2003);
- (20) The Limited Liability Partnership Act, 2008 (6 of 2009);
- (21) The Foreign Contribution (Regulation) Act, 2010 (42 of 2010);
- (22) The Companies Act, 2013 (18 of 2013) or any previous company law;
- (23) The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015);
- (24) The Insolvency and Bankruptcy Code, 2016 (31 of 2016);
- (25) The Central Goods and Services Tax Act, 2017 (12 of 2017) and respective State Acts imposing State goods and services tax;
- (26) such other Acts as may be notified by the Central Government.

Every notification issued under this Schedule shall be laid, as soon as may be after it is issued, before each House of Parliament.]

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**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY  
RESOLUTION PROCESS FOR CORPORATE PERSONS) REGULATIONS, 2016<sup>1</sup>**

[AMENDED UPTO 20.09.2022 ]

**IBBI/2016-17/GN/REG004.** - In exercise of the powers conferred under sections 5, 7, 9, 14, 15, 17, 18, 21, 24, 25, 29, 30, 196 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, namely-

**CHAPTER I**

**PRELIMINARY**

**1. Short title and commencement.**

- (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- (2) These Regulations shall come into force on 1<sup>st</sup> December, 2016.
- (3) These Regulations shall apply to the corporate insolvency resolution process.

**2. Definitions.**

- (1) In these Regulations, unless the context otherwise requires-
  - (a) “applicant” means the person(s) filing an application under sections 7, 9 or 10, as the case may be;
  - <sup>2</sup>[(aa) “class of creditors” means a class with at least ten financial creditors under clause (b) of sub-section (6A) of section 21 and the expression, “creditors in a class” shall be construed accordingly.]
  - (b) “Code” means the Insolvency and Bankruptcy Code, 2016;
  - (c) “Code of Conduct” means the code of conduct for insolvency professionals as set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016;
  - (d) “committee” means a committee of creditors established under section 21;

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<sup>1</sup>Vide Notification No. IBBI/2016-17/GN/REG004, dated 30<sup>th</sup> November, 2016, published in the Gazette of India, Extraordinary, Part III, Sec.4, vide No. 432, dated 30<sup>th</sup> November, 2016 (w.e.f. 01-12-2016).

<sup>2</sup>Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

- (e) “corporate insolvency resolution process” means the insolvency resolution process for corporate persons under Chapter II of Part II of the Code;
- (f) <sup>3</sup>[\*\*\*]
- (g) “electronic form” shall have the meaning assigned to it in the Information Technology Act, 2000 (21 of 2000);
- (h) “electronic means” mean an authorized and secured computer programme which is capable of producing confirmation of sending communication to the participant entitled to receive such communication at the last electronic mail address provided by such participant and keeping record of such communication.

<sup>4</sup>“(ha) “evaluation matrix” means such parameters to be applied and the manner of applying such parameters, as approved by the committee, for consideration of resolution plans for its approval;

(hb)“fair value” means the estimated realizable value of the assets of the corporate debtor, 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.]

- (i) “identification number” means the Limited Liability Partnership Identification Number or the Corporate Identity Number, as the case may be;
- (j) “insolvency professional entity” means an entity recognised as such under the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016;
- (k) <sup>5</sup>“liquidation value” means the estimated realizable value of the assets of the corporate debtor, if the corporate debtor were to be liquidated on the insolvency commencement date.]
- (l) “participant” means a person entitled to attend a meeting of the committee under section 24 or any other person authorised by the committee to attend the meeting;

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<sup>3</sup>Omitted by Notification No. IBBI/2018-19/GN/REG032, dated 5<sup>th</sup> October, 2018 (w.e.f. 05.10.2018). Prior to omission, clause (f) stood as under:-

“dissenting financial creditor” means a financial creditor who voted against the resolution plan or abstained from voting for the resolution plan, approved by the committee;”

<sup>4</sup>Inserted by Notification No. IBBI/2017-18/GN/REG024, dated 6<sup>th</sup> February, 2018 (w.e.f. 06-02-2018).

<sup>5</sup>Substituted by Notification no. IBBI/2017-18/GN/REG024, dated 6<sup>th</sup> February, 2018 (w.e.f. 06-02-2018). Clause (k), before substitution, stood as under: -

“2(k) “liquidation value” means the amount determined in accordance with Regulation 35;”

- (m) “registered valuer” means a person registered as such in accordance with the Companies Act, 2013(18 of 2013) and rules made thereunder;
  - (n) “<sup>6</sup>[Schedule-I ]” means the <sup>7</sup>[Schedule-I ]to these Regulations;
  - (o) “section” means section of the Code;
  - (p) “video conferencing or other audio and visual means” means such audio and visual facility which enables the participants in a meeting to communicate concurrently with one another and to participate effectively in the meeting.
- (2) Unless the context otherwise requires, words and expressions used and not defined in these Regulations, but defined in the Code, shall have the meanings assigned to them in the Code.

**<sup>8</sup>[2A. Record or evidence of default by financial creditor.**

For the purposes of clause (a) of sub-section (3) of section 7 of the Code, the financial creditor may furnish any of the following record or evidence of default, namely:-

- (a) certified copy of entries in the relevant account in the bankers’ book as defined in clause (3) of section 2 of the Bankers’ Books Evidence Act, 1891 (18 of 1891);
- (b)an order of a court or tribunal that has adjudicated upon the non-payment of a debt, where the period of appeal against such order has expired.]

**<sup>9</sup>[2B. Record or evidence of transaction, debt and default by operational creditor.**

The operational creditor shall, alongwith application under section 9, furnish 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.

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<sup>6</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13th September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>7</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13th September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>8</sup> Inserted by Notification No. IBBI/2020-21/GN/REG066, dated 13<sup>th</sup> November, 2020 (w.e.f. 13-11-2020).

<sup>9</sup> Inserted by Notification No. IBBI/2022-23/GN/REG084, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).



## **2C. Submission of information along with application.**

The financial creditor or operational creditor shall, while filing application under section 7 or 9, as the case may be, also furnish details of his/ its—

- (a) Permanent Account Number; and
- (b) Email-ID.]

## **CHAPTER II**

### **GENERAL**

#### **3. Eligibility for resolution professional.**

- (1) An insolvency professional shall be eligible to be appointed as <sup>10</sup>[an interim resolution professional or a resolution professional, as the case may be,] for a corporate insolvency resolution process of a corporate debtor if he, and all partners and directors of the insolvency professional entity of which he is a partner or director, are independent of the corporate debtor.

*Explanation*– A person shall be considered independent of the corporate debtor, if he:

- (a) is eligible to be appointed as an independent director on the board of the corporate debtor under section 149 of the Companies Act, 2013 (18 of 2013), where the corporate debtor is a company;
- (b) is not a related party of the corporate debtor; or
- (c) is not an employee or proprietor or a partner:
  - (i) of a firm of auditors or <sup>11</sup>[secretarial auditors] in practice or cost auditors of the corporate debtor; or
  - (ii) of a legal or a consulting firm, that has or had any transaction with the corporate debtor amounting to <sup>12</sup>[five per cent] or more of the gross turnover of such firm,

in the last three financial years.

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<sup>10</sup> Substituted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Before substitution, the words stood as under:

“a resolution professional”.

<sup>11</sup>Substituted by Notification No. IBBI/2017-18/ GN/ REG030, dated 27<sup>th</sup> March, 2018 (w.e.f.01-04-2018). Regulation 3 (1) (c) (i), before substitution, stood as under:

“(i) of a firm of auditors or company secretaries in practice or cost auditors of the corporate debtor; or”.

<sup>12</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution, the words stood as under:

“ten per cent”

<sup>13</sup>[(1A) Where the committee decides to appoint the interim resolution professional as resolution professional or 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 Form AA of the<sup>14</sup>[Schedule-I ].]

(2) <sup>15</sup>[An interim resolution professional or a resolution professional, as the case may be,] shall make disclosures at the time of his appointment and thereafter in accordance with the Code of Conduct.

<sup>16</sup>[(3) An interim resolution professional or a resolution professional, who is a director or a partner of an insolvency professional entity, shall not continue as the interim resolution professional or resolution professional, as the case may be, in a corporate insolvency resolution process, if the insolvency professional entity or any other partner or director of such insolvency professional entity represents any other stakeholder in that corporate insolvency resolution process.]

#### **4. Access to books.**

(1) Without prejudice to section 17(2)(d), the <sup>17</sup>[interim resolution professional or the resolution professional, as the case may be,] may access the books of account, records and other relevant documents and information, to the extent relevant for discharging his duties under the Code, of the corporate debtor held with-

- (a) depositories of securities;
- (b) professional advisors of the corporate debtor;
- (c) information utilities;

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<sup>13</sup>Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<sup>14</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>15</sup> Substituted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Before substitution, the words stood as under:  
“a resolution professional”.

<sup>16</sup> Substituted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Regulation 3 (3), before substitution, stood as under:

“(3) A resolution professional, who is a director or a partner of an insolvency professional entity, shall not continue as a resolution professional in a corporate insolvency resolution process if the insolvency professional entity or any other partner or director of such insolvency professional entity represents any of the other stakeholders in the same corporate insolvency resolution process.”

<sup>17</sup> Substituted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Before substitution, the words stood as under:  
“interim resolution professional”.

- (d) other registries that records the ownership of assets;
- (e) members, promoters, partners, board of directors and joint venture partners of the corporate debtor; and
- (f) contractual counterparties of the corporate debtor.

<sup>18</sup>[(2) The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor shall provide the information within such time and in such format as sought by the interim resolution professional or the resolution professional, as the case may be.

(3) The creditor shall provide to the interim resolution professional or resolution professional, as the case may be, the 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 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.]

<sup>19</sup>**4A. Choice of authorised representative**

(1) On an examination of books of account and other relevant records of the corporate debtor, the interim resolution professional shall ascertain class(s) of creditors, if any.

(2) For representation of creditors in a class ascertained under sub-regulation (1) in the committee, the interim resolution professional shall identify three insolvency professionals who are-

(a) not his relatives or related parties;

<sup>20</sup>[(aa) having their addresses, as registered with the Board, in the State or Union Territory, as the case may be, which has the highest number of creditors in the class as per their addresses in the records of the corporate debtor:

Provided that where such State or Union Territory does not have adequate number of insolvency professionals, the insolvency professionals having addresses in a nearby State or Union Territory, as the case may be, shall be considered;]

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<sup>18</sup> Inserted by Notification No. IBBI/2022-23/GN/REG084, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>19</sup> Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<sup>20</sup> Inserted by Notification No. IBBI/2020-21/GN/REG064, dated 7<sup>th</sup> August, 2020 (w.e.f. 07-08-2020).

- (b) eligible to be <sup>21</sup>[resolution professional] under regulation 3;and
  - (c) willing to act as authorised representative of creditors in the class.
- (3) The interim resolution professional shall obtain the consent of each insolvency professional identified under sub-regulation (2) to act as the authorised representative of creditors in the class in Form AB of the<sup>22</sup>[Schedule-I ].]

<sup>23</sup>**[4B. Disclosure of change in name and address of corporate debtor.**

Where a corporate debtor has changed its name or registered office address during the period of two years preceding the insolvency commencement date, the interim resolution professional or resolution professional, as the case may be, shall disclose all the former name(s) and registered office address(es) so changed along with the current name and registered office address in every communication, record, proceeding or any other document.]

<sup>24</sup>**[4C. Process e-mail.**

- (1) The interim resolution professional shall open an email account and use it for all correspondences with stakeholders and in the event of his replacement by a resolution professional, shall handover the credentials of the email to him.
- (2) The resolution professional shall, in case of his replacement with another resolution professional or a liquidator, hand over the credentials of the email to the other resolution professional or the liquidator, as the case may be.]

**5. Extortionate credit transaction.**

A transaction shall be considered extortionate under section 50(2) where the terms:

- (1) require the corporate debtor to make exorbitant payments in respect of the credit provided;  
or
- (2) are unconscionable under the principles of law relating to contracts.

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<sup>21</sup> Substituted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Before substitution, the words stood as under:  
“insolvency professionals”.

<sup>22</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>23</sup> Inserted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021)

<sup>24</sup> Inserted by Notification No. No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022)

**CHAPTER III**  
**PUBLIC ANNOUNCEMENT**

**6. Public announcement.**

- (1) An insolvency professional shall make a public announcement immediately on his appointment as an interim resolution professional.

*Explanation:* ‘Immediately’ means not later than three days from the date of his appointment.

- (2) The public announcement referred to in sub-regulation (1) shall:

- (a) be in Form A of the<sup>25</sup>[Schedule-I ];
- (b) be published-
  - (i) in one English and one regional language newspaper with wide circulation at the location of the registered office and principal office, if any, of the corporate debtor and any other location where in the opinion of the interim resolution professional, the corporate debtor conducts material business operations;
  - (ii) on the website, if any, of the corporate debtor; and
  - (iii) on the website, if any, designated by the Board for the purpose,

<sup>26</sup>[(ba) state where claim forms can be downloaded or obtained from, as the case may be;

(bb) offer choice of three insolvency professionals identified under regulation 4A to act as the authorised representative of creditors in each class; and]

- (c) provide the last date for submission of proofs of claim, which shall be fourteen days from the date of appointment of the interim resolution professional.

- (3) The applicant shall bear the expenses of the public announcement which may be reimbursed by the committee to the extent it ratifies them.

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<sup>25</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>26</sup> Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<sup>27</sup>[\*\*\*]

<sup>28</sup>**6A. Communication to creditors.**

The interim resolution professional shall send a communication along with a copy of public announcement made under regulation 6, to all the creditors as per the last available books of accounts of the corporate debtor through post or electronic means wherever the information for communication is available.

Provided that where it is not possible to send a communication to creditors, the public announcement made under regulation 6 shall be deemed to be the communicated to such creditors.]

**CHAPTER IV**

**PROOF OF CLAIMS**

**7. Claims by operational creditors.**

- (1) A person claiming to be an operational creditor, other than workman or employee of the corporate debtor, shall <sup>29</sup>[submit claim with proof] to the interim resolution professional in person, by post or by electronic means in Form B of the<sup>30</sup>[Schedule-I]:

*Provided* that such person may submit supplementary documents or clarifications in support of the claim before the constitution of the committee.

- (2) The existence of debt due to the operational creditor under this Regulation may be proved on the basis of-
- (a) the records available with an information utility, if any; or
  - (b) other relevant documents, including -
    - (i) a contract for the supply of goods and services with corporate debtor;
    - (ii) an invoice demanding payment for the goods and services supplied to the corporate debtor;

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<sup>27</sup>Omitted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<sup>28</sup> Inserted by Notification No. No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022)

<sup>29</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution the words stood as – “submit proof of claim”.

<sup>30</sup>Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

- (iii) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any; or
- (iv) financial accounts.
- <sup>31</sup>[(v) 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 sub-clause shall not apply to those 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.]

## **8. Claims by financial creditors.**

- (1) A person claiming to be a <sup>32</sup>[financial creditor, other than a financial creditor belonging to a class of creditors, shall submit claim with proof] to the interim resolution professional in electronic form in Form C of the<sup>33</sup>[Schedule-I ]:

*Provided* that such person may submit supplementary documents or clarifications in support of the claim before the constitution of the committee.

- (2) The existence of debt due to the financial creditor may be proved on the basis of -
  - (a) the records available with an information utility, if any; or
  - (b) other relevant documents, including -
    - (i) a financial contract supported by financial statements as evidence of the debt;
    - (ii) a record evidencing that the amounts committed by the financial creditor to the corporate debtor under a facility has been drawn by the corporate debtor;
    - (iii) financial statements showing that the debt has not been <sup>34</sup>[paid]; or

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<sup>31</sup> Inserted by Notification No. IBBI/2022-23/GN/REG084, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>32</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution the words stood as-

“financial creditor of the corporate debtor shall submit proof of claim”.

<sup>33</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>34</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution the words stood as –

“repaid”.

- (iv) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any.

**<sup>35</sup>[8A. Claims by creditors in a class.**

- (1) A person claiming to be a creditor in a class shall submit claim with proof to the interim resolution professional in electronic form in Form CA of the <sup>36</sup>[Schedule-I]
- (2) The existence of debt due to a creditor in a class may be proved on the basis of-
  - (a) the records available with an information utility, if any; or
  - (b) other relevant documents, including any-
    - (i) agreement for sale;
    - (ii) letter of allotment;
    - (iii) receipt of payment made; or
    - (iv) such other document, evidencing existence of debt.
- (3) A creditor in a class may indicate its choice of an insolvency professional, from amongst the three choices provided by the interim resolution professional in the public announcement, to act as its authorised representative.]

**9. Claims by workmen and employees.**

- (1) A person claiming to be a workman or an employee of the corporate debtor shall submit <sup>37</sup>[claim with proof] to the interim resolution professional in person, by post or by electronic means in Form D of the <sup>38</sup>[Schedule-I ]:

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<sup>35</sup>Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<sup>36</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>37</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution the words stood as –  
“proof of claim”.

<sup>38</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.



*Provided* that such person may submit supplementary documents or clarifications in support of the claim, on his own or if required by the interim resolution professional, before the constitution of the committee.

- (2) Where there are dues to numerous workmen or employees of the corporate debtor, an authorised representative may submit one <sup>39</sup>[claim with proof] for all such dues on their behalf in Form E of the<sup>40</sup>[Schedule-I ].
- (3) The existence of dues to workmen or employees may be proved by them, individually or collectively on the basis of -
  - (a) records available with an information utility, if any; or
  - (b) other relevant documents, including -
    - (i) a proof of employment such as contract of employment for the period for which such workman or employee is claiming dues;
    - (ii) evidence of notice demanding payment of unpaid dues and any documentary or other proof that payment has not been made; or
    - (iii) an order of a court or tribunal that has adjudicated upon the non-payment of a dues, if any.

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<sup>39</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution the words stood as – “proof of claim”.

<sup>40</sup>Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

#### **<sup>41</sup>[9A. Claims by other creditors.**

- (1) A person claiming to be a creditor, other than those covered under <sup>42</sup>[regulation 7, 8, 8A or 9], shall submit <sup>43</sup>[its claim with proof] to the interim resolution professional or resolution professional in person, by post or by electronic means in Form F of the<sup>44</sup>[Schedule-I ].
- (2) The existence of the claim of the creditor referred to in sub-section (1) may be proved on the basis of –
  - (a) the records available in an information utility, if any, or
  - (b) other relevant documents sufficient to establish the claim, including any or all of the following:-
    - (i) documentary evidence demanding satisfaction of the claim;
    - (ii) bank statements of the creditor showing non-satisfaction of claim;
    - (iii) an order of court or tribunal that has adjudicated upon non-satisfaction of claim, if any.]

#### **10. Substantiation of claims.**

The interim resolution professional or the resolution professional, as the case may be, may call for such other evidence or clarification as he deems fit from a creditor for substantiating the whole or part of its claim.

#### **11. Cost of proof.**

A creditor shall bear the cost of proving the debt due to such creditor.

#### **12. Submission of proof of claims.**

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<sup>41</sup>Inserted by Notification No. IBBI/2017-18/ GN/ REG013, dated 16<sup>th</sup> August, 2017, (w.e.f. 16-8-2017).

<sup>42</sup> Substituted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Before substitution, the words stood as under:

“regulation 7, 8 or 9”.

<sup>43</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution the words stood as –

“proof of claim”.

<sup>44</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

(1) Subject to sub-regulation (2), a creditor shall submit <sup>45</sup>[claim with proof] on or before the last date mentioned in the public announcement.

<sup>46</sup>[(2) A creditor, who fails to submit claim with proof within the time stipulated in the public announcement, may submit the claim with proof to the interim resolution professional or the resolution professional, as the case may be, on or before the ninetieth day of the insolvency commencement date.]

(3) Where the creditor in sub-regulation (2) is <sup>47</sup>[a financial creditor under regulation 8], it shall be included in the committee from the date of admission of such claim:

*Provided* that such inclusion shall not affect the validity of any decision taken by the committee prior to such inclusion.

#### <sup>48</sup>[12A. **Updation of claim.**

A creditor 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.]

### **13. Verification of claims.**

(1) The interim resolution professional or the resolution professional, as the case may be, shall verify every claim, as on the insolvency commencement date, within seven days from the last date of the receipt of the claims, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it.

(2) The list of creditors shall be –

(a) available for inspection by the persons who submitted proofs of claim;

(b) available for inspection by members, partners, directors and guarantors of the corporate debtor <sup>49</sup>[or their authorised representatives];

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<sup>45</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution the words stood as –  
“proof of claim”.

<sup>46</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Sub regulation (2) of regulation 12, before substitution stood as-  
“A creditor, who failed to submit proof of claim within the time stipulated in the public announcement, may submit such proof to the interim resolution professional or the resolution professional, as the case may be, till the approval of a resolution plan by the committee.”

<sup>47</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before substitution the words stood as –  
“a financial creditor”.

<sup>48</sup>Inserted by Notification No. IBBI/2020-21/GN/REG070, dated 15<sup>th</sup> March, 2021 (w.e.f. 15-03-2021).

<sup>49</sup> Inserted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021).

(c) displayed on the website, if any, of the corporate debtor;

<sup>50</sup>[(ca) filed on the electronic platform of the Board for dissemination on its website:

Provided that this clause shall apply to every corporate insolvency resolution process ongoing and commencing on or after the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2020;]

(d) filed with the Adjudicating Authority; and

(e) presented at the first meeting of the committee.

**14. Determination of amount of claim.**

(1) Where the amount claimed by a creditor is not precise due to any contingency or other reason, the interim resolution professional or the resolution professional, as the case may be, shall make the best estimate of the amount of the claim based on the information available with him.

(2) The interim resolution professional or the resolution professional, as the case may be, shall revise the amounts of claims admitted, including the estimates of claims made under sub-regulation (1), as soon as may be practicable, when he comes across additional information warranting such revision.

**15. Debt in foreign currency.**

The claims denominated in foreign currency shall be valued in Indian currency at the official exchange rate as on the insolvency commencement date.

*Explanation* - “official exchange rate” is the reference rate published by the Reserve Bank of India or derived from such reference rates.

**CHAPTER V**

**COMMITTEE OF CREDITORS**

**16. Committee with only operational creditors.**

(1) Where the corporate debtor has no financial debt or where all financial creditors are related parties of the corporate debtor, the committee shall be set up in accordance with this Regulation.

(2) The committee formed under this Regulation shall consist of members as under -

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<sup>50</sup>Inserted by Notification No. IBBI/2020-21/GN/REG066, dated 13<sup>th</sup> November, 2020 (w.e.f. 13-11-2020).

- (a) eighteen largest operational creditors by value:

*Provided* that if the number of operational creditors is less than eighteen, the committee shall include all such operational creditors;

- (b) one representative elected by all workmen other than those workmen included under sub-clause (a); and
  - (c) one representative elected by all employees other than those employees included under sub-clause (a).
- (3) A member of the committee formed under this Regulation shall have voting rights in proportion of the debt due to such creditor or debt represented by such representative, as the case may be, to the total debt.

*Explanation* – For the purposes of this sub-regulation, ‘total debt’ is the sum of-

- (a) the amount of debt due to the creditors listed in sub-regulation 2(a);
  - (b) the amount of the aggregate debt due to workmen under sub-regulation 2(b); and
  - (c) the amount of the aggregate debt due to employees under sub-regulation 2(c).
- (4) A committee formed under this Regulation and its members shall have the same rights, powers, duties and obligations as a committee comprising financial creditors and its members, as the case may be.

<sup>51</sup>[**16A. Authorised representative.**

- (1) The interim resolution professional shall select the insolvency professional, who is the choice of the highest number of financial creditors in the class in Form CA received under sub-regulation (1) of regulation 12, to act as the authorised representative of the creditors of the respective class:

*Provided* that the choice for an insolvency professional to act as authorised representative in Form CA received under sub-regulation (2) of regulation 12 shall not be considered.

- (2) The interim resolution professional shall apply to the Adjudicating Authority for appointment of the authorised representatives selected under sub-regulation (1) within two days of the verification of claims received under sub-regulation (1) of regulation 12.
- (3) Any delay in appointment of the authorised representative for any class of creditors shall not affect the validity of any decision taken by the committee.

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<sup>51</sup>Inserted by Notification No. IBBI/2018-19/ GN/ REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04.07.2018).

- (4) The interim resolution professional shall provide the list of creditors in each class to the respective authorised representative appointed by the Adjudicating Authority.
- (5) The interim resolution professional or the resolution professional, as the case may be, shall provide an updated list of creditors in each class to the respective authorised representative as and when the list is updated.

Clarification: The authorised representative shall have no role in receipt or verification of claims of creditors of the class he represents.

- (6) The interim resolution professional or the resolution professional, as the case may be, shall provide electronic means of communication between the authorised representative and the creditors in the class.
- (7) The voting share of a creditor in a class shall be in proportion to the financial debt which includes an interest at the rate of eight per cent per annum unless a different rate has been agreed to between the parties.
- (8) The authorised representative of creditors in a class shall be entitled to receive fee for every meeting of the committee attended by him in the following manner, namely: -

Number of creditors in the class	Fee per meeting of the committee (Rs.)
10-100	15,000
101-1000	20,000
More than 1000	25,000

<sup>52</sup>[(9) The authorised representative shall circulate the agenda to creditors in a class, and may seek their preliminary views on any item in the agenda to enable him to effectively participate in the meeting of the committee:

Provided that creditors shall have a time window of at least twelve hours to submit their preliminary views, and the said window opens at least twenty-four hours after the authorised representative seeks preliminary views:

Provided further that such preliminary views shall not be considered as voting instructions by the creditors.]

#### **16B. Committee with only creditors in a class.**

Where the corporate debtor has only creditors in a class and no other financial creditor eligible to join the committee, the committee shall consist of only the authorised representative(s).]

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<sup>52</sup>Substituted by Notification No. IBBI/2020-21/GN/REG064, dated 7<sup>th</sup> August, 2020 (w.e.f. 07-08-2020). Before substitution it stood as-

“(9) The authorised representative shall circulate the agenda to creditors in a class and announce the voting window at least twenty-four hours before the window opens for voting instructions and keep the voting window open for at least twelve hours.”

**17. <sup>53</sup>[Constitution of committee.**

- (1) The interim resolution professional shall file a report certifying constitution of the committee to the Adjudicating Authority within two days of the verification of claims received under sub-regulation (1) of regulation 12.
- <sup>54</sup>[(1A) The committee and members of the committee shall discharge functions and exercise powers under the Code and these regulations in respect of corporate insolvency resolution process in compliance with the guidelines as may be issued by the Board.]
- (2) The interim resolution professional shall hold the first meeting of the committee within seven days of filing the report under this regulation.
- (3) Where the appointment of resolution professional is delayed, the interim resolution professional shall perform the functions of the resolution professional from the fortieth day of the insolvency commencement date till a resolution professional is appointed under section 22.]

**CHAPTER VI**

**MEETINGS OF THE COMMITTEE**

**18. <sup>55</sup>[ Meetings of the committee.**

- (1) A resolution professional may convene a meeting of the committee as and when he considers necessary.
- (2) A resolution professional may convene a meeting, if he considers it necessary, on a request received from members of the committee and shall convene a meeting if the same is made by members of the committee representing at least thirty three per cent of the voting rights.

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<sup>53</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). regulation 17, before substitution stood as-

“17. First meeting of the committee.

(1) The interim resolution professional shall file a report certifying constitution of the committee to the Adjudicating Authority on or before the expiry of thirty days from the date of his appointment.

(2) The interim resolution professional shall convene the first meeting of the committee within seven days of filing the report under this Regulation.”.

<sup>54</sup> Inserted by Notification No. IBBI/2021-22/GN/REG078, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021).

<sup>55</sup> Substituted by Notification No. IBBI/2021-22/GN/REG080, dated 9<sup>th</sup> February, 2022 (w.e.f. 09-02-2022). Before substitution, it stood as: -

“18. Meetings of the committee A resolution professional may convene a meeting of the committee as and when he considers necessary, and shall convene a meeting if a request to that effect is made by members of the committee representing thirty three per cent of the voting rights.”

<sup>56</sup>[Explanation: For the purposes of sub- regulation (2) it is clarified that meeting (s) may be convened under this sub-regulation till the resolution plan is approved under sub-section (1) of section 31 or order for liquidation is passed under section 33 and decide on matters which do not affect the resolution plan submitted before the Adjudicating Authority.]

(3) A resolution professional may place a proposal received from members of the committee in a meeting, if he considers it necessary and shall place the proposal if the same is made by members of the committee representing at least thirty three per cent of the voting rights.]

- 19.** <sup>57</sup>[(1) Subject to this Regulation, a meeting of the committee shall be called by giving not less than five days' notice in writing to every participant, at the address it has provided to <sup>58</sup>[the interim resolution professional or the resolution professional, as the case may be,] and such notice may be sent by hand delivery, or by post but in any event, be served on every participant by electronic means in accordance with Regulation 20.
- (2) The committee may reduce the notice period from five days to such other period of not less than twenty-four hours, as it deems fit:

Provided that the committee may reduce the period to such other period of not less than forty-eight hours if there is any authorised representative.]

**20. Service of notice by electronic means.**

- (1) A notice by electronic means may be sent to the participants through e-mail as a text or as an attachment to e-mail or as a notification providing electronic link or Uniform Resource Locator for accessing such notice.
- (2) The subject line in e-mail shall state the name of the corporate debtor, the place, if any, the time and the date on which the meeting is scheduled.

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<sup>56</sup> Inserted by Notification No. No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022)

<sup>57</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). regulation 19, before substitution stood as-

“19. Notice for meetings of the committee.

- (1) Subject to this Regulation, a meeting of the committee shall be called by giving not less than seven days' notice in writing to every participant, at the address it has provided to the resolution professional and such notice may be sent by hand delivery, or by post but in any event, be served on every participant by electronic means in accordance with Regulation 20.
- (2) The committee may reduce the notice period from seven days to such other period of not less than twenty four hours, as it deems fit.”

<sup>58</sup> Substituted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Before substitution, the words stood as under:

“the resolution professional”



- (3) If notice is sent in the form of a non-editable attachment to an e-mail, such attachment shall be in the Portable Document Format or in a non-editable format together with a 'link or instructions' for recipient for downloading relevant version of the software.
- (4) When notice or notifications of availability of notice are sent by an e-mail, the resolution professional shall ensure that it uses a system which produces confirmation of the total number of recipients e-mailed and a record of each recipient to whom the notice has been sent and copy of such record and any notices of any failed transmissions and subsequent re-sending shall be retained as ‘‘proof of sending’’.
- (5) The obligation of the resolution professional shall be satisfied when he transmits the e-mail and he shall not be held responsible for a failure in transmission beyond its control.
- (6) The notice made available on the electronic link or Uniform Resource Locator shall be readable, and the recipient should be able to obtain and retain copies and the resolution professional shall give the complete Uniform Resource Locator or address of the website and full details of how to access the document or information.
- (7) If a participant, other than a member of the committee, fails to provide or update the relevant e-mail address to the resolution professional, the non-receipt of such notice by such participant of any meeting shall not invalidate the decisions taken at such meeting.

## **21. Contents of the notice for meeting.**

- (1) The notice shall inform the participants of the venue, the time and date of the meeting and of the option available to them to participate through video conferencing or other audio and visual means, and shall also provide all the necessary information to enable participation through video conferencing or other audio and visual means.
- (2) The notice of the meeting shall provide that a participant may attend and vote in the meeting either in person or through an authorised representative:

*Provided* that such participant shall inform the resolution professional, in advance of the meeting, of the identity of the authorised representative who will attend and vote at the meeting on its behalf.

<sup>59</sup>[(3) The notice of the meeting shall contain the following-

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<sup>59</sup>Substituted by Notification No. IBBI/2018-19/GN/REG032 dated 5<sup>th</sup> October, 2018 (w.e.f. 05.10.2018). Sub-regulation (3), prior to the substitution, stood as under:-

“(3) The notice of the meeting shall-

- (a) contain an agenda of the meeting with the following-
  - (i) a list of the matters to be discussed at the meeting;
  - (ii) a list of the issues to be voted upon at the meeting; and

- (i) a list of the matters to be discussed at the meeting;
- (ii) a list of the issues to be voted upon at the meeting; and
- (iii) copies of all documents relevant to the matters to be discussed and the issues to be voted upon at the meeting.]

(4) The notice of the meeting shall-

- (a) state the process and manner for voting by electronic means and the time schedule, including the time period during which the votes may be cast;
- (b) provide the login ID and the details of a facility for generating password and for keeping security and casting of vote in a secure manner; and
- (c) provide contact details of the person who will address the queries connected with the electronic voting.

## **22. Quorum at the meeting.**

- (1) A meeting of the committee shall be quorate if members of the committee representing at least thirty three percent of the voting rights are present either in person or by video conferencing or other audio and visual means:

*Provided* that the committee may modify the percentage of voting rights required for quorum in respect of any future meetings of the committee.

- (2) Where a meeting of the committee could not be held for want of quorum, unless the committee has previously decided otherwise, the meeting shall automatically stand adjourned at the same time and place on the next day.
- (3) In the event a meeting of the committee is adjourned in accordance with sub-regulation (2), the adjourned meeting shall be quorate with the members of the committee attending the meeting.

## **23. Participation through video conferencing.**

- (1) The notice convening the meetings of the committee shall provide the participants an option to attend the meeting through video conferencing or other audio and visual means in accordance with this Regulation.

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(iii) copies of all documents relevant to the matters to be discussed and the issues to be voted upon at the meeting; and

- (b) state that a vote of the members of the committee shall not be taken at the meeting unless all members are present at such meeting.”

- (2) The resolution professional shall make necessary arrangements to ensure uninterrupted and clear video or audio and visual connection.
- (3) The resolution professional shall take due and reasonable care-
  - (a) to safeguard the integrity of the meeting by ensuring sufficient security and identification procedures;
  - (b) to ensure availability of proper video conferencing or other audio and visual equipment or facilities for providing transmission of the communications for effective participation of the participants at the meeting;
  - (c) to record proceedings and prepare the minutes of the meeting;
  - (d) to store for safekeeping and marking the physical recording(s) or other electronic recording mechanism as part of the records of the corporate debtor;
  - (e) to ensure that no person other than the intended participants attends or has access to the proceedings of the meeting through video conferencing or other audio and visual means; and
  - (f) to ensure that participants attending the meeting through audio and visual means are able to hear and see, if applicable, the other participants clearly during the course of the meeting:

*Provided* that the persons, who are differently abled, may make request to the resolution professional to allow a person to accompany him at the meeting.

- (4) Where a meeting is conducted through video conferencing or other audio and visual means, the scheduled venue of the meeting as set forth in the notice convening the meeting, which shall be in India, shall be deemed to be the place of the said meeting and all recordings of the proceedings at the meeting shall be deemed to be made at such place.

#### **24. Conduct of meeting.**

- (1) The resolution professional shall act as the chairperson of the meeting of the committee.
- (2) At the commencement of a meeting, the resolution professional shall take a roll call when every participant attending through video conferencing or other audio and visual means shall state, for the record, the following,-
  - (a) his name;
  - (b) whether he is attending in the capacity of a member of the committee or any other participant;

- (c) whether he is representing a member or group of members;
  - (d) the location from where he is participating;
  - (e) that he has received the agenda and all the relevant material for the meeting; and
  - (f) that no one other than him is attending or has access to the proceedings of the meeting at the location of that person.
- (3) After the roll call, the resolution professional shall inform the participants of the names of all persons who are present for the meeting and confirm if the required quorum is complete.
  - (4) The resolution professional shall ensure that the required quorum is present throughout the meeting.
  - (5) From the commencement of the meeting till its conclusion, no person other than the participants and any other person whose presence is required by the resolution professional shall be allowed access to the place where meeting is held or to the video conferencing or other audio and visual facility, without the permission of the resolution professional.
  - (6) The resolution professional shall ensure that minutes are made in relation to each meeting of the committee and such minutes shall disclose the particulars of the participants who attended the meeting in person, through video conferencing, or other audio and visual means.
  - (7) The resolution professional shall circulate the minutes of the meeting to all participants by electronic means within forty eight hours of the said meeting.

## **CHAPTER VII**

### **VOTING BY THE COMMITTEE**

#### **25. Voting by the committee.**

- (1) The actions listed in section 28(1) shall be considered in meetings of the committee.
- (2) Any action other than those listed in section 28(1) requiring approval of the committee may be considered in meetings of the committee.
- (3) <sup>60</sup>[The resolution professional shall take a vote of the members of the committee present in the meeting, on any item listed for voting after discussion on the same.]

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<sup>60</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Sub – regulation 3, before substitution stood as-

- (4) At the conclusion of a vote at the meeting, the resolution professional shall announce the decision taken on items along with the names of the members of the committee who voted for or against the decision, or abstained from voting.

<sup>61</sup>[(5) The resolution professional shall-

(a) circulate the minutes of the meeting by electronic means to all members of the committee and the authorised representative, if any, within forty-eight hours of the conclusion of the meeting; and

(b) seek a vote of the members who did not vote at the meeting on the matters listed for voting, by electronic voting system in accordance with regulation 26 where the voting shall be kept open for at least twenty-four hours from the circulation of the minutes.

- (6) The authorised representative shall circulate the minutes of the meeting received under sub-regulation (5) to creditors in a class and announce the voting window at least twenty-four hours before the window opens for voting instructions and keep the voting window open for at least twelve hours.]

<sup>62</sup>[**25A. Voting by Authorised Representative.**

The authorised representative shall cast his vote in respect of each financial creditor or on behalf of all financial creditors he represents in accordance with the provisions of sub-section (3) or sub-section (3A) of section 25A, as the case may be.]

**26. Voting through electronic means.**

- (1) The resolution professional shall provide each member of the committee the means to exercise its vote by either electronic means or through electronic voting system in accordance with the provisions of this Regulation.

*Explanation-* For the purposes of these Regulations-

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“(3) Where all members are present in a meeting, the resolution professional shall take a vote of the members of the committee on any item listed for voting after discussion on the same.”

<sup>61</sup>Substituted by Notification No. IBBI/2019-19/REG032, dated 5<sup>th</sup> October, 2018 (w.e.f. 05.10.2018). Prior to the substitution, sub- regulation (5) stood as under:-

“(5) The resolution professional shall-

(a) circulate the minutes of the meeting by electronic means to all members of the committee within forty-eight hours of the conclusion of the meeting; and

(b) seek a vote of the members who did not vote at the meeting on the matters listed for voting, by electronic voting system in accordance with regulation 26 where the voting shall be kept open for twenty-four hours from the circulation of the minutes, for.”

<sup>62</sup>Inserted by Notification No. IBBI/2019-20/GN/REG052, dated 27<sup>th</sup> November, 2019 (w.e.f. 28.11.2019).

- (a) the expressions “voting by electronic means” or “electronic voting system” means a ”secured system” based process of display of electronic ballots, recording of votes of the members of the committee and the number of votes polled in favour or against, such that the voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate cyber security;
- (b) the expression “secured system” means computer hardware, software, and procedure that –
  - (i) are reasonably secure from unauthorized access and misuse;
  - (ii) provide a reasonable level of reliability and correct operation;
  - (iii) are reasonably suited to perform the intended functions; and
  - (iv) adhere to generally accepted security procedures.

<sup>63</sup>[\*\*\*]

(2) <sup>64</sup>[\*\*\*]

- (3) At the end of the voting period, the voting portal shall forthwith be blocked.
- (4) At the conclusion of a vote held under this Regulation, the resolution professional shall announce and make a written record of the summary of the decision taken on a relevant agenda item along with the names of the members of the committee who voted for or against the decision, or abstained from voting.
- (5) The resolution professional shall circulate a copy of the record made under sub-regulation (4) to all participants by electronic means within twenty four hours of the conclusion of the voting.

## **CHAPTER VIII**

### **CONDUCT OF CORPORATE INSOLVENCY RESOLUTION PROCESS**

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<sup>63</sup>Omitted by Notification No. IBBI/2019-20/GN/REG052, dated 27<sup>th</sup> November, 2019 (w.e.f. 28.11.2019). Prior to omission, it stood as under:-

“(1A) The authorised representative shall exercise the votes either by electronic means or through electronic voting system as per the voting instructions received by him from the creditors in the class pursuant to sub-regulation (6) of regulation 25.”

<sup>64</sup>Omitted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Sub – regulation (2) of regulation 26, before omission stood as-

“(2) Once a vote on a resolution is cast by a member of the committee, such member shall not be allowed to change it subsequently.”

<sup>65</sup>[

## **27. Appointment of Professionals.**

(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 registered valuers to determine the fair value and the liquidation value of the corporate debtor in accordance with regulation 35.

(2) The interim resolution professional or the resolution professional, as the case may be, may appoint any professional, in addition to registered valuers under sub-regulation (1), to assist him in discharge of his duties in conduct of the corporate insolvency resolution process, if he is of the opinion that the services of such professional are required and such services are not available with the corporate debtor.

(3) The interim resolution professional or the resolution professional, as the case may be, shall appoint a professional under this regulation on an arm's length basis following an objective and transparent process:

Provided that the following persons shall not be appointed, namely: -

- (a) a relative of the resolution professional;
- (b) a related party of the corporate debtor;
- (c) an auditor of the corporate debtor at any time during the period of five years preceding the insolvency commencement date;
- (d) a partner or director of the insolvency professional entity of which the resolution professional is a partner or director.

(4) The invoice for fee and other expenses incurred by a professional appointed under this regulation shall be raised in the name of the professional and be paid directly into the bank account of such professional.]

## **28. Transfer of debt due to creditors.**

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<sup>65</sup> Substituted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Before substitution, Regulation 27 stood as under:

“27. **Appointment of registered valuers.** The resolution professional shall within seven days of his appointment, but not later than forty-seventh day from the insolvency commencement date, appoint two registered valuers to determine the fair value and the liquidation value of the corporate debtor in accordance with regulation 35:

Provided that the following persons shall not be appointed as registered valuers, namely:

- (a) a relative of the resolution professional;
- (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 resolution professional is a partner or director”.

- (1) In the event a creditor assigns or transfers the debt due to such creditor to any other person during the insolvency resolution process period, both parties shall provide the interim resolution professional or the resolution professional, as the case may be, the terms of such assignment or transfer and the identity of the assignee or transferee.
- (2) The resolution professional shall notify each participant and the Adjudicating Authority of any resultant change in the committee within two days of such change.

**29. Sale of assets outside the ordinary course of business.**

- (1) The resolution professional may sell unencumbered asset(s) of the corporate debtor, other than in the ordinary course of business, if he is of the opinion that such a sale is necessary for a better realisation of value under the facts and circumstances of the case:

*Provided* that the book value of all assets sold during corporate insolvency resolution process period in aggregate under this sub-regulation shall not exceed ten percent of the total claims admitted by the interim resolution professional.

- (2) A sale of assets under this Regulation shall require the <sup>66</sup>[approval of the committee by a vote of sixty-six per cent of voting share of the members].
- (3) A bona fide purchaser of assets sold under this Regulation shall have a free and marketable title to such assets notwithstanding the terms of the constitutional documents of the corporate debtor, shareholders' agreement, joint venture agreement or other document of a similar nature.

**30. Assistance of local district administration.**

The interim resolution professional or the resolution professional, as the case may be, may make an application to the Adjudicating Authority for an order seeking the assistance of the local district administration in discharging his duties under the Code or these Regulations.

<sup>67</sup>[**30 A. Withdrawal of application.**

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<sup>66</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). The words before substitution stood as-  
“approval of the committee”.

<sup>67</sup>Substituted by Notification No. IBBI/2019-20/GN/REG048, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution, it stood as:

“30A. Withdrawal of application.

(1) An application for withdrawal under section 12A shall be submitted to the interim resolution professional or the resolution professional, as the case may be, in Form FA of the Schedule before issue of invitation for expression of interest under regulation 36A.

(2) The application in sub-regulation (1) shall be accompanied by a bank guarantee towards estimated cost incurred for purposes of clauses (c) and (d) of regulation 31 till the date of application.



- (1) An application for withdrawal under section 12A may be made to the Adjudicating Authority –
  - (a) before the constitution of the committee, by the applicant through the interim resolution professional;
  - (b) after the constitution of the committee, by the applicant through the interim resolution professional or the resolution professional, as the case may be:

Provided that where the application is made under clause (b) after the issue of invitation for expression of interest under regulation 36A, the applicant shall state the reasons justifying withdrawal after issue of such invitation.

- (2) The application under sub-regulation (1) shall be made in Form FA of the <sup>68</sup>[Schedule-I] accompanied by a bank guarantee-
  - (a) towards estimated expenses incurred on or by the interim resolution professional for purposes of regulation 33, till the date of filing of the application under clause (a) of sub-regulation (1); or
  - (b) towards estimated expenses incurred for purposes of clauses (aa), (ab), (c) and (d) of regulation 31, till the date of filing of the application under clause (b) of sub-regulation (1).
- (3) Where an application for withdrawal is under clause (a) of sub-regulation (1), the interim resolution professional shall submit the application to the Adjudicating Authority on behalf of the applicant, within three days of its receipt.
- (4) Where an application for withdrawal is under clause (b) of sub-regulation (1), the committee shall consider the application, within seven days of its receipt.
- (5) Where the application referred to in sub-regulation (4) is approved by the committee with ninety percent voting share, the resolution professional shall submit such application along with the approval of the committee, to the Adjudicating Authority on behalf of the applicant, within three days of such approval.

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(3) The committee shall consider the application made under sub-regulation (1) within seven days of its constitution or seven days of receipt of the application, whichever is later.

(4) Where the application is approved by the committee with ninety percent voting share, the resolution professional shall submit the application under sub-regulation (1) to the Adjudicating Authority on behalf of the applicant, within three days of such approval.

(5) The Adjudicating Authority may, by order, approve the application submitted under sub-regulation (4).”

<sup>68</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

- (6) The Adjudicating Authority may, by order, approve the application submitted under sub-regulation (3) or (5).
- (7) Where the application is approved under sub-regulation (6), the applicant shall deposit an amount, towards the actual expenses incurred for the purposes referred to in clause (a) or clause (b) of sub-regulation (2) till the date of approval by the Adjudicating Authority, as determined by the interim resolution professional or resolution professional, as the case may be, within three days of such approval, in the bank account of the corporate debtor, failing which the bank guarantee received under sub-regulation (2) shall be invoked, without prejudice to any other action permissible against the applicant under the Code.]

## **CHAPTER IX**

### **INSOLVENCY RESOLUTION PROCESS COSTS**

#### **31. Insolvency resolution process costs.**

“Insolvency resolution process costs” under Section 5(13)(e) shall mean-

- (a) amounts due to suppliers of essential goods and services under Regulation 32;
- <sup>69</sup>[(aa) fee payable to authorised representative under <sup>70</sup>[sub-regulation (8)] of regulation 16A;
- (ab) out of pocket expenses of authorised representative for discharge of his functions under <sup>71</sup>[section 25A];]
- (b) amounts due to a person whose rights are prejudicially affected on account of the moratorium imposed under section 14(1)(d);
- <sup>72</sup>[(ba) fee payable to the Board under regulation 31A;]
- (c) expenses incurred on or by the interim resolution professional to the extent ratified under Regulation 33;
- (d) expenses incurred on or by the resolution professional fixed under Regulation 34; and

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<sup>69</sup>Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<sup>70</sup>Substituted by Notification No. IBBI/2019-20/GN/REG048, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as: “sub-regulation (7)”.

<sup>71</sup>Substituted by Notification No. IBBI/2019-20/GN/REG048, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution, it stood as: “section 25”.

<sup>72</sup> Inserted by Notification No. IBBI/2022-23/GN/REG096, dated 20<sup>th</sup> September, 2022 (w.e.f. 01-10-2022).

- (e) other costs directly relating to the corporate insolvency resolution process and approved by the committee.

### <sup>73</sup>[31A. Regulatory Fee

- (1) A regulatory fee calculated at the rate of 0.25 per cent of the realisable value to creditors under the resolution plan approved under section 31, shall be payable to the Board, where such realisable value is more than the liquidation value:

Provided that this sub-regulation shall be applicable where resolution plan is approved under section 31, on or after 1<sup>st</sup> October 2022.

- (2) A regulatory fee calculated at the rate of one per cent of the cost being booked in insolvency resolution process costs in respect of hiring any professional or other services by the interim resolution professional or resolution professional, as the case may be, for assistance in a corporate insolvency resolution process, shall be payable to the Board, in the manner as specified in clause (cb) of sub-regulation (2) of regulation (7) of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.]

### **32. Essential supplies.**

The essential goods and services referred to in section 14(2) shall mean-

- (1) electricity;
- (2) water;
- (3) telecommunication services; and
- (4) information technology services,

to the extent these are not a direct input to the output produced or supplied by the corporate debtor.

*Illustration*-Water supplied to a corporate debtor will be essential supplies for drinking and sanitation purposes, and not for generation of hydro-electricity.

### **33. Costs of the interim resolution professional.**

- (1) The applicant shall fix the expenses to be incurred on or by the interim resolution professional.

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<sup>73</sup> Inserted by Notification No. IBBI/2022-23/GN/REG096, dated 20<sup>th</sup> September, 2022 (w.e.f. 01-10-2022).

- (2) The Adjudicating Authority shall fix expenses where the applicant has not fixed expenses under sub-regulation (1).
- (3) The applicant shall bear the expenses which shall be reimbursed by the committee to the extent it ratifies.
- (4) The amount of expenses ratified by the committee shall be treated as insolvency resolution process costs.

<sup>74</sup>[*Explanation.* - For the purposes of this regulation, “expenses” include the fee to be paid to the interim resolution professional, fee to be paid to insolvency professional entity, if any, and fee to be paid to professionals, if any, and other expenses to be incurred by the interim resolution professional.]

### **34. Resolution professional costs.**

The committee shall fix the expenses to be incurred on or by the resolution professional and the expenses shall constitute insolvency resolution process costs.

<sup>75</sup>[*Explanation.* - For the purposes of this regulation, “expenses” include the fee to be paid to the resolution professional, fee to be paid to insolvency professional entity, if any, and fee to be paid to professionals, if any, and other expenses to be incurred by the resolution professional.

#### **<sup>76</sup>[34 A. Disclosure of Costs.**

The interim resolution professional or the resolution professional, as the case may be, shall disclose item wise insolvency resolution process costs in such manner as may be required by the Board.]

#### **<sup>77</sup>[34B. Fee to be paid to interim resolution professional and resolution professional.**

- (1) The fee of interim resolution professional or resolution professional, under regulation 33 and 34, shall be decided by the applicant or committee in accordance with this regulation.

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<sup>74</sup>Substituted by Notification No. IBBI/2017-18/ GN/ REG030, dated 27<sup>th</sup> March, 2018 (w.e.f.01-04-2018). The explanation to Regulation 33, before substitution, stood as under:

“*Explanation-* For the purposes of this Regulation, “expenses” mean the fee to be paid to the interim resolution professional and other expenses, including the cost of engaging professional advisors, to be incurred by the interim resolution professional.”.

<sup>75</sup>Substituted by Notification No. IBBI/2017-18/ GN/ REG030, dated 27<sup>th</sup> March, 2018 (w.e.f.01-04-2018). The explanation to Regulation 34, before substitution, stood as under:

“*Explanation-* For the purposes of this Regulation, “expenses” mean the fee to be paid to the resolution professional and other expenses, including the cost of engaging professional advisors, to be incurred by the resolution professional.”.

<sup>76</sup>Inserted by Notification No. IBBI/2017-18/ GN/ REG030, dated 27<sup>th</sup> March, 2018 (w.e.f.01-04-2018).

<sup>77</sup> Inserted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022)

- (2) The fee of the interim resolution professional or the resolution professional, appointed on or after 1<sup>st</sup> October 2022, shall not be less than the fee specified in clause 1 for the period specified in clause 2 of Schedule-II:

Provided that the applicant or the committee may decide to fix higher amount of fee for the reasons to be recorded, taking into consideration market factors such as size and scale of business operations of corporate debtor, business sector in which corporate debtor operates, level of operating economic activity of corporate debtor and complexity related to process.

- (3) After the expiry of period mentioned in clause 2 of Schedule-II, the fee of the interim resolution professional or resolution professional shall be as decided by the applicant or committee, as the case may be.
- (4) For the resolution plan approved by the committee on or after 1<sup>st</sup> October 2022, the committee may decide, in its discretion, to pay performance-linked incentive fee, not exceeding five crore rupees, in accordance with clause 3 and clause 4 of Schedule-II or may extend any other performance-linked incentive structure as it deems necessary.
- (5) The fee under this regulation may be paid from the funds, available with the corporate debtor, contributed by the applicant or members of the committee and/or raised by way of interim finance and shall be included in the insolvency resolution process cost.]

## **CHAPTER X**

### **RESOLUTION PLAN**

#### **35. <sup>78</sup>[Fair value and Liquidation value.**

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<sup>78</sup>Substituted by Notification No. IBBI/2017-18/ GN/ REG024, dated 6<sup>th</sup> February, 2018 (w.e.f. 06-02-2018). Prior to this substitution, Regulation 35 stood as under: -

#### **“35. Liquidation value.**

- (1) Liquidation value is the estimated realizable value of the assets of the corporate debtor if the corporate debtor were to be liquidated on the insolvency commencement date.
- (2) Liquidation value shall be determined in the following manner:
  - (a) the two registered valuers appointed under Regulation 27 shall submit to the interim resolution professional or the resolution professional, as the case may be, an estimate of the liquidation value computed in accordance with internationally accepted valuation standards, after physical verification of the inventory and fixed assets of the corporate debtor;
  - (b) if in the opinion of the interim resolution professional or the resolution professional, as the case may be, the two estimates are significantly different, he may appoint another registered valuer who shall submit an estimate computed in the same manner; and
  - (c) the average of the two closest estimates shall be considered the liquidation value.
- (3) After the receipt of resolution plans in accordance with the Code and these regulations, the resolution professional shall provide the liquidation value to every member of the committee in electronic form, on receiving an undertaking from the member to the effect that such member shall maintain confidentiality of

(1) Fair value and liquidation value shall be determined in the following manner:-

(a) the two registered valuers appointed under regulation 27 shall submit to the resolution professional an estimate of the fair value and of the liquidation value computed in accordance with internationally accepted valuation standards, after physical verification of the inventory and fixed assets of the corporate debtor;

<sup>79</sup>[(b) if the two estimates of a value in an asset class are significantly different, or on receipt of a proposal to appoint a third registered valuer from the committee of creditors, the resolution professional may appoint a third registered valuer for an asset class for submitting an estimate of the value computed in the manner provided in clause (a).

*Explanation.*- For the purpose of clause (b),

(i) “asset class” means the definition provided under the Companies (Registered Valuers and Valuation) Rules, 2017;

(ii) “significantly different” means a difference of twenty-five per cent. in liquidation value under an asset class and the same shall be calculated as  $(L1-L2)/L1$ , where,

L1= higher valuation of liquidation value

L2= lower valuation of liquidation value.]

(c) the average of the two closest estimates of a value shall be considered the fair value or the liquidation value, as the case may be.

(2) After the receipt of resolution plans in accordance with the Code and these regulations, the resolution professional shall provide the fair value and the liquidation value to every member of the committee in electronic form, on receiving an undertaking from the member to the effect that such member shall maintain confidentiality of the fair value and the liquidation value and shall not use such values to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29:

(3) The resolution professional and registered valuers shall maintain confidentiality of the fair value and the liquidation value.”.]

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the liquidation value and shall not use such value to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29.;

“Subject to sub-regulation (3), the interim resolution professional or the resolution professional, as the case may be, shall maintain confidentiality of the liquidation value.”.

<sup>79</sup> Substituted by Notification No. IBBI/2022-23/GN/REG084, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). Prior to this substitution, it stood as under: “(b) if in the opinion of the resolution professional, the two estimates of a value are significantly different, he may appoint another registered valuer who shall submit an estimate of the value computed in the same manner; and”

**<sup>80</sup>[35A. Preferential and other transactions.**

- (1) On or before the seventy-fifth day of the insolvency commencement date, the resolution professional shall form an opinion whether the corporate debtor has been subjected to any transaction covered under sections 43, 45, 50 or 66.
- (2) Where the resolution professional is of the opinion that the corporate debtor has been subjected to any transactions covered under sections 43, 45, 50 or 66, he shall make a determination on or before the one hundred and fifteenth day of the insolvency commencement date <sup>81</sup>[\*\*\*].
- (3) <sup>82</sup>[Where the resolution professional makes a determination under sub-regulation (2), he shall apply to the Adjudicating Authority for appropriate relief on or before the one hundred and thirtieth day of the insolvency commencement date.]

<sup>83</sup>[(3A) The resolution professional shall forward a copy of the application to the prospective resolution applicant to enable him to consider the same while submitting the resolution plan within the time initially stipulated.]

<sup>84</sup>[(4) The creditors shall provide to the resolution professional, relevant extract from the audits of the corporate debtor, conducted by the creditors such as stock audit, transaction audit, forensic audit, etc.]

**36. Information memorandum.**

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<sup>80</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Regulation 35 A (which was inserted by Notification No. IBBI/2017-18/GN/ REG030, dated 27<sup>th</sup> March, 2018 (w.e.f.01-04-2018)), before substitution stood as under –

“35 A. Identification of Resolution Applicant.-

The resolution professional shall identify the prospective resolution applicants on or before the 105<sup>th</sup> day from the insolvency commencement date.”

<sup>81</sup>Omitted by Notification No IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021). Before omission the words stood as –

“under intimation to the Board”.

<sup>82</sup> Substituted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Sub-regulation (3) before substitution, stood as -Where the resolution professional makes a determination under sub-regulation (2), he shall apply to the Adjudicating Authority for appropriate relief on or before the one hundred and thirty-fifth day of the insolvency commencement date.

<sup>83</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>84</sup> Inserted by Notification No. IBBI/2022-23/GN/REG084, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

- (1) <sup>85</sup>[(1) Subject to sub-regulation (4), the resolution professional shall submit the information memorandum in electronic form to each member of the committee <sup>86</sup>[on or before the ninety-fifth day from the insolvency commencement date.]
- (2) <sup>87</sup>[The information memorandum shall highlight the key selling propositions and contain all relevant information which serves as a comprehensive document conveying significant information about the corporate debtor including its operations, financial statements, to the prospective resolution applicant and shall contain the following details of the corporate debtor-] -
- (a) <sup>88</sup>[assets and liabilities <sup>89</sup>[including contingent liabilities] with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values.
- Explanation: ‘Description’ includes the details such as date of acquisition, cost of acquisition, remaining useful life, identification number, depreciation charged, book value, <sup>90</sup>[geographical coordinates of fixed assets] and any other relevant details.]
- (b) the latest annual financial statements;

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<sup>85</sup> Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Regulation 36 (1) before substitution, stood as -

“(1) Subject to sub-regulation (4), the resolution professional shall submit the information memorandum in electronic form to-

(a) each member of the committee within two weeks of his appointment as resolution professional; and

(b) to each prospective resolution applicant latest by the date of invitation of resolution plan under clause (h) of sub-section (2) of section 25 of the Code

<sup>86</sup> Substituted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). The words before substitution, stood as: “within two weeks of his appointment, but not later than fifty-fourth day from the insolvency commencement date, whichever is earlier”.

<sup>87</sup> Substituted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). The words before substitution, stood as: “The information memorandum shall contain the following details of the corporate debtor”

<sup>88</sup> Substituted by Notification No. IBBI/2017-18/ GN/ REG024, dated 6<sup>th</sup> Feb, 2018 (w.e.f. 06.02.2018) for Regulation 36 (2) (a). Prior to this substitution, Regulation 36(2)(a) stood as under: -

“36(2)(a) assets and liabilities, as on the insolvency commencement date, classified into appropriate categories for easy identification, with estimated values assigned to each category.”.

<sup>89</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>90</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).



- (c) audited financial statements of the corporate debtor for the last two financial years and provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application;
  - (d) a list of creditors containing the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims;
  - (e) particulars of a debt due from or to the corporate debtor with respect to related parties;
  - (f) details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party;
  - (g) the names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake;
  - (h) details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities;
  - (i) the number of workers and employees and liabilities of the corporate debtor towards them;
  - (j) <sup>91</sup>[company overview including snapshot of business performance, key contracts, key investment highlights and other factors which bring out the value as a going concern over and above the assets of the corporate debtor such as brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other pre-existing facilities
  - (k) Details of business evolution, industry overview and key growth drivers in case of a corporate debtor having book value of total assets exceeding one hundred crores rupees as per the last available financial statements]
  - (l) other information, which the resolution professional deems relevant to the committee.
- (3) A member of the committee may request the resolution professional for further information of the nature described in this Regulation and the resolution professional shall provide such information to all members within reasonable time if such information has a bearing on the resolution plan.

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<sup>91</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>92</sup>[(3A) The creditors shall provide to the resolution professional the latest financial statements and other relevant financial information of the corporate debtor available with them.]

(4) <sup>93</sup>[The resolution professional shall share the information memorandum after receiving an undertaking from a member of the committee <sup>94</sup>[\*\*\*] to the effect that such member or resolution applicant shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29.]

<sup>95</sup>**[36A. Invitation for expression of interest.**

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<sup>92</sup> Inserted by Notification No. IBBI/2022-23/GN/REG084, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>93</sup>Substituted by Notification No. IBBI/2017-18/ GN/ REG024, dated 6<sup>th</sup> February, 2018 (w.e.f. 06-02-2018). Prior to this substitution, Regulation 36(4) stood as under:

“36(4) The interim resolution professional or the resolution professional, as the case may be, shall share the information memorandum after receiving an undertaking from a member of the committee or a potential resolution applicant to the effect that such member or resolution applicant shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under section 29(2).”

<sup>94</sup>Omitted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Before omission the words stood as –

“or a prospective resolution applicant”.

<sup>95</sup> Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Regulation 36 A, before substitution stood as –

“36A. Invitation of Resolution Plans

- (1) The resolution professional shall issue an invitation , including evaluation matrix, to the prospective resolution applicants in accordance with clause (h) of sub-section (2) of section 25, to submit resolution plans at least thirty days before the last date of submission of resolution plans.
- (2) Where the invitation does not contain the evaluation matrix, the resolution professional shall issue, with the approval of the committee, the evaluation matrix to the prospective resolution applicants at least fifteen days before the last date for submission of resolution plans.
- (3) The resolution professional may modify the invitation, the evaluation matrix or both with the approval of the committee within the timelines given under sub-regulation (1) or sub-regulation (2), as the case may be.
- (4) The timelines specified under this regulation shall not apply to an ongoing corporate insolvency resolution process-
  - (a) where a period of less than thirty-seven days is left for submission of resolution plans under sub-regulation (1);
  - (b) where a period of less than eighteen days is left for submission of resolution plans under sub-regulation (2).
- (5) The resolution professional shall publish brief particulars of the invitation in Form G of the Schedule:
  - (a) on the website, if any, of the corporate debtor; and
  - (b) on the website, if any, designated by the Board for the purpose.”

- (1) The resolution professional shall publish brief particulars of the invitation for expression of interest in Form G of the <sup>96</sup>[Schedule-I] at the earliest, <sup>97</sup>[not later than sixtieth day] from the insolvency commencement date, from interested and eligible prospective resolution applicants to submit resolution plans.
  - (2) The resolution professional shall publish Form G-
    - (i) in one English and one regional language newspaper with wide circulation at the location of the registered office and principal office, if any, of the corporate debtor and any other location where in the opinion of the resolution professional, the corporate debtor conducts material business operations;
    - (ii) on the website, if any, of the corporate debtor;
    - (iii) on the website, if any, designated by the Board for the purpose; and
    - (iv) in any other manner as may be decided by the committee.
  - (3) The Form G in the <sup>98</sup>[Schedule-I] shall -
    - (a) state where the detailed invitation for expression of interest can be downloaded or obtained from, as the case may be; and
    - (b) provide the last date for submission of expression of interest which shall not be less than fifteen days from the date of issue of detailed invitation.
  - (4) The detailed invitation referred to in sub-regulation (3) shall-
    - (a) specify the criteria for prospective resolution applicants, as approved by the committee in accordance with clause (h) of sub-section (2) of section 25;
    - (b) state the ineligibility norms under section 29A to the extent applicable for prospective resolution applicants;
    - (c) provide such basic information about the corporate debtor as may be required by a prospective resolution applicant for expression of interest; and
    - (d) not require payment of any fee or any non-refundable deposit for submission of expression of interest.
- <sup>99</sup>[(4A) Any modification in the invitation for expression of interest may be made in the manner as the initial invitation for expression of interest was made:  
Provided that such modification shall not be made more than once.]

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<sup>96</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>97</sup> Substituted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). The words before substitution, stood as: “not later than seventy fifth day”.

<sup>98</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>99</sup> Inserted by Notification No. IBBI/2021-22/GN/REG078, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021).

- (5) A prospective resolution applicant, who meet the requirements of the invitation for expression of interest, may submit expression of interest within the time specified in the invitation under clause (b) of sub-regulation (3).
- (6) The expression of interest received after the time specified in the invitation under clause (b) of sub-regulation (3) shall be rejected.
- (7) An expression of interest shall be unconditional and be accompanied by-
- (a) an undertaking by the prospective resolution applicant that it meets the criteria specified by the committee under clause (h) of sub-section (2) of section 25;
  - (b) relevant records in evidence of meeting the criteria under clause (a);
  - (c) an undertaking by the prospective resolution applicant that it does not suffer from any ineligibility under section 29A to the extent applicable;
  - (d) relevant information and records to enable an assessment of ineligibility under clause (c);
  - (e) an undertaking by the prospective resolution applicant that it shall intimate the resolution professional forthwith if it becomes ineligible at any time during the corporate insolvency resolution process;
  - (f) an undertaking by the prospective resolution applicant that every information and records provided in expression of interest is true and correct and discovery of any false information or record at any time will render the applicant ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code; and
  - (g) an undertaking by the prospective resolution applicant to the effect that it shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29.
- (8) The resolution professional shall conduct due diligence based on the material on record in order to satisfy that the prospective resolution applicant complies with-
- (a) the provisions of clause (h) of sub-section (2) of section 25;
  - (b) the applicable provisions of section 29A, and
  - (c) other requirements, as specified in the invitation for expression of interest.
- (9) The resolution professional may seek any clarification or additional information or document from the prospective resolution applicant for conducting due diligence under sub-regulation (8).
- (10) The resolution professional shall issue a provisional list of eligible prospective resolution applicants within ten days of the last date for submission of expression of interest to the committee and to all prospective resolution applicants who submitted the expression of interest.

- (11) Any objection to inclusion or exclusion of a prospective resolution applicant in the provisional list referred to in sub-regulation (10) maybe made with supporting documents within five days from the date of issue of the provisional list.
- (12) On considering the objections received under sub-regulation (11), the resolution professional shall issue the final list of prospective resolution applicants within ten days of the last date for receipt of objections, to the committee.]

<sup>100</sup>**[36B. Request for resolution plans.**

- (1) The resolution professional shall issue the information memorandum, evaluation matrix and a request for resolution plans, within five days of the date of issue of the provisional list under sub-regulation (10) of regulation 36A to -
    - (a) every prospective resolution applicant in the provisional list; and
    - (b) every prospective resolution applicant who has contested the decision of the resolution professional against its non-inclusion in the provisional list.
  - (2) The request for resolution plans shall detail each step in the process, and the manner and purposes of interaction between the resolution professional and the prospective resolution applicant, along with corresponding timelines.
  - (3) The request for resolution plans shall allow prospective resolution applicants a minimum of thirty days to submit the resolution plan(s).
  - (4) The request for resolution plans shall not require any non-refundable deposit for submission of or along with resolution plan.
- <sup>101</sup>[(4A) The request for resolution plans shall require the resolution applicant, in case its resolution plan is approved under sub-section (4) of section 30, to provide a performance security within the time specified therein and such performance security shall stand forfeited if the resolution applicant of such plan, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.

*Explanation I.*— For the purposes of this sub-regulation, “performance security” shall mean security of such nature, value, duration and source, as may be specified in the request for resolution plans with the approval of the committee, having regard to the nature of resolution plan and business of the corporate debtor.

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<sup>100</sup>Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<sup>101</sup>Inserted by Notification No. IBBI/2019-20/GN/REG040, dated 24<sup>th</sup> January, 2019 (w.e.f. 24.01-2019).

*Explanation II.* – A performance security may be specified in absolute terms such as guarantee from a bank for Rs. X for Y years or in relation to one or more variables such as the term of the resolution plan, amount payable to creditors under the resolution plan, etc.]

- (5) Any modification in the request for resolution plan or the evaluation matrix issued under sub-regulation (1), shall be deemed to be a fresh issue and shall be subject to timeline under sub-regulation (3).

<sup>102</sup>[Provided that such modifications shall not be made more than once.]

- (6) The resolution professional may, with the approval of the committee, extend the timeline for submission of resolution plans.

<sup>103</sup>[(6A) If the resolution professional, does not receive a resolution plan in response to the request under this regulation, he may, with the approval of the committee, issue request for resolution plan for sale of one or more of assets of the corporate debtor.

- (7) The resolution professional may, with the approval of the committee, re-issue request for resolution plans, if the resolution plans received in response to an earlier request are not satisfactory, subject to the condition that the request is made to all prospective resolution applicants in the final list:

Provided that provisions of sub-regulation (3) shall not apply for submission of resolution plans under this sub-regulation.]

<sup>104</sup>**[36C. Strategy for marketing of assets of the corporate debtor.**

- (1) The resolution professional shall prepare a strategy for marketing of the assets of the corporate debtor in consultation with the committee, where the total assets as per the last available financial statements exceed one hundred crore rupees and may prepare such strategy in other cases.

- (2) Decision of implementing such strategy along with its cost shall be subject to the approval of the committee.

- (3) The member(s) of committee may also take measures for marketing of the assets of the corporate debtor.]

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<sup>102</sup> Inserted by Notification No. IBBI/2021-22/GN/REG078, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021).

<sup>103</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>104</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

**37. <sup>105</sup>[Resolution plan.**

A resolution plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximization of value of its assets, including but not limited to the following: -

(a) transfer of all or part of the assets of the corporate debtor to one or more persons;

(b) sale of all or part of the assets whether subject to any security interest or not;

<sup>106</sup>[(ba) restructuring of the corporate debtor, by way of merger, amalgamation and demerger;]

(c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;

<sup>107</sup>[(ca) cancellation or delisting of any shares of the corporate debtor, if applicable;]

(d) satisfaction or modification of any security interest;

(e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;

(f) reduction in the amount payable to the creditors;

(g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;

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<sup>105</sup>Substituted Notification No. IBBI/2017-18/GN/REG024, dated 6<sup>th</sup> February, 2018 (w.e.f. 06.02.2018). Prior to this substitution, Regulation 37, stood as under:-

“(37) (1) A resolution plan may provide for the measures required for implementing it, including but not limited to the following-

- (a) transfer of all or part of the assets of the corporate debtor to one or more persons;
- (b) sale of all or part of the assets whether subject to any security interest or not;
- (c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;
- (d) satisfaction or modification of any security interest;
- (e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;
- (f) reduction in the amount payable to the creditors;
- (g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;
- (h) amendment of the constitutional documents of the corporate debtor;
- (i) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose; and
- (j) obtaining necessary approvals from the Central and State Governments and other authorities.”

<sup>106</sup>Inserted by Notification No. IBBI/2019-20/GN/REG052, dated 27<sup>th</sup> November, 2019 (w.e.f. 28.11.2019).

<sup>107</sup>Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04.07.2018).

- (h) amendment of the constitutional documents of the corporate debtor;
- (i) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose;
- (j) change in portfolio of goods or services produced or rendered by the corporate debtor;
- (k) change in technology used by the corporate debtor; and
- (l) obtaining necessary approvals from the Central and State Governments and other authorities.]
- <sup>108</sup>[(m) sale of one or more assets of corporate debtor to one or more successful resolution applicants submitting resolution plans for such assets; and manner of dealing with remaining assets]

### **38. Mandatory contents of the resolution plan.**

<sup>109</sup>[(1)The amount payable under a resolution plan -

- (a) to the operational creditors shall be paid in priority over financial creditors; and
- (b) to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan.]

<sup>110</sup>[(1A)A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.]

<sup>111</sup>[(IB) A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.]

(2) A resolution plan shall provide:

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<sup>108</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>109</sup> Substituted by Notification No. IBBI/2019-20/GN/REG052, dated 27<sup>th</sup> November, 2019 (w.e.f. 28.11.2019).  
Before substitution, sub- regulation (1) stood as under: -

“(1) The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors.”

<sup>110</sup> Inserted by Notification No. IBBI/2017-18/ GN/ REG018, dated 5<sup>th</sup> October, 2017 (w.e.f. 5-10-2017).

<sup>111</sup> Inserted by Notification No. IBBI/2019-20/ GN/ REG040, dated 24<sup>th</sup> January, 2019 (w.e.f. 24-01-2019).



- (a) the term of the plan and its implementation schedule;
- (b) the management and control of the business of the corporate debtor during its term; and
- (c) adequate means for supervising its implementation.

<sup>112</sup>[(d) provides for the manner in which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed:

Provided that this clause 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) (Second Amendment) Regulations, 2022.]

<sup>113</sup>[(3) A resolution plan shall demonstrate that –

- (a) it addresses the cause of default;
- (b) it is feasible and viable;
- (c) it has provisions for its effective implementation;

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<sup>112</sup> Inserted by Notification No. IBBI/2022-23/GN/REG084, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>113</sup> Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Sub – regulation (3) of Regulation 38 before substitution stood as –

“A resolution plan shall contain details of the resolution applicant and other connected persons to enable the committee to assess the credibility of such applicant and other connected persons to take a prudent decision while considering the resolution plan for its approval.

*Explanation:* For the purposes of this sub-regulation, -

- (i) ‘details shall include the following in respect of the resolution applicant and other connected person, namely: -
  - (a) identity;
  - (b) conviction for any offence, if any, during the preceding five years;
  - (c) criminal proceedings pending, if any;
  - (d) disqualification, if any, under Companies Act, 2013, to act as a director;
  - (e) identification as a willful defaulter, if any, by any bank or financial institution or consortium thereof in accordance with the guidelines of the Reserve Bank of India;
  - (f) debarment, if any, from accessing to, or trading in, securities markets under any order or directions of the Securities and Exchange Board of India, and
  - (g) transactions, if any, with the corporate debtor in the preceding two years.
- (ii) the expression ‘connected persons’ means-
  - (a) persons who are promoters or in the management or control of the resolution applicant;
  - (b) persons who will be promoters or in management or control of the business the corporate debtor during the implementation of the resolution plan;
  - (c) holding company, subsidiary company, associate company and related party of the persons referred to in items (a) and (b).”

- (d) it has provisions for approvals required and the timeline for the same; and
- (e) the resolution applicant has the capability to implement the resolution plan.]

### **39. Approval of resolution plan.**

<sup>114</sup>[(1) A prospective resolution applicant in the final list may submit resolution plan or plans prepared in accordance with the Code and these regulations to the resolution professional electronically within the time given in the request for resolution plans under regulation 36B along with

(a) an affidavit stating that it is eligible under section 29A to submit resolution plans;

<sup>115</sup>[\*\*\*]

(c) an undertaking by the prospective resolution applicant that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the applicant ineligible to continue in the corporate insolvency resolution process, forfeit any refundable deposit, and attract penal action under the Code.

<sup>116</sup>[(1A) The resolution professional may, if envisaged in the request for resolution plan-

(a) allow modification of the resolution plan received under sub-regulation (1), but not more than once; or

(b) use a challenge mechanism to enable resolution applicants to improve their plans.

(1B) The committee shall not consider any resolution plan-

(a) received after the time as specified by the committee under regulation 36B; or

(b) received from a person who does not appear in the final list of prospective resolution applicants; or

(c) does not comply with the provisions of sub-section (2) of section 30 and sub-regulation (1).].

<sup>117</sup>(2) [The resolution professional shall submit to the committee all resolution plans

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<sup>114</sup> Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Sub – regulation (1) of regulation 39 before substituted stood as –

“(1) A resolution applicant shall submit resolution plan(s) prepared in accordance with the Code and these regulations to the resolution professional within the time given in the invitation made under clause (h) of sub-section (2) of section 25.”

<sup>115</sup>Omitted by Notification No. IBBI/2018-19/GN/REG032, dated 5<sup>th</sup> October, 2018 (w.e.f.05-10-2018). Clause (b), before omission, stood as under:

“(b) an undertaking that it will provide for additional funds to the extent required for the purposes under sub-regulation (1) of regulation 38; and”

<sup>116</sup> Substituted by Notification No. IBBI/2021-22/GN/REG078, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021).

Prior to this substitution, Regulation 39(1A) stood as under: -

“(1A) A resolution plan which does not comply with the provisions of sub-regulation (1) shall be rejected.”

<sup>117</sup>Substituted by Notification No. IBBI/2017-18/GN/REG019, dated 7<sup>th</sup> November, 2017 (w.e.f. 7-11-2017). Prior to this substitution, Regulation 39(2) stood as under: -

“39(2) The resolution professional shall present all resolution plans that meet the requirements of the Code and these Regulations to the committee for its consideration”

which comply with the requirements of the Code and regulations made thereunder along with the details of following transactions, if any, observed, found or determined by him: -

- (a) preferential transactions under section 43;
- (b) undervalued transactions under section 45;
- (c) extortionate credit transactions under section 50; and
- (d) fraudulent transactions under section 66,

and the orders, if any, of the adjudicating authority in respect of such transactions.]

<sup>118</sup>[(3) The committee shall-

- (a) evaluate the resolution plans received under sub-regulation (2) as per evaluation matrix;
- (b) record its deliberations on the feasibility and viability of each resolution plan; and
- (c) vote on all such resolution plans simultaneously.

(3A) Where only one resolution plan is put to vote, it shall be considered approved if it receives requisite votes.

(3B) Where two or more resolution plans are put to vote simultaneously, the resolution plan, which receives the highest votes, but not less than requisite votes, shall be considered as approved:

Provided that where two or more resolution plans receive equal votes, but not less than requisite votes, the committee shall approve any one of them, as per the tie-breaker formula announced before voting:

Provided further that where none of the resolution plans receives requisite votes, the committee shall again vote on the resolution plan that received the highest votes, subject to the timelines under the Code.

**Illustration.** - The committee is voting on two resolution plans, namely, A and B, simultaneously. The voting outcome is as under:

Voting outcome	% of votes in favour of		Status of approval
	Plan A	Plan B	
1	55	60	No Plan is approved, as neither of the Plans received requisite votes. The committee shall vote again on Plan B, which received the higher votes, subject to the timelines under the Code.
2	70	75	Plan B is approved, as it received higher votes, which is not less than requisite votes.
3	75	75	The committee shall approve either Plan A or Plan B, as per the tie-breaker formula announced before voting.]

<sup>118</sup>Substituted by Notification No. IBBI/2020-21/GN/REG064, dated 7<sup>th</sup> August, 2020 (w.e.f. 07-08-2020). Prior to this substitution, Regulation 39(3) stood as under:

“(3) The committee shall evaluate the resolution plans received under sub-regulation (1) strictly as per the evaluation matrix to identify the best resolution plan and may approve it with such modifications as it deems fit:

Provided that the committee shall record its deliberations on the feasibility and viability of the resolution plans.”

<sup>119</sup>[\*\*\*]

<sup>120</sup>[(4) The resolution professional shall endeavour to submit the resolution plan approved by the committee to the Adjudicating Authority at least fifteen days before the maximum period for completion of corporate insolvency resolution process under section 12, along with a compliance certificate in <sup>121</sup>[Form H of the <sup>122</sup>[Schedule-I] and the evidence of receipt of performance security required under sub-regulation (4A) of regulation 36B.]]

(5)The resolution professional shall forthwith send a copy of the order of the Adjudicating Authority approving or rejecting a resolution plan to the participants and the resolution applicant.

<sup>123</sup>[(5A) The resolution professional shall, within fifteen days of the order of the Adjudicating Authority approving a resolution plan, intimate each claimant, the principle or formulae, as the case may be, for payment of debts under such resolution plan:

Provided that this sub-regulation shall apply to every corporate insolvency resolution process ongoing and commencing on or after the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2020;]

(6)A provision in a resolution plan which would otherwise require the consent of the members or partners of the corporate debtor, as the case may be, under the terms of the constitutional documents of the corporate debtor, shareholders' agreement, joint venture agreement or other

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<sup>119</sup>Omitted by Notification No. IBBI/2018-19/GN/REG032, dated 5<sup>th</sup> October, 2018 (w.e.f. 05-10-2018). Sub - Regulation (3A), before omission, stood as:

“(3A) The committee shall, while approving the resolution plan under sub-section (4) of section (30), specify the amounts payable from resources under the resolution plan for the purposes under sub-regulation (1) of regulation 38.”

<sup>120</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018). Sub-regulation (4) of Regulation 39 before substitution stood as-

“(4)The resolution professional shall submit the resolution plan approved by the committee to the Adjudicating Authority, at least fifteen days before the expiry of the maximum period permitted under section 12 for the completion of the corporate insolvency resolution process, with the certification that-

(a) the contents of the resolution plan meet all the requirements of the Code and the Regulations; and

(b) the resolution plan has been approved by the committee:

Provided that the timeline specified in this sub-regulation shall not apply to an ongoing corporate insolvency resolution process which has completed 130<sup>th</sup> day from its commencement date.”

<sup>121</sup>Substituted by Notification No. IBBI/2019-20/GN/REG040, dated 24<sup>th</sup> January, 2019 (w.e.f. 24-01-2019). Before substitution, it stood as-

“Form H of the Schedule”.

<sup>122</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>123</sup>Inserted by Notification No. IBBI/2020-21/GN/REG066, dated 13<sup>th</sup> November, 2020 (w.e.f. 13-11-2020).

document of a similar nature, shall take effect notwithstanding that such consent has not been obtained.

(7) No proceedings shall be initiated against the interim resolution professional or the resolution professional, as the case may be, for any actions of the corporate debtor, prior to the insolvency commencement date.

(8) A person in charge of the management or control of the business and operations of the corporate debtor after a resolution plan is approved by the Adjudicating Authority, may make an application to the Adjudicating Authority for an order seeking the assistance of the local district administration in implementing the terms of a resolution plan.

<sup>124</sup>[(9) A creditor, who is aggrieved by non-implementation of a resolution plan approved under sub-section (1) of section 31, may apply to the Adjudicating Authority for directions.]

<sup>125</sup>**[39A. Preservation of records.**

(1) The interim resolution professional or the resolution professional, as the case may be, shall preserve copies of all such records which are required to give a complete account of the corporate insolvency resolution process.

(2) Without prejudice to the generality of the obligations under sub-regulation (1), the interim resolution professional or the resolution professional, as the case may be, shall preserve copies of records relating to or forming the basis of:-

- (a) his appointment as interim resolution professional or resolution professional, including the terms of appointment;
- (b) handing over / taking over of the assignment;
- (c) admission of corporate debtor into corporate insolvency resolution process;
- (d) public announcement;
- (e) the constitution of committee and meetings of the committee;
- (f) claims, verification of claims, and list of creditors;
- (g) engagement of professionals, registered valuers, and insolvency professional entity, including work done, reports etc., submitted by them;
- (h) information memorandum;
- (i) all filings with the Adjudicating Authority, Appellate Authority and their orders;
- (j) invitation, consideration and approval of the resolution plan;
- (k) statutory filings with Board and insolvency professional agencies;
- (l) correspondence during the corporate insolvency resolution process;
- (m) insolvency resolution process cost; and

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<sup>124</sup>Inserted by Notification No. IBBI/2019-20/ GN/ REG040, dated 24<sup>th</sup> January, 2019 (w.e.f. 24-01-2019).

<sup>125</sup>Substituted by Notification No. IBBI/2021-22/GN/REG080, dated 9<sup>th</sup> February, 2022 (w.e.f. 09-02-2022). Before substitution, it stood as: -

“39A. Preservation of records. The interim resolution professional or the resolution professional, as the case may be, shall preserve a physical as well as an electronic copy of the records relating to corporate insolvency resolution process of the corporate debtor as per the record retention schedule as may be communicated by the Board in consultation with Insolvency Professional Agencies.”

(n) preferential, undervalued, extortionate credit transactions or fraudulent or wrongful trading.

(3) The interim resolution professional or the resolution professional shall preserve :

- (a) electronic copy of all records (physical and electronic) for a minimum period of eight years; and
- (b) a physical copy of records for a minimum period of three years;

from the date of completion of the corporate insolvency resolution process or the conclusion of any proceeding relating to the corporate insolvency resolution process, before the Board, the Adjudicating Authority, Appellate Authority or any Court, whichever is later.

(4) The interim resolution professional or the resolution professional shall preserve the records at a secure place and shall be obliged to produce records as may be required under the Code and the Regulations.

*Explanation* - The records referred to in this regulation includes records pertaining to the period of a corporate insolvency resolution process during which the interim resolution professional or the resolution professional acted as such, irrespective of the fact that he did not take up the assignment from its commencement or continue the assignment till its conclusion.]

<sup>126</sup>**[39B.Meeting liquidation cost.**

(1) While approving a resolution plan under sub-section (4) of section 30 or deciding to liquidate the corporate debtor under sub-section (2) of section 33, the committee may make a best estimate of the amount required to meet liquidation costs, in consultation with the resolution professional, in the event an order for liquidation is passed under section 33.

(2) The committee shall make a best estimate of the value of the liquid assets available to meet the liquidation costs, as estimated in sub-regulation (1).

(3) Where the estimated value of the liquid assets under sub-regulation (2) is less than the estimated liquidation costs under sub-regulation (1), the committee shall approve a plan providing for contribution for meeting the difference between the two.

(4) The resolution professional shall submit the plan approved under sub-regulation (3) to the Adjudicating Authority while filing the approval or decision of the committee under section 30 or 33, as the case may be.

***Explanation.-*** For the purposes of this regulation, ‘liquidation costs’ shall have the same meaning as assigned to it in clause (ea) of sub-regulation (1) of regulation (2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

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<sup>126</sup>Inserted by Notification No. IBBI/2019-20/GN/REG048 dated 25<sup>th</sup> July, 2019 (w.e.f. 25.07.2019).

### **<sup>127</sup>[39BA. Assessment of Compromise or Arrangement.**

- (1) While deciding to liquidate the corporate debtor under section 33, the committee shall examine whether to explore compromise or arrangement as referred to under sub - regulation (1) of regulation 2B of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016 and the resolution professional shall submit the committee's recommendation to the Adjudicating Authority while filing application under section 33.
- (2) Where a recommendation has been made under sub-regulation (1), the resolution professional and the committee shall keep exploring the possibility of compromise or arrangement during the period the application to liquidate the corporate debtor is pending before the Adjudicating Authority.]

### **39C. Assessment of sale as a going concern.**

- (1) While approving a resolution plan under section 30 or deciding to liquidate the corporate debtor under section 33, the committee may recommend that the liquidator may first explore sale of the corporate debtor as a going concern under clause (e) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 or sale of the business of the corporate debtor as a going concern under clause (f) thereof, if an order for liquidation is passed under section 33.
- (2) Where the committee recommends sale as a going concern, it shall identify and group the assets and liabilities, which according to its commercial considerations, ought to be sold as a going concern under clause (e) or clause (f) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- (3) The resolution professional shall submit the recommendation of the committee under sub-regulations (1) and (2) to the Adjudicating Authority while filing the approval or decision of the committee under section 30 or 33, as the case may be.”.

### **39D. Fee of the liquidator**

While approving a resolution plan under section 30 or deciding to liquidate the corporate debtor under section 33, the committee may, in consultation with the resolution professional, fix the fee payable to the liquidator, if an order for liquidation is passed under section 33, for –

- (a) the period, if any, used for compromise or arrangement under section 230 of the Companies Act, 2013;
- (b) the period, if any, used for sale under clauses (e) and (f) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016; and

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<sup>127</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

(c) the balance period of liquidation.]

**40. Extension of the corporate insolvency resolution process period.**

- (1) The committee may instruct the resolution professional to make an application to the Adjudicating Authority under section 12 to extend the insolvency resolution process period.
- (2) The resolution professional shall, on receiving an instruction from the committee under this Regulation, make an application to the Adjudicating Authority for such extension.

<sup>128</sup>**[40A. Model time-line for corporate insolvency resolution process.**

The following Table presents a model timeline of corporate insolvency resolution process on the assumption that the interim resolution professional is appointed on the date of commencement of the process and the time available is hundred and eighty days:

<sup>129</sup> [Section / Regulation]	Description of Activity	Norm	Latest Timeline
Section 16(1)	Commencement of CIRP and appointment of IRP	....	T
Regulation 6(1)	Public announcement inviting claims	Within 3 Days of Appointment of IRP	T+3
Section 15(1)(c) / Regulations 6(2)(c) and 12(1)	Submission of claims	For 14 Days from Appointment of IRP	T+14
Regulation 12(2)	Submission of claims	Up to 90 <sup>th</sup> day of commencement	T+90
Regulation 13(1)	Verification of claims received under regulation 12(1)	Within 7 days from the receipt of the claim	T+21
	Verification of claims received under regulation 12(2)		T+97
Section 21(6A) (b) / Regulation 16A	Application for appointment of AR	Within 2 days from verification of claims received under	T+23
Regulation 17(1)	Report certifying constitution of CoC	regulation 12(1)	T+23

<sup>128</sup> Inserted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<sup>129</sup> Substituted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).



Section 22(1) / Regulation 19(2)	1 <sup>st</sup> meeting of the CoC	Within 7 days of filing of the report certifying constitution of the CoC, but with five days' notice.	T+30
Section 22(2)	Resolution to appoint RP by the CoC	In the first meeting of the CoC	T+30
Section 16(5)	Appointment of RP	On approval by the AA	.....
Regulation 17(3)	IRP performs the functions of RP till the RP is appointed.	If RP is not appointed by 40 <sup>th</sup> day of commencement	T+40
Regulation 27	Appointment of valuer	Within 7 days of appointment of RP, but not later than 47 <sup>th</sup> day of commencement.	T+47
Section 12(A) / Regulation 30A	Submission of application for withdrawal of application admitted	Before issue of EoI	W
	CoC to dispose of the application	Within 7 days of its receipt or 7 days of constitution of CoC, whichever is later.	W+7
	Filing application of withdrawal, if approved by CoC with 90% majority voting, by RP to AA	Within 3 days of approval by CoC	W+10
Regulation 35A	RP to form an opinion on preferential and other transactions	Within 75 days of the commencement	T+75
	RP to make a determination on preferential and other transactions	Within 115 days of commencement	T+115
	RP to file applications to AA for appropriate relief	Within 130 days of commencement	T+130
Regulation 36 (1)	Submission of IM to CoC	Within 95 days of commencement	T+95
Regulation 36A	Publish Form G	Within 60 days of commencement	T+60
	Invitation of EoI		
	Submission of EoI	At least 15 days from issue of EoI (Assume 15 days)	T+75
	Provisional List of RAs by RP	Within 10 days from the last day of receipt of EoI	T+85
	Submission of objections to provisional list	For 5 days from the date of provisional list	T+90

	Final List of RAs by RP	Within 10 days of the receipt of objections	T+100
Regulation 36B	Issue of RFRP, including Evaluation Matrix and IM	Within 5 days of the issue of the provisional list	T+105
	Receipt of Resolution Plans	At least 30 days from issue of RFRP (Assume 30 days)	T+135
Regulation 39(4)	Submission of CoC approved Resolution Plan to AA	As soon as approved by the CoC	T+165
Section 31(1)	Approval of resolution plan by AA		T+180]

AA: Adjudicating Authority; AR: Authorised Representative; CIRP: Corporate Insolvency Resolution Process; CoC: Committee of Creditors; EoI: Expression of Interest; IM: Information Memorandum; IRP: Interim Resolution Professional; RA: Resolution Applicant; RP: Resolution Professional; RFRP: Request for Resolution Plan.】

<sup>130</sup>**[40B Filing of Forms.**

(1) The insolvency professional, interim resolution professional or resolution professional, as the case may be, shall file the Forms, along with the enclosures thereto, on an electronic platform of the Board, as per the timelines stipulated against each Form, in the table below: -

Table

Form No.	Period covered and scope	To be filed by	Timeline
(1)	(2)	(3)	(4)
IP 1	<b>Pre-Assignment:</b> This includes consent to accept assignment as IRP / RP, the details of IP and the Applicant, the details of the person which will undergo the process, terms of consent, terms of engagement, etc.	IP	Within three days of signing of Form-2 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 or Form-AA of the Regulations, as the case may be.
CIRP 1	<b>From Commencement of CIRP till Issue of Public Announcement:</b> This includes details of IRP, CD, and the Applicant; admission of	IRP	Within seven days of making the Public

<sup>130</sup> Inserted by Notification No. IBBI/2019-20/GN/REG052, dated 27<sup>th</sup> November, 2019 (w.e.f. 28.11.2019).

	application by AA; public announcement; details of suggested Authorised Representatives; non-compliances with the provisions of the Code and other laws applicable to the CD; etc.		Announcement under section 13.
CIRP 2	<b>From Public Announcement till confirmation / replacement of IRP:</b> This includes details of Authorised Representative selected by IRPs for a class of creditors; taking over management of the CD; receipt and verification of claims; constitution of CoC, first meeting of CoC; confirmation / replacement of IRP; applications seeking co-operation of management (if any); expenses incurred on or by IRP; relationship of IRP with the CD, Financial Creditors and Professionals; support services taken from IPE; non-compliances with the provisions of the Code and other laws applicable to the CD; etc.	IRP	Within seven days of confirmation/ replacement of IRP under section 22.
CIRP 3	<b>From Appointment of RP till issue of IM to Members of CoC:</b> This includes details of RP; details of registered valuers; handing over of records of CD by IRP to RP; taking over management of the CD; applications seeking co-operation of management (if any); details in IM; non-compliances with the provisions of the Code and other laws applicable to the CD; etc.	RP	Within seven days of issue of IM to members of CoC under regulation 36.
CIRP 4	<b>From Issue of IM till issue of RFRP:</b> This includes expression of interest; RFRP and modification thereof; evaluation matrix and modification thereof; non-compliances with the provisions of the Code and other laws applicable to the CD; etc.	RP	Within seven days of the issue of RFRP under regulation 36B.
CIRP 5	<b>From Issue of RFRP till completion of CIRP:</b> This includes updated list of claimants; updated CoC; details of the resolution applicants; details of resolution plans received; details of approval or rejection of resolution	RP	Within seven days of the approval or rejection of the resolution plan under section 31 or issue of liquidation order under

	plans by CoC; application filed with AA for approval of resolution plan; details of resolution plan approved by the AA; initiation of liquidation, if applicable; expenses incurred on or by RP; appointment of professionals and the terms of appointment; relationship of the RP with the CD, Financial Creditors, and Professionals; support services taken from IPE; non-compliances with the provisions of the Code and other laws applicable to the CD; etc.		section 33, as the case may be, by the AA.
CIRP 6	<b>Event Specific:</b> This includes: <ul style="list-style-type: none"> <li>a. Filing of application in respect of preferential transaction, undervalued transaction, fraudulent transaction, and extortionate transaction;</li> <li>b. Raising interim finance;</li> <li>c. Commencement of insolvency resolution process of guarantors of the CD;</li> <li>d. Extension of period of CIRP and exclusion of time;</li> <li>e. Premature closure of CIRP (appeal, settlement, withdrawal, etc.);</li> <li>f. Request for liquidation before completion of CIRP; and</li> <li>g. Non implementation of resolution plan, as approved by the AA.</li> </ul>	IRP or RP, as the case may be.	Within seven days of the occurrence of the relevant event.

<sup>131</sup>[(1A) Where any activity stated in column (2) of table below is not complete by the date specified therein, the interim resolution professional or resolution professional, as the case may be, shall file Form CIRP 7 within three days of the said date, and continue to file Form CIRP 7, every 30 days, until the said activity remains incomplete-:

Sl.	Activity requiring filing of Form CIRP 7, if not completed by the specified date	Timeline for filing Form CIRP 7 for the first time	Timeline for subsequent filing of Form CIRP 7
(1)	(2)	(3)	(4)
1	Public announcement is not made by T+3 <sup>rd</sup> day	Date specified in	X+30 <sup>th</sup> day,
2	Appointment of RP is not made by T+30 <sup>th</sup> day		X+60 <sup>th</sup> day,

<sup>131</sup>Inserted by Notification No. IBBI/2020-21/GN/REG070, dated 15<sup>th</sup> March, 2021 (w.e.f. 15-03-2021).

3	Information memorandum is not issued within 51 days from the date of public announcement	column (2) + 3 days	X+90 <sup>th</sup> day, and so on, till the activity is completed.
4	RFRP is not issued within 51 days from the date of issue of information memorandum		
5	CIRP is not completed by T+180 <sup>th</sup> day		

T = Insolvency commencement date, and

X = Date of filing of Form CIRP 7 for the first time under column (3).

**Provided** that subsequent filing of Form CIRP 7 shall not be made until thirty days have lapsed from the filing of an earlier Form CIRP 7.

**Clarification:** Only one Form CIRP 7 shall be filed at any time whether one or more activity is not complete by the specified date.

### Illustration

(a) If public announcement is not made by T+3<sup>rd</sup> day, Form CIRP 7 shall be filed by T+6<sup>th</sup> day. Thereafter, if public announcement is made on T+16<sup>th</sup> day, no further Form CIRP 7 will be filed. However, if public announcement is not made till T+33<sup>rd</sup> day, Form CIRP 7 shall be filed on T+36<sup>th</sup> day.

(b) If public announcement is not made by T+3<sup>rd</sup> day, Form CIRP 7 shall be filed by T+6<sup>th</sup> day. Thereafter, if public announcement is made on T+16<sup>th</sup> day, no further Form CIRP 7 will be filed. However, if RP is not appointed by T+30<sup>th</sup> day, though Form CIRP 7 becomes due by T+33<sup>rd</sup> day, it shall be filed on 30<sup>th</sup> day from the filing of first Form CIRP 7, that is, on T+36<sup>th</sup> day.

(c) If public announcement is not made by T+3<sup>rd</sup> day, Form CIRP 7 shall be filed by T+6<sup>th</sup> day. Thereafter, if either public announcement is not made till T+33<sup>rd</sup> day or RP is not appointed by T+30<sup>th</sup> day, Form CIRP 7 shall be filed on T+36<sup>th</sup> day.]

<sup>132</sup>[(1B) The resolution professional shall file Form CIRP 8 intimating details of his opinion and determination under regulation 35A, on or before the one hundred and fortieth day of the insolvency commencement date:

Provided that the filing of Form CIRP 8 shall not become due unless a period of thirty days has elapsed from the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2021.]

(2) The Board shall make available the Forms on the electronic platform and may modify them from time to time.

(3) The insolvency professional or interim resolution professional or resolution professional, as the case may be, shall ensure that the Forms and its enclosures filed under this regulation are accurate and complete.

<sup>132</sup> Inserted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021).

<sup>133</sup>[(4)The filing of a Form under this regulation after 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 1<sup>st</sup> October, 2020.

Example: A Form is required to be filed by 30<sup>th</sup> October, 2020. It shall be filed along with a fee as under:

If filed on	Fee (in Rupees)
29 <sup>th</sup> October, 2020	0
30 <sup>th</sup> October, 2020	0
31 <sup>st</sup> October, 2020	500
Any day in November, 2020	1000
Any day in December, 2020	1500 <sup>''</sup>

(5) The insolvency professional or interim resolution professional or resolution professional, as the case may be, 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;
- (iii) delay in filing the form.]

<sup>134</sup>**[40C. Special provision relating to time-line.**

Notwithstanding the time-lines contained in these regulations, but subject to the provisions in the Code, the period of lockdown imposed by the Central Government in the wake of Covid-19 outbreak shall not be counted for the purposes of the time-line for any activity that could not be completed due to such lockdown, in relation to a corporate insolvency resolution process.]

<sup>133</sup>Subs. by Notification No. IBBI/2020-21/GN/REG056 dated 20<sup>th</sup> April, 2020 (w.e.f. 25.03.2020). Before substitution, it stood as “(4) The filing of a Form under this regulation after 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 1<sup>st</sup> April, 2020.

Example: A Form is required to be filed by 29<sup>th</sup> April, 2020. It shall be filed along with fee as under:

If filed on	Fee (in Rupees)
28 <sup>th</sup> April, 2020	0
29 <sup>th</sup> April, 2020	0
30 <sup>th</sup> April, 2020	500
Any day in May, 2020	1000
Any day in June, 2020	1500 <sup>''</sup>

<sup>134</sup> Inserted by Notification No. IBBI/2020-21/GN/REG059 dated 20<sup>th</sup> April, 2020 (w.e.f. 29.03.2020)

<sup>135</sup>**[40D. Decision for liquidation.**

(1) The committee while considering the liquidation of the corporate debtor may consider factors including but not limited to non-operational status for preceding three years, goods produced or service offered or technology employed being obsolete, absence of any assets, lack of any intangible assets or factors which bring value as a going concern over and above the physical assets like brand value, intellectual property, accumulated losses, depreciation, investments that are yet to mature.

(2) Such consideration may be recorded and submitted in the application for liquidation submitted by the resolution professional to the Adjudicating Authority.]

<sup>136</sup>**[SCHEDULE-I ]**<sup>137</sup>**[FORM A**

PUBLIC ANNOUNCEMENT

*(Under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)*

FOR THE ATTENTION OF THE CREDITORS OF [NAME OF CORPORATE DEBTOR]

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<sup>135</sup> Inserted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>136</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>137</sup>Substituted by Notification No. IBBI/2018-19/GN/REG031, dated 3<sup>rd</sup> July, 2018 (w.e.f. 04-07-2018).

<b>RELEVANT PARTICULARS</b>		
1.	Name of corporate debtor	
2.	Date of incorporation of corporate debtor	
3.	Authority under which corporate debtor is incorporated / registered	
4.	Corporate Identity No. / Limited Liability Identification No. of corporate debtor	
5.	Address of the registered office and principal office (if any) of corporate debtor	
6.	Insolvency commencement date in respect of corporate debtor	
7.	Estimated date of closure of insolvency resolution process	
8.	Name and registration number of the insolvency professional acting as interim resolution professional	
9.	Address and e-mail of the interim resolution professional, as registered with the Board	
10.	Address and e-mail to be used for correspondence with the interim resolution professional	
11.	Last date for submission of claims	
12.	Classes of creditors, if any, under clause (b) of sub-section (6A) of section 21, ascertained by the interim resolution professional	Name the class(es)
13.	Names of Insolvency Professionals identified to act as Authorised Representative of creditors in a class (Three names for each class)	1. 2. 3.
14.	(a) Relevant Forms and (b) Details of authorized representatives are available at:	Web link:..... Physical Address:.....

Notice is hereby given that the National Company Law Tribunal has ordered the commencement of a corporate insolvency resolution process of the [name of the corporate debtor] on [insolvency commencement date].

The creditors of [name of the corporate debtor], are hereby called upon to submit their claims with proof on or before [insert the date falling fourteen days from the appointment of the interim resolution professional] to the interim resolution professional at the address mentioned against entry No. 10.

The financial creditors shall submit their claims with proof by electronic means only. All other creditors may submit the claims with proof in person, by post or by electronic means.

A financial creditor belonging to a class, as listed against the entry No. 12, shall indicate its choice of authorised representative from among the three insolvency professionals listed against entry No.13 to act as authorised representative of the class [specify class] in Form CA.

**Submission of false or misleading proofs of claim shall attract penalties.**

Name and Signature of Interim Resolution Professional :  
Date and Place :

**FORM AA**

**WRITTEN CONSENT TO ACT AS RESOLUTION PROFESSIONAL**

(Under Regulation 3(1A) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

[Date]

From  
[Name of the insolvency professional]  
[Registration number of the insolvency professional]  
[Address of the insolvency professional registered with the Board]



To  
The Committee of Creditors  
[name of corporate debtor]

**Subject: Written Consent to act as resolution professional.**

I, [name], an insolvency professional enrolled with [name of insolvency professional agency] and registered with the Board, note that the committee proposes to appoint me as resolution professional under section 22(3)(a) / 22(3)(b) / 27(2) of the Code for corporate insolvency resolution process of [name of the corporate debtor].

2. In accordance with regulation 3(1A) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, I hereby give consent to the proposed appointment.

3. I declare and affirm as under: -

- a. I am registered with the Board as an insolvency professional.
- b. I am not subject to any disciplinary proceedings initiated by the Board or the Insolvency Professional Agency.
- c. I do not suffer from any disability to act as a resolution professional.
- d. I am eligible to be appointed as resolution professional of the corporate debtor under regulation 3 and other applicable provisions of the Code and regulations.
- e. I shall make the disclosures in accordance with the code of conduct for insolvency professionals as set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016;
- f. I am having the following processes in hand:

Sl. No.	Role as	No. of Processes on the date of Consent
1	Interim Resolution Professional	
2	Resolution Professional of a. Corporate Debtors b. Individuals	
3	Liquidator of a. Liquidation Processes b. Voluntary Liquidation Processes	
4	Bankruptcy Trustee	
5	Authorised Representative	
6	Any other (Please state)	

Date:  
Place:

(Signature of the insolvency professional)  
Registration No. ....

**FORM AB**  
**WRITTEN CONSENT TO ACT AS AUTHORISED REPRESENTATIVE**  
(Under Regulation 4A(3) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

[Date]

From  
[Name of the insolvency professional]  
[Registration number of the insolvency professional]  
[Registered address of the insolvency professional]

To  
The Interim Resolution Professional  
[name of corporate debtor]

**Subject: Written Consent to act as authorized representative.**

I, [name], an insolvency professional enrolled with [name of insolvency professional agency] and registered with the Board, note that you have proposed to appoint me as the authorized representative of financial creditors in a class [specify class] in the corporate insolvency resolution process of [name of the corporate debtor].

2. In accordance with regulation 4(A) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, I hereby give my consent to the proposed appointment.

3. I declare and affirm as under: -

- a. I am registered with the Board as an insolvency professional.
- b. I am not subject to any disciplinary proceedings initiated by the Board or the Insolvency Professional Agency.
- c. I do not suffer from any disability to act as an authorized representative.
- d. I shall not canvass with the creditors to indicate their choice in my favour in Form CA.
- e. I am having the following processes in hand:

Sl. No.	Role as	No. of Processes on the date of Consent
1	Interim Resolution Professional	
2	Resolution Professional of a. Corporate Debtors b. Individuals	
3	Liquidator of a. Liquidation Processes b. Voluntary Liquidation Processes	
4	Bankruptcy Trustee	
5	Authorised Representative	
6	Any other (Please state)	

Date:

(Signature of the insolvency professional)

Place:

Registration No. ....]

<sup>138</sup>[**SCHEDULE-I**]  
**FORM B**

PROOF OF CLAIM BY OPERATIONAL CREDITORS EXCEPT WORKMEN AND EMPLOYEES

*(Under Regulation 7 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)*

[Date]

To

The Interim Resolution Professional / Resolution Professional

[Name of the Insolvency Resolution Professional / Resolution Professional]

[Address as set out in public announcement]

From

[Name and address of the operational creditor]

**Subject:** Submission of proof of claim.

Madam/Sir,

[Name of the operational creditor], hereby submits this proof of claim in respect of the corporate insolvency resolution process in the case of [name of corporate debtor]. The details for the same are set out below:

<b>PARTICULARS</b>	
1.	NAME OF OPERATIONAL CREDITOR
2.	IDENTIFICATION NUMBER OF OPERATIONAL CREDITOR  (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION. IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)

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<sup>138</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

PARTICULARS	
3.	ADDRESS AND EMAIL ADDRESS OF OPERATIONAL CREDITOR FOR CORRESPONDENCE
4.	TOTAL AMOUNT OF CLAIM  (INCLUDING ANY INTEREST AS AT THE INSOLVENCY COMMENCEMENT DATE)
5.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED.
6.	DETAILS OF ANY DISPUTE AS WELL AS THE RECORD OF PENDENCY OR ORDER OF SUIT OR ARBITRATION PROCEEDINGS
7.	DETAILS OF HOW AND WHEN DEBT INCURRED
8.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM
9.	<sup>139</sup> [ DETAILS OF:  a. any security held, the value of security and its date, or  b. any retention of title arrangement in respect of goods or properties to which the claim refers]
10.	DETAILS OF THE BANK ACCOUNT TO WHICH THE AMOUNT OF THE CLAIM OR ANY PART THEREOF CAN BE TRANSFERRED PURSUANT TO A RESOLUTION PLAN
11.	LIST OF DOCUMENTS ATTACHED TO THIS PROOF OF CLAIM IN ORDER TO PROVE THE

<sup>139</sup>Substituted by Notification No. IBBI/2019-20/GN/REG052, dated 27<sup>th</sup> November, 2019 (w.e.f. 28.11.2019). Before substitution, it stood as under: "DETAILS OF ANY RETENTION OF TITLE ARRANGEMENTS IN RESPECT OF GOODS OR PROPERTIES TO WHICH THE CLAIM REFERS".

PARTICULARS	
	EXISTENCE AND NON-PAYMENT OF CLAIM DUE TO THE OPERATIONAL CREDITOR
Signature of operational creditor or person authorised to act on his behalf <i>[Please enclose the authority if this is being submitted on behalf of an operational creditor]</i>	
Name in BLOCK LETTERS	
Position with or in relation to creditor	
Address of person signing	

\*PAN number, passport, AADHAAR Card or the identity card issued by the Election Commission of India

#### 140[DECLARATION

I, *[Name of claimant]*, currently residing at *[insert address]*, hereby declare and state as follows:-

1. *[Name of corporate debtor]*, the corporate debtor was, at the insolvency commencement date, being the.....day of.....20....., actually indebted to me in the sum of Rs. *[insert amount of claim]*.
2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below: *[Please list the documents relied on as evidence of claim]*.
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief and no material facts have been concealed therefrom.
4. In respect of the said sum or any part thereof, neither I nor any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:

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<sup>140</sup> Substituted by Notification No. IBBI/ 2017-18/GN/REG030, dated 27<sup>th</sup> March, 2018 (w.e.f. 01-04-2018) for Affidavit and Verification.

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim].*

Date:

Place:

(Signature of the claimant)

#### VERIFICATION

I, *[Name]* the claimant hereinabove, do hereby verify that the contents of this proof of claim are true and correct to my knowledge and belief and no material fact has been concealed therefrom.

Verified at ... on this ..... day of ....., 20...

(Signature of the claimant)

*[Note: In the case of company or limited liability partnership, the declaration and verification shall be made by the director/manager/secretary and in the case of other entities, an officer authorised for the purpose by the entity].*

#### <sup>141</sup>[SCHEDULE-I]

#### <sup>142</sup>[FORM C]

#### SUBMISSION OF CLAIM BY FINANCIAL CREDITORS

(Under Regulation 8 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

[Date]

From

*[Name and address of the financial creditor, including address of its registered office and principal office]*

To

The Interim Resolution Professional / Resolution Professional

*[Name of the Insolvency Resolution Professional / Resolution Professional]*

*[Address as set out in public announcement]*

**Subject: Submission of claim and proof of claim.**

Madam/Sir,

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<sup>141</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

<sup>142</sup>Substituted by Notification No. IBBI/2020-21/GN/REG070, dated 15<sup>th</sup> March, 2021 (w.e.f. 15.03.2021).

[Name of the financial creditor], hereby submits this claim in respect of the corporate insolvency resolution process of [name of corporate debtor]. The details for the same are set out below:

Relevant Particulars		
(1)	(2)	(3)
1.	Name of the financial creditor	
2.	Identification number of the financial creditor (If an incorporated body, provide identification number and proof of incorporation. If a partnership or individual provide identification records* of all the partners or the individual)	
3.	Address and email address of the financial creditor for correspondence	
4.	Details of claim, if it is made against corporate debtor as principal borrower: (i) Amount of claim (ii) Amount of claim covered by security interest, if any (Please provide details of security interest, the value of the security, and the date it was given) (iii) Amount of claim covered by guarantee, if any (Please provide details of guarantee held, the value of the guarantee, and the date it was given) (iv) Name and address of the guarantor(s)	
5.	Details of claim, if it is made against corporate debtor as guarantor: (i) Amount of claim (ii) Amount of claim covered by security interest, if any (Please provide details of security interest, the value of the security, and the date it was given) (iii) Amount of claim covered by guarantee, if any (Please provide details of guarantee held, the value of the guarantee, and the date it was given) (iv) Name and address of the principal borrower	
6.	Details of claim, if it is made in respect of financial debt covered under clauses (h) and (i) of sub-section (8) of section 5 of the Code, extended by the creditor: (i) Amount of claim (ii) Name and address of the beneficiary	
7.	Details of how and when debt incurred	
8.	Details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim	
9.	Details of the bank account to which the amount of the claim or any part thereof can be transferred pursuant to a resolution plan	
(Signature of financial creditor or person authorised to act on its behalf)		

[Please enclose the authority if this is being submitted on behalf of the financial creditor]
Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

\*PAN, passport, AADHAAR Card or the identity card issued by the Election Commission of India.

**DECLARATION**

I, [Name of claimant], currently residing at [insert address], do hereby declare and state as follows:

1. [Name of corporate debtor], the corporate debtor was, at the insolvency commencement date, being the.....day of.....20....., actually indebted to me for a sum of Rs. [insert amount of claim].
2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below: [Please list the documents relied on as evidence of claim].
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief and no material facts have been concealed therefrom.
4. In respect of the said sum or any part thereof, neither I, nor any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:  
[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim].
5. I undertake to update my claim as and when the claim is satisfied, partly or fully, from any source in any manner, after the insolvency commencement date.
6. I am / I am not a related party of the corporate debtor, as defined under section 5 (24) of the Code.
7. I am eligible to join committee of creditors by virtue of proviso to section 21 (2) of the Code even though I am a related party of the corporate debtor.

Date:

Place:

(Signature of the claimant)

**VERIFICATION**

I, [Name] the claimant hereinabove, do hereby verify that the contents of this proof of claim are true and correct to my knowledge and belief and no material fact has been concealed therefrom.

Verified at ... on this ..... day of ....., 20....

(Signature of claimant)

[Note: In the case of company or limited liability partnership, the declaration and verification shall be made by the director/manager/secretary/designated partner and in the case of other entities, an officer authorised for the purpose by the entity.]



**FORM CA**  
**SUBMISSION OF CLAIM BY FINANCIAL CREDITORS IN A CLASS**  
(Under Regulation 8A of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)

[Date]

From

[Name and address of the financial creditor, including address of its registered office and principal office]

To

The Interim Resolution Professional / Resolution Professional

[Name of the Insolvency Resolution Professional / Resolution Professional]

[Address as set out in public announcement]

**Subject: Submission of claim and proof of claim.**

Madam/Sir,

[Name of the financial creditor], hereby submits this claim in respect of the corporate insolvency resolution process of [name of corporate debtor]. The details for the same are set out below:

RELEVANT PARTICULARS	
1.	Name of the financial creditor
2.	Identification number of the financial creditor  (If an incorporated body, provide identification number and proof of incorporation. If a partnership or individual, provide identification records of all the partners or the individual)
3.	Address and e-mail address of the financial creditor for correspondence.
4.	Total amount of claim (in Rs.)

5.	Details of documents by reference to which the debt can be substantiated	
6.	Details of how and when debt incurred	
7.	Details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim	
8.	Details of any security held, the value of the security, and the date it was given	
9.	Details of the bank account to which the amount of the claim or any part thereof can be transferred pursuant to a resolution plan	
10.	List of documents attached to this claim in order to prove the existence and non-payment of claim due	
11.	Name of the insolvency professional who will act as the Authorised representative of creditors of the class	

Signature of financial creditor or person authorised to act on its behalf  
 [Please enclose the authority if this is being submitted on behalf of the financial creditor]

Name in BLOCK LETTERS

Position with or in relation to creditor

Address of person signing

\*PAN number, passport, AADHAAR Card or the identity card issued by the Election Commission of India.

### DECLARATION

I, [Name of claimant], currently residing at [insert address], do hereby declare and state as follows: -

1. [Name of corporate debtor], the corporate debtor was, at the insolvency commencement date, being the.....day of.....20....., actually indebted to me for a sum of Rs. [insert amount of claim].

2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below: [Please list the documents relied on as evidence of claim].
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief and no material facts have been concealed therefrom.
4. In respect of the said sum or any part thereof, neither I, nor any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:  
[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim].
5. I am / I am not a related party of the corporate debtor, as defined under section 5 (24) of the Code.
6. I am eligible to give voting instruction to the authorized representative by virtue of proviso to section 21 (2) of the Code even though I am a related party of the corporate debtor.

Date:

Place:

(Signature of the claimant)

#### VERIFICATION

I, [Name] the claimant hereinabove, do hereby verify that the contents of this proof of claim are true and correct to my knowledge and belief and no material fact has been concealed therefrom.

Verified at ... on this ..... day of ....., 20...

(Signature of claimant)

[Note: In the case of company or limited liability partnership, the declaration and verification shall be made by the director/manager/secretary/designated partner and in the case of other entities, an officer authorized for the purpose by the entity.]

### <sup>143</sup>[**SCHEDULE-I**] **FORM D**

#### PROOF OF CLAIM BY A WORKMAN OR AN EMPLOYEE

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<sup>143</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

*(Under Regulation 9 of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)*

[Date]

To

The Interim Resolution Professional / Resolution Professional

[Name of the Insolvency Resolution Professional / Resolution Professional]

[Address as set out in public announcement]

From

[Name and address of the workman / employee]

**Subject:** Submission of proof of claim.

Madam/Sir,

[Name of the workman / employee], hereby submits this proof of claim in respect of the corporate insolvency resolution process in the case of [name of corporate debtor]. The details for the same are set out below:

PARTICULARS		
1.	NAME OF WORKMAN / EMPLOYEE	
2.	PANNUMBER, PASSPORT, THE IDENTITY CARD ISSUED BY THE ELECTION COMMISSION OF INDIA OR AADHAAR CARD OF WORKMAN / EMPLOYEE	
3.	ADDRESS AND EMAIL ADDRESS (IF ANY) OF WORKMAN / EMPLOYEE FOR CORRESPONDENCE	
4.	TOTAL AMOUNT OF CLAIM  (INCLUDING ANY INTEREST AS AT THE INSOLVENCY COMMENCEMENT DATE)	
5.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE CLAIM CAN BE SUBSTANTIATED.	
6.	DETAILS OF ANY DISPUTE AS WELL AS THE RECORD OF PENDENCY OR ORDER OF SUIT OR ARBITRATION PROCEEDINGS	

<b>PARTICULARS</b>		
7.	DETAILS OF HOW AND WHEN CLAIM AROSE	
8.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM	
9.	DETAILS OF THE BANK ACCOUNT TO WHICH THE AMOUNT OF THE CLAIM OR ANY PART THEREOF CAN BE TRANSFERRED PURSUANT TO A RESOLUTION PLAN	
10.	LIST OF DOCUMENTS ATTACHED TO THIS PROOF OF CLAIM IN ORDER TO PROVE THE EXISTENCE AND NON-PAYMENT OF CLAIM DUE TO THE OPERATIONAL CREDITOR	

Signature of workman / employee or person authorised to act on his behalf  
*[Please enclose the authority if this is being submitted on behalf of an operational creditor]*

Name in BLOCK LETTERS

Position with or in relation to creditor

Address of person signing

#### <sup>144</sup>**[DECLARATION**

I, *[Name of claimant]*, currently residing at *[insert address]*, do hereby declare and state as follows:-

<sup>144</sup>Substituted by Notification No. IBBI/ 2017-18/ GN/ REG030, dated 27<sup>th</sup> March 2018 (w.e.f. 01-04-2018) for Affidavit and Verification.

1. [*Name of corporate debtor*], the corporate debtor was, at the insolvency commencement date, being the.....day of.....20....., actually indebted to me in the sum of Rs. [*insert amount of claim*].
2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below: [*Please list the documents relied on as evidence of claim*].
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief and no material facts have been concealed therefrom.
4. In respect of the said sum or any part thereof, neither I, nor any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:  
[*Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim*].

Date:

Place:

(Signature of the claimant)

#### VERIFICATION

I, [*Name*] the claimant hereinabove, do hereby verify that the contents of this proof of claim are true and correct to my knowledge and belief and no material fact has been concealed therefrom.

Verified at ... on this ..... day of ....., 20...

(Signature of claimant).]

#### <sup>145</sup>[*Schedule-I*] **FORM E**

PROOF OF CLAIM SUBMITTED BY AUTHORISED REPRESENTATIVE OF WORKMEN AND EMPLOYEES

*(Under Regulation 9 of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)*

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<sup>145</sup> Substituted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022) Before substitution the words stood as –“Schedule”.

[Date]

To

The Interim Resolution Professional / Resolution Professional,  
[Name of the Insolvency Resolution Professional / Resolution Professional]  
[Address as set out in public announcement]

From

[Name and address of the duly authorised representative of the workmen / employees]

**Subject:** Submission of proofs of claim.

Madam/Sir,

I, [name of authorised representative of the workmen / employees], currently residing at [address of authorised representative of the workmen / employees], on behalf of the workmen and employees employed by the above named corporate debtor and listed in Annexure A, solemnly affirm and say:

1. That the above named corporate debtor was, at the insolvency commencement date, being the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_, justly truly indebted to the several persons whose names, addresses, and descriptions appear in the Annexure A below in amounts severally set against their names in such Annexure A for wages, remuneration and other amounts due to them respectively as workmen or/ and employees in the employment of the corporate debtor in respect of services rendered by them respectively to the corporate debtor during such periods as are set out against their respective names in the said Annexure A.
2. That for which said sums or any part thereof, they have not, nor has any of them, had or received any manner of satisfaction or security whatsoever, save and except the following:

[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim.]

Deponent

#### ANNEXURE

1. Details of Employees/ Workmen

S No.	NAME OF EMPLOYEE/ WORKMAN	IDENTIFICATION NUMBER (PAN NUMBER, PASSPORT OR AADHAAR CARD)	TOTAL AMOUNT DUE (Rs.)	PERIOD WHICH DUE	OVER AMOUNT
1.					
2.					
3.					
4.					

2. Particulars of how debt was incurred by the corporate debtor, including particulars of any dispute as well as the record of pendency of suit or arbitration proceedings (if any).
3. Particulars of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim.

**ATTACHMENTS:**

<sup>146</sup>[Documents relied as evidence as proof of debt and as proofs of non-payment of debt.]

**<sup>147</sup>[DECLARATION**

I, [*Name of claimant*], currently residing at [*insert address*], do hereby declare and state as follows:-

1. [*Name of corporate debtor*], the corporate debtor was, at the insolvency commencement date, being the.....day of.....20....., actually indebted to me in the sum of Rs. [*insert amount of claim*].
2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below: [*Please list the documents relied on as evidence of claim*].
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief and no material facts have been concealed therefrom.

<sup>146</sup>Substituted by Notification No. IBBI/ 2017-18/ GN/ REG030, dated 27<sup>th</sup> March, 2018 (w.e.f. 01-04-2018).

<sup>147</sup>Substituted by Notification No. IBBI/ 2017-18/ GN/ REG030, dated 27<sup>th</sup> March, 2018 (w.e.f. 01-04-2018) for Affidavit and Verification.



4. In respect of the said sum or any part thereof, neither I, nor any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim].*

Date:

Place:

(Signature of the claimant)

#### VERIFICATION

I, *[Name]* the claimant hereinabove, do hereby verify that the contents of this proof of claim are true and correct to my knowledge and belief and no material fact has been concealed therefrom.

Verified at ... on this ..... day of ....., 20...

(Signature of the claimant)]

#### <sup>148</sup>[FORM F]

#### PROOF OF CLAIM BY CREDITORS (OTHER THAN FINANCIAL CREDITORS AND OPERATIONAL CREDITORS)

*[Under Regulation 9A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016]*

Date .....

To

The Interim Resolution Professional / Resolution Professional

*[Name of the Insolvency Resolution Professional / Resolution Professional]*

*[Address as set out in public announcement]*

From

*[Name and address of the creditor]*

**Subject:** Submission of proof of claim.

Madam / Sir,

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<sup>148</sup>Inserted by Notification No. IBBI/2017-18/ GN/REG013, dated 16<sup>th</sup> August, 2017 (w.e.f. 16-8-2017).

I, [*Name of the creditor*], hereby submit the following proof of claim in respect of the corporate insolvency resolution process in the case of [*name of corporate debtor*]. The details of the same are set out below:

**PARTICULARS**

1.	Name of the creditor	
2.	Identification number of the creditor (If an incorporated body corporate, provide identification number and proof of incorporation. If a partnership or individual, provide identification record* of all partners or the individuals)	
3.	Address and email address of the creditor for correspondence	
4.	Description of the claim (Including the amount of the claim as at the insolvency commencement date)	
5.	Details of documents by reference to which claim can be substantiated	
6.	Details of how and when the claim arose	
7.	Details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim	
8.	Details of: a. any security held, the value of security and its date, or b. retention title arrangement in respect of goods or properties to which the claim refers	
9.	Details of bank account to which the amount of the claim or any part thereof can be transferred pursuant to a resolution plan	
10.	List of documents attached to this claim in order to prove the existence and non-satisfaction of claim due to the creditor	
Signature of the creditor or any person authorised to act on his behalf (Please enclose the authority if this is being submitted signed on behalf of the creditor)		
Name in BLOCK LETTERS		
Position with or in relation to the creditor		
Address of the person signing		

\* PAN, Passport, AADHAAR or the identity card issued by the Election Commission of India.

<sup>149</sup>**[DECLARATION**

I, [*Name of claimant*], currently residing at [*insert address*], do hereby declare and state as follows:-

1. [*Name of corporate debtor*], the corporate debtor was, at the insolvency commencement date, being the.....day of.....20....., actually indebted to me in the sum of Rs. [*insert amount of claim*].
2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below: [*Please list the documents relied on as evidence of claim*].
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief and no material facts have been concealed therefrom.
4. In respect of the said sum or any part thereof, neither I, nor any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:

[*Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the creditor which may be set-off against the claim*].

Date:

Place:

(Signature of the claimant)

**VERIFICATION**

I, [*Name*] the claimant hereinabove, do hereby verify that the contents of this proof of claim are true and correct to my knowledge and belief and no material fact has been concealed therefrom.

Verified at ... on this ..... day of ....., 20...

(Signature of the claimant)

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<sup>149</sup>Subs. by Notification No. IBBI/ 2017-18/ GN/ REG030, dated 27<sup>th</sup> March, 2018 (w.e.f. 01-04-2018) for Affidavit and Verification.

*[Note: In the case of company or limited liability partnership, the declaration and verification shall be made by the director/manager/secretary and in the case of other entities, an officer authorised for the purpose by the entity].]*

<sup>150</sup>**[FORM FA**  
**APPLICATION FOR WITHDRAWAL OF CORPORATE INSOLVENCY RESOLUTION PROCESS**  
[Under Regulation 30A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for  
Corporate Persons) Regulations, 2016]

[Date]

To  
The Adjudicating Authority

[Through the Interim Resolution Professional / Resolution Professional]  
[name of corporate debtor]

**Subject: Withdrawal of Application admitted for corporate insolvency resolution process of** [name of corporate debtor]

I, [Name of applicant], had filed an application bearing [particulars of application, i.e, diary number/ case number] on [Date of filing] before the Adjudicating Authority under [Section 7 / Section 9/ Section 10] of the Insolvency and Bankruptcy Code, 2016. The said application was admitted by the Adjudicating Authority on [date] bearing [case number].

2. I hereby withdraw the application bearing [particulars of application, i.e, diary number/ case number] filed by me before the Adjudicating Authority under [Section 7 / Section 9/Section 10] of the Insolvency and Bankruptcy Code, 2016.

3. I attach the required bank guarantee as per sub-regulation (2) of regulation 30A.

(Signature of the applicant)

Date:

Place:

[Note: In the case of company or limited liability partnership, the declaration and verification shall be made by the director/manager/secretary/designated partner and in the case of other entities, an officer authorised for the purpose by the entity].]

<sup>151</sup>**[FORM G**  
**INVITATION FOR EXPRESSION OF INTEREST FOR**  
**[NAME OF CORPORATE DEBTOR] OPERATING IN [INDUSTRY TYPE] AT**  
**[LOCATION(S)]**

(Under Regulation 36A(1) of the Insolvency and Bankruptcy Board of India (Insolvency  
Resolution Process for Corporate Persons) Regulations, 2016)

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<sup>150</sup> Substituted by Notification No. IBBI/2019-20/GN/REG048, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

<sup>151</sup> Substituted by Notification No. IBBI/2022-23/GN/REG093, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<b>RELEVANT PARTICULARS</b>		
1.	Name of the corporate debtor along with PAN/ CIN/ LLP No.	
2.	Address of the registered office	
3.	URL of website	
4.	Details of place where majority of fixed assets are located	
5.	Installed capacity of main products/ services	
6.	Quantity and value of main products/ services sold in last financial year	
7.	Number of employees/ workmen	
8.	Further details including last available financial statements (with schedules) of two years, lists of creditors, relevant dates for subsequent events of the process are available at:	
9.	Eligibility for resolution applicants under section 25(2)(h) of the Code is available at:	
10.	Last date for receipt of expression of interest	
11.	Date of issue of provisional list of prospective resolution applicants	
12.	Last date for submission of objections to provisional list	
13.	Process email id to submit EOI	

Signature of the Resolution Professional  
Registration Number of the Resolution Professional  
Registered Address of the Resolution Professional  
For (Name of the Corporate Debtor)  
(Date and Place)]

**FORM H  
COMPLIANCE CERTIFICATE**

(Under Regulation 39(4) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

I, [Name of the resolution professional], an insolvency professional enrolled with [name of insolvency professional agency] and registered with the Board with registration number [registration number], am the resolution professional for the corporate insolvency resolution process (CIRP) of [name of the corporate debtor (CD)].

2. The details of the CIRP are as under:

Sl. No.	Particulars	Description
1	Name of the CD	
2	Date of Initiation of CIRP	
3	Date of Appointment of IRP	
4	Date of Publication of Public Announcement	
5	Date of Constitution of CoC	
6	Date of First Meeting of CoC	
7	Date of Appointment of RP	
8	Date of Appointment of Registered Valuers	
9	Date of Issue of Invitation for EoI	
10	Date of Final List of Eligible Prospective Resolution Applicants	
11	Date of Invitation of Resolution Plan	
12	Last Date of Submission of Resolution Plan	
13	Date of Approval of Resolution Plan by CoC	
14	Date of Filing of Resolution Plan with Adjudicating Authority	
15	Date of Expiry of 180 days of CIRP	
16	Date of Order extending the period of CIRP	
17	Date of Expiry of Extended Period of CIRP	
18	Fair Value	
19	Liquidation value	
20	Number of Meetings of CoC held	

3. I have examined the Resolution Plan received from Resolution Applicant (.....) and approved by Committee of Creditors (CoC) of [Name of the corporate debtor].

4. I hereby certify that-

(i) the said Resolution Plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (Code), the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and does not contravene any of the provisions of the law for the time being in force.

(ii) the Resolution Applicant (.....) has submitted an affidavit pursuant to section 30(1) of the Code confirming its eligibility under section 29A of the Code to submit resolution plan. The contents of the said affidavit are in order.

(iii) the said Resolution Plan has been approved by the CoC in accordance with the provisions of the Code and the CIRP Regulations made thereunder. The Resolution Plan has been approved by [state the number of votes by which Resolution Plan was approved by CoC] % of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the CIRP Regulations.

(iv) The voting was held in the meeting of the CoC on [state the date of meeting] where all the members of the CoC were present.

or

I sought vote of members of the CoC by electronic voting system which was kept open at least for 24 hours as per the regulation 26.

[strike off the part that is not relevant]

5. The list of financial creditors of the CD [state the name of CD] being members of the CoC and distribution of voting share among them is as under:

Sl. No.	Name of Creditor	Voting Share (%)	Voting for Resolution Plan (Voted for / Dissented / Abstained)

6. The Resolution Plan includes a statement under regulation 38(1A) of the CIRP Regulations as to how it has dealt with the interests of all stakeholders in compliance with the Code and regulations made thereunder.

<sup>152</sup>7. The amounts provided for the stakeholders under the Resolution Plan is as under:

(Amount in Rs. lakh)

Sl. No.	Category of Stakeholder*	Sub-Category of Stakeholder	Amount Claimed	Amount Admitted	Amount Provided under the Plan#	Amount Provided to the Amount Claimed (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21				
		(b) Other than (a) above:				

<sup>152</sup> Substituted by Notification No. IBBI/2019-20/GN/REG/052 dated 27<sup>th</sup> Nov., 2019 (w.e.f. 28.11.2019).

		(i) who did not vote in favour of the resolution Plan				
		(ii) who voted in favour of the resolution plan				
		Total[(a) + (b)]				
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21				
		(b) Other than (a) above:				
		(i) who did not vote in favour of the resolution Plan				
		(ii) who voted in favour of the resolution plan				
		Total[(a) + (b)]				
3	Operational Creditors	(a) Related Party of Corporate Debtor				
		(b) Other than (a) above:				



		(i)Government (ii)Workmen  (iii)Employees  (iv) .....				
		Total[(a) + (b)]				
4	Other debts and dues					
Grand Total						

\*If there are sub-categories in a category, please add rows for each sub-category.

# Amount provided over time under the Resolution Plan and includes estimated value of non-cash components. It is not NPV.]

8. The interests of existing shareholders have been altered by the Resolution plan as under:

Sl. No	Category of Share Holder	No. of Shares held before CIRP	No. of Shares held after the CIRP	Voting Share (%) held before CIRP	Voting Share (%) held after CIRP
1	Equity				
2	Preference				
3					

9. The compliance of the Resolution Plan is as under:

Section of the Code / Regulation No.	Requirement with respect to Resolution Plan	Clause of Resolution Plan	Compliance (Yes / No)
25(2)(h)	Whether the Resolution Applicant meets the criteria approved by the CoC having regard to the complexity and scale of operations of business of the CD?		
Section 29A	Whether the Resolution Applicant is eligible to submit resolution plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority?		
Section 30(1)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible?		
<sup>153</sup> [Section 30(2)]	Whether the Resolution Plan-  (a) provides for the payment of insolvency resolution process costs?  (b) provides for the payment to the operational creditors?  (c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan?		

<sup>153</sup> Substituted by Notification No. IBBI/2019-20/GN/REG052, dated 27<sup>th</sup> November, 2019 (w.e.f. 28-11-2019).

	(d) provides for the management of the affairs of the corporate debtor?  (e) provides for the implementation and supervision of the resolution plan?  (f) contravenes any of the provisions of the law for the time being in force?]		
Section 30(4)	Whether the Resolution Plan (a) is feasible and viable, according to the CoC? (b) has been approved by the CoC with 66% voting share?		
Section 31(1)	Whether the Resolution Plan has provisions for its effective implementation plan, according to the CoC?		
<sup>154</sup> [***]			
<sup>155</sup> [Regulation 38(1)]	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors?]		
Regulation 38(1A)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders?		
<sup>156</sup> [Regulation 38(1B)]	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code.  (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?]		
Regulation 38(2)	Whether the Resolution Plan provides: (a) the term of the plan and its implementation schedule? (b) for the management and control of the business of the corporate debtor during its term? (c) adequate means for supervising its implementation?		
38(3)	Whether the resolution plan demonstrates that –  (a) it addresses the cause of default? (b) it is feasible and viable? (c) it has provisions for its effective implementation? (d) it has provisions for approvals required and the timeline for the same? (e) the resolution applicant has the capability to implement the resolution plan?		
39(2)	Whether the RP has filed applications in respect of transactions observed, found or determined by him?		
<sup>157</sup> [Regulation 39(4)]	Provide details of performance security received, as referred to in sub-regulation (4A) of regulation 36B.]		

<sup>154</sup> Omitted by Notification No IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021).

<sup>155</sup> Substituted by Notification No. IBBI/2019-20/GN/REG048, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

<sup>156</sup>Substituted by Notification No. IBBI/2019-20/GN/REG/040 dated 24<sup>th</sup> January, 2019 (w.e.f. 24-01-2019).

<sup>157</sup>Substituted by Notification No. IBBI/2019-20/GN/REG/040 dated 24<sup>th</sup> January, 2019 (w.e.f. 24-01-2019).

10. The CIRP has been conducted as per the timeline indicated as under:

Section of the Code / Regulation No.	Description of Activity	Latest Timeline under regulation 40A	Actual Date
Section 16(1)	Commencement of CIRP and Appointment of IRP	T	T
Regulation 6(1)	Publication of Public Announcement	T+3	
Section 15(1)(c) / Regulation 12 (1)	Submission of Claims	T+14	
Regulation 13(1)	Verification of Claims	T+21	
Section 26(6A) / Regulation 15A	Application for Appointment of Authorised Representative, if necessary	T+23	
Regulation 17(1)	Filing of Report Certifying Constitution of CoC	T+23	
Section 22(1) and regulation 17(2)	First Meeting of the CoC	T+30	
Regulation 35A	Determination of fraudulent and other transactions	T+115	
Regulation 27	Appointment of two Registered Valuers	T+47	
[ <sup>158</sup> Regulation 36 (1)	Submission of Information Memorandum to CoC	T+54]	
Regulation 36A	Invitation of EoI	T+75	
	Publication of Form G	T+75	
	Provisional List of Resolution Applicants	T+100	
	Final List of Resolution Applicants	T+115	
Regulation 36B	Issue of Request for Resolution Plan, which includes Evaluation Matrix and Information Memorandum to Resolution Applicants	T+105	
Section 30(6) / Regulation 39(4)	Submission of CoC approved Resolution Plan	T+165	
Section 31(1)	Approval of Resolution Plan	T=180	

11. The time frame proposed for obtaining relevant approvals is as under:

Sl. No.	Nature of Approval	Name of applicable Law	Name of Authority who will grant Approval	When to be obtained
1				
2				
3				

12. The Resolution Plan is not subject to any contingency.

or

The Resolution Plan is subject to the following contingencies (Elaborate the contingencies):

- i.....
- ii.....

<sup>158</sup>Substituted by Notification No. IBBI/2019-20/GN/REG048, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

13. Following are the deviations / non-compliances of the provisions of the Insolvency and Bankruptcy Code, 2016, regulations made or circulars issued thereunder (If any deviation/ non-compliances were observed, please state the details and reasons for the same):

Sl. No.	Deviation/Non-compliance observed	Section of the Code / Regulation No. / Circular No.	Reasons	Whether rectified or not
1				
2				
3				

14. The Resolution Plan is being filed ..... days before the expiry of the period of CIRP provided in section 12 of the Code.

<sup>159</sup>[14A. Whether the resolution professional has, in accordance with regulation 35A,-

- (a) applied to the Adjudicating Authority on or before the one hundred and thirty-fifth day of the insolvency commencement date: Yes / No
- (b) filed Form CIRP 8 with the Board on or before the one hundred and fortieth day of the insolvency commencement date: Yes / No]

15. Provide details of section 66 or avoidance application filed / pending.

Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
1	Preferential transactions under section 43			
2	Undervalued transactions under section 45			
3	Extortionate credit transactions under section 50			
4	Fraudulent transactions under section 66			

<sup>160</sup>[15A. The committee has approved a plan providing for contribution under regulation 39B as under:

- a. Estimated liquidation cost: Rs.....
- b. Estimated liquid assets available: Rs.....
- c. Contributions required to be made: Rs.....
- d. Financial creditor wise contribution is as under:

<sup>159</sup> Inserted by Notification No. IBBI/2021-22/GN/REG075, dated 14<sup>th</sup> July, 2021 (w.e.f. 14-07-2021).

<sup>160</sup> Substituted by Notification No. IBBI/2019-20/GN/REG048, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

Sl. No.	Name of financial creditor	Amount to be contributed (Rs.)
1		
2		
..		
Total		

15B. The committee has recommended under regulation 39C as under:

- a. Sale of corporate debtor as a going concern: Yes / No  
b. Sale of business of corporate debtor as a going concern: Yes / No

The details of recommendation are available with the resolution professional.

15C. The committee has fixed, in consultation with the resolution professional, the fee payable to the liquidator during the liquidation period under regulation 39D.]

16. I (Name of Resolution Professional) hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed therefrom.

(Signature)

Name of the Resolution Professional:

IP Registration No:

Address as registered with the Board:

Email id as registered with the Board:

Date:

Place:]

**<sup>161</sup>[Schedule-II**

*(Under Regulation 34B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016)*

**Minimum Fixed Fee.**

1. Minimum fixed fee as per the table -1 below shall be paid to the interim resolution professional or the resolution professional, as the case may be, for the period mentioned in clause 2:

**Table-1: Minimum Fixed Fee Structure**

Quantum of Claims Admitted	Minimum Fee Per Month (Rs. lakh)
(i) Less than or equal to Rs. 50 crore	1.00
(ii) More than Rs.50 crore but less than or equal to Rs.500 crore	2.00

<sup>161</sup> Inserted by Notification No. IBBI/2022-23/GN/REG091, dated 13<sup>th</sup> September, 2022 (w.e.f. 13-09-2022)

(iii) More than Rs.500 crore but less than or equal to Rs.2,500 crore	3.00
(iv) More than Rs.2,500 crore but less than or equal to Rs.10,000 crore	4.00
(v) More than Rs.10,000 crore	5.00

**Period for minimum fixed fee.**

2. The minimum fixed fee shall be applicable for the period, from appointment as interim resolution professional or resolution professional, till the time of –

- (a) submission of application for approval of resolution plan under section 30;
- (b) submission of application to liquidate the corporate debtor under section 33;
- (c) submission of application for withdrawal under section 12A; or
- (d) order for closure of corporate insolvency resolution process;

whichever is earlier.

**Performance-linked incentive fee for timely resolution.**

3. In cases where resolution plan is submitted to the Adjudicating Authority within the time period given in table-2 from the insolvency commencement date, performance-linked incentive fee as per table-2 may be paid to the resolution professional, after approval of such resolution plan by the Adjudicating Authority on commencement of payment to creditors by the resolution applicant.

**Table-2: Performance-linked incentive fee for timely resolution**

Time period from insolvency commencement date	Fee as % of Realisable Value
(i) Less than or equal to 165 days	1.00
(ii) More than 165 days but less than or equal to 270 days	0.75
(iii) More than 270 days but less than or equal to 330 days	0.50
(iv) More than 330 days	0.00

**Performance-linked incentive fee for value maximisation.**

4. The performance-linked incentive fee for value maximisation may be paid to the resolution professional at the rate of one per cent of the amount by which the realisable value is higher than the liquidation value, after approval of the resolution plan by Adjudicating Authority on commencement of payment to creditors by the resolution applicant.

Explanation: For the purposes of clause 3 and clause 4, “realisable value” means the amount payable to creditors in the resolution plan approved under section 31.

**Illustration -**

A corporate debtor having liquidation value of twenty crore rupees was resolved and the realisable value to creditors was one hundred crore rupees. The resolution plan was submitted to the Adjudicating Authority on 170th day from the insolvency commencement date. The committee has decided to pay the performance-linked incentive fees under clause 3 and 4.

In this case, fee payable to the resolution professional shall be as under:

- (i) Performance-linked incentive fee for timely resolution: 0.75% of Rs. 100 crore = Rs.75 lakh, and
- (ii) Performance-linked incentive fee for value maximisation: 1.00% of Rs. 80 crore (Rs.100 crore – Rs.20 crore) = Rs.80 lakh.]

(Dr. M. S. Sahoo)  
Chairperson  
Insolvency and Bankruptcy Board of India

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (EMPLOYEES' SERVICE)  
REGULATIONS, 2017<sup>1</sup>**

**[AMENDED UPTO 06-07-2022]**

**No. IBBI/2017-18/GN/REG 15.** - In exercise of the powers conferred by sub-sections (2) and (3) of section 194 read with section 240 of the Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy Board of India hereby makes the following regulations, namely: -

**CHAPTER I  
PRELIMINARY**

**1. Short title and commencement.**

- (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Employees' Service) Regulations, 2017.
- (2) These shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**

- (1) In these regulations, unless the context otherwise requires,-
  - (a) "Code" means the Insolvency and Bankruptcy Code, 2016;
  - (b) "decide" means decision by the Board through a circular and decided shall be construed accordingly;
  - (c) "dependent" means-
    - (i) parents and step parents (a female employee can have either her parents or her parents-in-law as dependent);
    - (ii) sisters, widowed sister, widowed daughter, minor brother;
    - (iii) children and step-children (son upto the age of 25 or till his marriage, whichever is earlier, and daughter till she gets married, and handicapped son);
    - (iv) divorced / abandoned or separated sisters and divorced / abandoned or separated daughters,  
whose income from all sources doesn't exceed Rs. 10,000/- per month or such other amount, as may be decided by the Board from time to time;
  - (d) "duty" includes-
    - (i) service as a probationer;
    - (ii) period during which an employee is on joining time or training authorized by the Board;
    - (iii) period spent on causal leave duly authorized by the Board;
  - (e) "employee" means an Officer, a Personal Assistant or a General Assistant, as referred in sub-regulation (1) of regulation 3, employed by the Board under these regulations;
  - (f) "family" means spouse of the employee and includes dependent, if any;
  - (g) "initial appointment" means an appointment of an individual for the first time in the services of the Board;
  - (h) "relative" means employee's father, mother, son, son's wife, brother, sister, daughter, daughter's husband and includes step-father, step-mother, step-son, step-daughter, step-brother and step-sister;
  - (i) "service" includes the period during which an employee is on duty as well as on leave duly authorised by a competent authority, but does not include any period during which

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<sup>1</sup> Vide Notification No. IBBI/2017-18/GN/ REG15, dated 24<sup>th</sup> August, 2017, published in the Gazette of India, Extraordinary, Part III, Sec.4, vide No. 327, dated 24<sup>th</sup> August, 2017 (w.e.f. 24.08.2017).



an employee is absent from duty without permission or overstays his leave, unless specifically permitted by the competent authority.

- (2) The words and expressions used herein and not defined in these Regulations, but defined in the Code shall have the meanings respectively assigned to them in the Code.

## **CHAPTER II**

### **APPOINTMENT, PROBATION AND TERMINATION OF SERVICE**

#### **3. Classification and appointment of employees.**

(1) The Board may have employees in the following Positions and Grades:-

- (a) Officers (Grades A, B, C, D, E, F and Executive Director);
- (b) Personal Assistant (Grade-I, Grade-II and Grade-III);
- (c) General Assistant (Grade -I, Grade-II and Grade-III).

(2) The Board shall decide from time to time the maximum number of employees in each Grade and each position.

(3) An appointment in any Grade shall be made by the Board at its discretion and no individual shall have a right to be appointed to any particular Grade or Position.

#### **4. Recruitment.**

(1) Recruitments, including promotions under regulation 13, shall be made against vacant positions.

(2) The method of recruitment to and eligibility for various Grades and Positions shall be as specified in the Schedule-I:

Provided that the Board may relax any or all specifications in the Schedule-I, for reasons to be recorded in writing.

#### **5. Initial Appointments to be made on minimum pay.**

An initial appointment shall be made at the minimum pay of the Grade to which the appointment is made.

#### **6. Probation.**

(1) An employee shall be on probation for two years on initial appointment in the Grade.

(2) The Board may, if it considers it necessary, extend the period of probation up to one year for unsatisfactory performance or reduce or dispense with period of probation for reasons to be recorded in writing.

(3) Save as otherwise provided in this regulation, an employee shall be deemed to have been confirmed in the post to which he has been appointed on successful completion of the period of probation.

(4) An employee on initial appointment may be discharged without assigning any reason at one day's notice during the first month of his probation and at one month's notice or on payment of pay of the notice period in lieu thereof thereafter.

#### **7. Commencement of service.**

Except as otherwise provided by or under these Regulations, "service" of an employee shall be deemed to commence from the working day on which an employee reports for duty:

Provided that if he reports in the afternoon, his service shall commence from the next following working day.

#### **8. Resignation from service.**

(1) An employee may resign from the services of the Board by giving notice to the Board, in writing of his intention to leave or discontinue the service.

(2) The period of notice under sub-regulation (1) shall be one month for an employee, if he is on probation on initial appointment, and three months in all other cases.

(3) An employee shall not be entitled to set off any leave in his credit against the period of such notice.

- (4) The Board may allow an employee to resign without giving notice under sub-regulation (1) or (2), if the employee pays to the Board a sum equal to his pay for the period of notice: Provided that the Board may waive or reduce the period of notice or payment under this regulation, for reasons to be recorded in writing.
- (5) Notwithstanding anything contained in sub-regulation (1), the resignation of an employee shall not be effective unless it is accepted by the Board.
- (6) Resignation of the employee may be refused-
  - (a) if any disciplinary proceeding is pending or is proposed to be instituted against him;
  - (b) if he is under an obligation to serve the Board for a certain period which has not yet expired;
  - (c) if he owes the Board any sums of money; or
  - (d) for any other sufficient ground to be recorded in writing.

#### **9. Superannuation and retirement.**

- (1) An employee shall retire on the last day of the month when he completes 60 years of age:

Provided that in case he attains the age of superannuation on the first day of a calendar month, he shall retire on the last day of the preceding month.
- (2) Notwithstanding sub-regulation (1), the Board may retire an employee on or at any time after the completion of 55 years of age or 30 years of service, whichever is earlier, by giving him three months' notice in writing:

Provided that a due process given in Schedule-II shall be followed to decide to retire an employee.
- (3) An employee may, if he so desires, and subject to terms of appointment to the contrary, if any, retire from service on completion of 50 years of age or 20 years of service in the Board, by giving three months' notice to the Board in writing.
- (4) The Board may offer a scheme, subject to such terms and conditions as it may decide, to its employees for voluntary retirement from the services of the Board.

#### **10. Liquidated damages.**

Notwithstanding anything contained in these Regulations, the Board may require an employee to pay liquidated damages, if he fails to serve the required number of years after acquiring a training.

### **CHAPTER III**

#### **RECORD OF SERVICE, SENIORITY AND PROMOTION**

##### **11. Record of service.**

A record of service of service of employees shall be maintained in such form and shall contain such information as may be decided by the Board.

##### **12. Seniority.**

- (1) An employee confirmed in the services of the Board shall rank for seniority in his Grade, according to the date of his appointment in that Grade.
- (2) On direct recruitment or on promotion, an employee shall rank for seniority among the employees selected along with him in the same batch according to the ranking assigned to him at the time of selection or promotion as the case may be.
- (3) Every year the Board shall prepare a list of the employees in its service showing their names in the order of their seniority and a copy of such list shall be made available to each employee.

##### **13. Promotion.**

- (1) Promotion of an employee shall be made at the discretion of the Board and notwithstanding his seniority in a Grade, no employee shall have a right to be promoted to any particular Position or Grade.
- (2) Promotions of Officers to a higher Grade shall be made on consideration of merit-cum-seniority.
- (3) Promotions of Assistants to a higher Grade shall be made on consideration of seniority-cum-merit.

## **CHAPTER IV PAY, ALLOWANCES AND OTHER BENEFITS**

<sup>2</sup>[\*\*\*]

### **15. Pay, allowances and other benefits.**

- (1) The Board, shall at its discretion, decide from time to time the pay and allowances of employees in each Position and each Grade.
- (2) The Board, may at its discretion, from time to time frame such schemes and allow such other benefits for the welfare of the employees on such terms and conditions as it may decide.
- (3) Allowances shall be payable to employees for the duration who fulfill the conditions subject to which they are admissible.

### **16. Gratuity.**

- (1) An employee shall be eligible for gratuity on -
  - (a) retirement;
  - (b) death;
  - (c) disablement rendering him unfit for further service;
  - (d) resignation after completing five years of continuous service; or
  - (e) termination of service in any other way (except by way of punishment) after completion of five years of service.
- (2) The amount of gratuity payable to an employee shall be such as may be decided by the Board.

### **17. Pension.**

- (1) An employee shall subscribe to the National Pension System.
- (2) The Board shall contribute such amount for each employee to the National Pension System as decided by it from time to time.

### **18. Cessation of pay and allowances.**

- (1) Pay and allowances shall cease to accrue from the date the employee ceases to be in service of the Board.
- (2) In the case an employee is dismissed, removed or compulsorily retired from the Board's service, the pay and allowances shall cease from the date of his dismissal, removal or compulsory retirement.

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<sup>2</sup>Regulation 14 omitted by Notification no. IBBI/2017-18/GN/REG 026, dated 26<sup>th</sup> March, 2018 (w.e.f.26-03-2018) published in Gazette of India, Extra., Part III, Sec.4, 118, dated 26<sup>th</sup> March 2018. Regulation 14, before omission, stood as under:

#### **“14. Entitlement.**

- (1) An employee on deputation to the Board shall have option to draw either pay, allowances and other benefits applicable to the Grade he is appointed or the pay, allowances and other benefits applicable to him in his parent organization.
- (2) An employee other than an employee on deputation to the Board shall be entitled to pay, allowances and other benefits provided in this chapter.”

(3) In the case of an employee who dies while in service, the pay and allowances shall cease from the day following the day on which the death occurs.

**19. Increments.**

(1) Every employee shall be entitled to an annual increment in the scale of pay applicable to the Grade.

(2) The increment shall be admissible on 1<sup>st</sup> January in case of an employee appointed or promoted during 2<sup>nd</sup> January and 1<sup>st</sup> July (both inclusive) of the previous year and on 1<sup>st</sup> July, in case of other employees.

(3) An increment shall not be withheld except as a disciplinary measure under regulation 51.

(4) The Board may grant stagnation increments to an employee who has reached the last stage in the scale of pay.

**20. Fixation of pay on promotion.**

The pay of an employee promoted to a higher Grade shall be fixed at the stage in the higher scale of pay which is next above his pay he was drawing in the earlier scale.

**21. Hometown.**

(1) Every employee shall on his appointment declare his hometown in writing to the Board and if such hometown is not his place of birth, he must establish the same to the satisfaction of the Board.

(2) No employee shall be allowed to alter the hometown declared under sub-regulation (1) unless he satisfies the Board that the change is bonafide:

Provided that the hometown cannot be changed more than once in entire service.

## **CHAPTER V LEAVE AND JOINING TIME**

**22. Leave not a matter of right.**

(1) Leave cannot be claimed as a matter of right.

(2) The Board may refuse to grant leave to an employee, may revoke leave already granted to an employee or may recall an employee on leave when the exigencies of the service so require.

**23. Kinds of leave.**

(1) Subject to the provisions of these Regulations, the following kinds of leave may be granted to an employee:

(a) Casual leave and Special casual leave,

(b) Ordinary leave,

(c) Sick leave,

(d) Maternity leave or Paternity leave, as the case may be,

(e) Extraordinary leave,

(f) Accident leave, and

(g) Any other leave, as may be allowed by the Board from time to time.

(2) Full pay is admissible in case of leave of the kind mentioned in clauses (a), (b) or (d) of sub-regulation (1).

(3) Half-pay is admissible in case of leave of the kind mentioned in clause (c) of sub-regulation (1).

(4) No pay is admissible in case of leave of the kind mentioned in clause (e) of sub-regulation (1).

(5) Full pay is admissible for the first four months and half pay for the rest of the period in case of leave of the kind mentioned in clause (f) of sub-regulation (1).

**24. Lapse of leave on cessation of service.**

Save as otherwise specifically provided in these Regulations, leave at the credit of an employee lapses on the date on which he ceases to be in service.

**25. Obligation to furnish Leave address.**

An employee shall, before proceeding on leave, intimate to the Board his address with telephone number while on leave, and shall keep the Board informed of any change in the address previously furnished.

**26. Leave not admissible to an employee under suspension.**

Leave may not be granted to an employee under suspension or against whom disciplinary proceedings are pending.

**27. Casual leave.**

(1) An employee shall be eligible for casual leave up to a maximum of 12 working days in a year.

(2) When an employee is employed for part of a year, he shall be eligible for casual leave at the rate of one day for each completed month during that year.

(3) No casual leave may be availed of, except with prior sanction of the authority competent to sanction:

Provided that if for any genuine reason, it is not possible for an employee to obtain such permission in advance, he shall intimate his absence within 24 hours.

(4) Casual leave cannot be suffixed or prefixed with any other kind of leave except with special casual leave.

(5) An employee shall not take casual leave for less than half day or more than 5 days at a time.

(6) The casual leave, which has not been availed of at the end of the Calendar year, shall be credited to the extent of 50% of such leave not availed of, to the ordinary leave account of the concerned employee and fraction, if any, in such cases shall be ignored.

**28. Special casual leave.**

(1) An employee may be granted special casual leave for not more than 45 days-

(i) when the absence from duty is necessitated by quarantine orders of the Board in consequence of any infectious disease in the family or household of any employee; or

(ii) when the absence of an employee is due to him having sustained a bodily injury while on duty and the absence is supported by certificate from the Medical Officer authorized by the Board; or

(iii) when there are other exceptional circumstances necessitating the grant of special casual leave.

(2) An employee may be granted special leave for undergoing family planning operation, subject to production of Medical Certificate-

(a) in case of female employees:

(i) 14 days for tubectomy / laparoscopy

(ii) 1 day on the day on which the husband undergoes vasectomy

(iii) 1 day on the day of IUD insertion / reinsertion; and

(b) in case of male employees:

(i) 6 days for vasectomy operation

(ii) 7 days when the wife undergoes tubectomy / laparoscopy:

Provided that special casual leave sanctioned under this clause may be clubbed with any other leave, except casual leave.

**29. Ordinary leave.**

(1) An employee shall be entitled to ordinary leave at the rate of 30 days for every year of service subject to a maximum accumulation of 300 days and the leave so earned shall be credited to the ordinary leave account of the employee half yearly on 1<sup>st</sup> January and 1<sup>st</sup>

July respectively in each year at the rate of 15 days for every 6 months of service rendered by such employee:

Provided that if an employee renders less than 6 month of service in any half year, he shall be credited with one day for every 12 days of service.

(2) No employee shall earn ordinary leave for the period when he is on leave for a continuous period of more than 6 months.

(3) The period of ordinary leave, which can be taken at one time by an employee shall not be less than five days in case he has balance of casual leave sufficient to cover the leave period.

(4) An application for grant of ordinary leave shall be submitted to the Board fifteen days in advance from the date of availing the leave.

(5) An employee may encash ordinary leave once in two years for a minimum period of 10 days and a maximum period of 30 days:

Provided that at the time of such encashment, the balance of leave at his credit after the leave is availed shall not be less than the leave so encashed.

(6) If an employee dies during the service or is declared by a Medical Officer authorized by the Board, to be completely and permanently incapacitated for further service, his legal heirs, in case of death of an employee, shall be entitled to cash equivalent to unavailed ordinary leave to his credit as on the date of death, incapacitation, as the case may be, by the Board.

(7) Notwithstanding sub-regulation (5), an employee , who resigns from service after giving notice of resignation in terms of regulation 8, shall be entitled to encashment of half of the period of ordinary leave at his credit as on the date of resignation subject to a maximum of five months ordinary leave.

(8) Notwithstanding anything contained in these Regulations, where an employee has ordinary leave but not availed of as on the date of retirement, he shall, at his option be permitted to avail the leave or be paid a lump sum amount equivalent to the pay as on the date of his retirement, for a maximum period of 10 months.

### **30. Sick leave.**

(1) An employee shall be entitled to sick leave on half pay, on production of medical certificate, at the rate of 20 days for every Calendar year of service subject to a maximum of 540 days during the entire service.

(2) An employee may be granted sick leave during the first year of his service at the rate of one day for every 18 days of service.

(3) Production of a medical certificate may not be insisted upon if sick leave to be granted does not exceed three days.

(4) An employee who has availed sick leave for more than three days for reasons of health shall produce a medical certificate of fitness before he resumes duty even though such leave was not actually granted on a medical certificate.

(5) An employee, who has served the Board for at least a period of three years, may be permitted to avail, during the full period of his service, sick leave on full pay up to a maximum period of nine months and such leave shall be entered in his sick leave account as twice the amount of leave taken by him.

### **31. Maternity leave and paternity leave.**

(1) A female employee shall be entitled to maternity leave for a period not exceeding-

(a) 180 days at a time for birth of a child;

(b) 20 days (including stay in hospital) for undergoing hysterectomy operation;

(c) 45 days during the entire service in case of miscarriage, including abortion, on production of medical certificate.

- (2) The Board may grant leave of any other kind admissible to the female employee in combination with, or in continuation of maternity leave under sub-regulation (1), if the request for its grant is supported by requisite medical certificate.
- (3) A male employee with less than two surviving children shall be entitled to leave for a period of fifteen days per child in a single instance, from fifteen days prior to the delivery or up to six months from the date of such delivery or six months from the date of adoption in case he has adopted a child through proper legal process.
- (4) The Board may grant leave of any other kind admissible to the male employee in combination with, or in continuation of leave under sub-regulation (3) other than casual leave and special casual leave.

**32. Accident leave.**

Accident Leave may be granted to an employee who sustains an injury in the course of the performance of his duties, including while on tour, for the period for which leave is certified by the Medical Officer authorized by the Board to be necessary for recovery from the injury.

**33. Extraordinary leave.**

- (1) Extraordinary Leave may be granted in exceptional circumstances to an employee when no other leave is due or admissible to him:  
Provided that the duration of extraordinary leave shall not exceed 90 days on any one occasion and 360 days during the entire service.
- (2) Extraordinary leave may be granted in combination with, or in continuation of leave of any other kind admissible to the employee.
- (3) The period of Extraordinary leave shall not counted for service benefits and increments:  
Provided that, in cases where the authority competent to sanction leave is satisfied that the leave was taken because of illness or for any other cause beyond the employee's control, it may direct that the period of extraordinary leave may count for increments.

**34. Joining time.**

- (1) Joining time up to 7 days may be granted to an employee to enable him to join a new office to which he is posted which involves change of headquarters.
- (2) Where an employee does not avail the entire joining time, the un-availed joining time shall be added to the ordinary leave account of the employee.

## **CHAPTER – VI CONDUCT, DISCIPLINE AND APPEALS**

**35. Definitions.**

For the purpose of this Chapter, -

- (a) “Competent Authority” means-
  - (i) Chairperson, in the case of Executive Directors,
  - (ii) Whole Time Member, in the case of officers in Grades D to F,
  - (iii) Executive Director, in the case of officer in Grades A to C, and
  - (iv) Chief General Manager (Human Resources), in the case of other employees;
- (b) “Appellate Authority” means-
  - (i) the Board, where the Chairperson is the Competent Authority,
  - (ii) the Chairperson, where the Whole Time Member is the Competent Authority,
  - (iii) the Whole Time Member, where Executive Director is the Competent Authority, and
  - (iv) the Executive Director, where Chief General Manager (Human Resources) is the competent authority.

**36. Scope of an employee's service.**

- (1) Unless distinctly provided, an employee shall be at the disposal of the Board and shall serve the Board in such capacity and at such place as he may be directed from time to time.
- (2) An employee shall not absent from his station overnight or absent from his duties without having obtained prior permission of the Board.
- (3) An employee, who absents from duty without leave or overstays leave or joining time, shall not be entitled to draw any pay and allowances during such absence or over stay, and shall further be liable to disciplinary measures and the period of such absence or overstay may, if not followed by discharge under sub-regulation (4) of regulation 6 or compulsory retirement or removal or dismissal under regulation 52, be treated as period spent on extraordinary leave.
- (4) An employee, who is habitually late in attendance, shall forfeit half day casual leave for each day he is late, in addition to such other penalty as the Board may deem fit to impose:  
Provided that where such an employee has no casual leave due to him, the period of leave to be so forfeited may be treated as ordinary or extraordinary leave by the Board.

**37. Liability to abide by regulations and directions.**

An employee shall conform to and abide by these regulations and shall observe and comply with all directions of the Board.

**38. Obligation to maintain secrecy.**

- (1) An employee shall maintain strictest secrecy regarding the Board's affairs and shall not divulge or disclose, directly or indirectly, any information of a confidential nature or relating to the working of the Board to a member of the public or of the Board's employees or to his friends or relatives, unless compelled to do so by judicial or other authority, or unless instructed to do so by the Board in the discharge of his duties.
- (2) No employee shall make use of any information emanating from the Board or otherwise which has come to his knowledge in the discharge of his official duties for his personal benefit or for the benefit of his friends or relatives.

**39. Employees to promote Board's interest.**

- (1) An employee shall serve the Board honestly and faithfully and shall use his utmost endeavor to promote the interests of the Board and shall show utmost courtesy and attention in all transactions and dealings with the public, officers of Government and the Board.
- (2) Every employee shall at all times-
  - (a) maintain absolute integrity, good conduct and discipline;
  - (b) maintain devotion and diligence to duty; and
  - (c) do nothing which is unbecoming of an employee/ public servant.
- (3) No employee shall in his official dealings with the public or otherwise adopt dilatory tactics or willfully cause delays in disposal of the work assigned to him.
- (4) No employee shall, in the performance of his official duties or in the exercise of powers conferred on him, act otherwise than in his best judgment except when he is acting under the direction of the Board.
- (5) An employee shall take all possible steps to ensure the integrity and devotion to duty of all employees for the time being under his control and supervision.
- (6) No employee shall bring or attempt to bring any political or other outside influence to bear upon any officers of the Board to further his interests in respect of matters pertaining to his services in the Board.
- (7) No employee shall address any appeal, representation or petition to any outside authority or person in respect of a matter pertaining to the employees' service in the Board.



- (8) No employee shall make any statement of fact or opinion which has the effect of an adverse criticism of any current or recent policy or action of the Board or Government in any media, including social media.
- (9) No employee shall engage himself or participate in any demonstration or join or be a member of an association, the objects or activities which is prejudicial to the interests of the Board, sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order and safety, decency or morality, or which involves contempt of court, defamation or incitement of an offence.
- (10) No employee shall, except with the prior approval of the Board, ask for or accept a contribution to or otherwise associate himself with the raising of any funds or other collections in cash or in kind in pursuance of any objective whatsoever.
- (11) An employee shall not use his official position for any personal favour for himself or his family members or his relatives or friends.
- (12) An employee shall strictly abide by any law relating to intoxicants or drugs in force in any area in which he may happen to be posted for the time being. It is also the duty of the employee to see that the performance of his duty is not affected in any way by the influence of any intoxicant or drug and he does not appear in public place in a state of intoxication.
- (13) An employee shall so manage his private affairs as to avoid habitual indebtedness or insolvency.
- (14) An employee, against whom any legal proceeding is instituted for the recovery of any debt due from him or for adjudging him as an insolvent, shall forthwith report the full facts of the legal proceedings.

**40. Prohibition against participation in politics and standing for election.**

No employee shall take active part in politics or in any political demonstration, or stand for election as a member of a municipal council, district board or any other local body or any legislative body.

**41. Prohibition against joining certain associations and strikes.**

No employee shall-

- (a) become be a member or office-bearer of, or be otherwise directly or indirectly associated with, any trade union; or
- (b) resort to, or in any way abet, any form of strike or participate in any violent, unseemly or indecent demonstration.

**42. Contributions to the press.**

(1) No employee shall contribute to the press or make public or publish any document, paper or information which may come in his possession in his official capacity without the prior sanction of the Board.

(2) No employee shall, except with the prior approval of the Board, publish or cause to be published any book or any similar printed matter of which he is the author or not, or deliver talk or lecture in any public meeting or otherwise:

Provided that no such approval is required, if such broadcast or contribution or publication is of a purely literary, artistic, scientific, professional, cultural, educational, religious or social character.

**43. Employee not to seek outside employment.**

No employee shall accept, solicit, or seek any outside employment or office, whether stipendiary or honorary, without the previous sanction of the Board.

**44. Employment after retirement.**

(1) No employee, who has retired from service, shall, within a period of two years from the date when he ceases to be in the Board's service, accept or undertake a commercial employment except with the previous approval of the Board:

Provided, however, before refusing approval, the employee shall be given a hearing and a copy of the decision taken shall be communicated to him.

(2) While granting approval under sub-regulation (1), the Board reserves the right to impose such conditions as may be necessary having regard to circumstances.

(3) The approval or notice for hearing before refusal under this regulation shall be communicated to the employee by the Board within a period of 90 days from the date of receipt of the application for such approval, failing which the approval shall be deemed to have been granted.

**45. Employment with a service provider.**

(1) No employee shall use his position or influence directly or indirectly to secure employment in any service provider registered with the Board, for any person.

(2) An employee shall report to the Board in case any of his relatives accepts employment in any service provider registered with the Board.

**46. Giving evidence.**

(1) No employee shall, except with the previous approval of the Board, give evidence in connection with any enquiry conducted by any person, committee or Board.

(2) Where any approval has been accorded under sub-regulation (1), no employee giving such evidence shall criticize the policy or any action of the Central Government or State Government or the Board.

(3) Nothing in this regulation shall apply to any evidence given-

(a) at any enquiry before an authority appointed by the Central Government, State Government, Parliament or a State Legislature; or

(b) in any judicial enquiry; or

(c) at any enquiry ordered by the Board.

**47. Acceptance of gifts.**

(1) An employee shall not solicit or accept any gift or permit any member of his family or any person acting in his behalf to accept any gift from any person with whom the employee is likely to have official dealings either directly or indirectly or from any subordinate employee. Trivial gifts like small packets of sweets, diaries, calendars on the occasion of Diwali and New Year or a casual meal, lift or other social hospitality may, however, be exempted.

*Explanation.* -The expression "gift" shall include free transport, boarding, lodging or other service or any other pecuniary advantage, unless it is provided by a near relative or a personal friend having no official dealings with the employee or with the Board.

(2) On occasions such as marriages, anniversaries, funerals or religious functions when the making of gifts is in conformity with the prevailing religious or social practice, an employee may accept gifts from his personal friends having no official dealing with the employee or with the Board but he shall report to the Board within 30 days if the value of any of such gift exceeds Rs.10,000.

**48. Movable, immovable and valuable property.**

(1) An employee shall comply with the directions issued by the Central Government in accordance with the Lokpal and Lokayuktas Act, 2013.

(2) No employee shall, except with the previous intimation to the Board, acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise either in his own name or of any member of his family.

(3) Where an employee enters into a transaction in respect of a movable property, either in his own name or in the name of the member of his family, he shall within 30 days from the date of such transaction, report the same to the Board, if the value of such property exceeds two months basic pay of the employee:

Provided that that the prior approval shall be obtained by the employee, if any such transaction under sub-regulation (2) or (3) is with a person having official dealings with the employee. .

- (4) The Board may, at any time, by general or special order require an employee to furnish a full and complete statement of such movable or immovable property held or acquired by him or on his behalf or by any member of his family and source from which, such property was acquired as may be specified in the order.

**49. Conviction.**

- (1) An employee shall be liable to dismissal or to any of the other penalties referred to in regulation 51, if he is committed to prison or is convicted for an offence which, in the opinion of the Board, either involves gross moral turpitude or has a bearing on any of the affairs of the Board or on the discharge by the employee of his duties with the Board and the opinion in this respect of the Board shall be conclusive and binding on the employee, and such dismissal or other penalty may be imposed as from the date of his committal to prison or conviction and nothing in Regulation 52 and 54 shall apply to such imposition.
- (2) Where an employee has been dismissed in pursuance of sub-regulation (1) and the related conviction is set aside by a higher court and the employee is acquitted, he shall be reinstated in service.

**50. Prohibition of sexual harassment of women employee at work place.**

- (1) No employee shall indulge in any act of sexual harassment of any women employee at the work place.
- (2) For the purpose of sub-regulation (1), sexual harassment shall have the same meaning as assigned to it in the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.
- (3) Any complaint of violation of sub-regulation (1) shall be dealt with by the Internal Complaints Committee set up by the Board in accordance with the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder, provisions of which shall prevail in case of any conflict with these regulations.
- (4) The Internal Complaints Committee may evolve its own procedure for dealing with complaints received by it.
- (5) When the Internal Complaints Committee is of the opinion that there are grounds for inquiring into the truth of any such complaint, it shall initiate an inquiry into the truth thereof, after recording the reasons therefor.
- (6) Any inquiry initiated by the Internal Complaints Committee under sub-regulation (5) pursuant to any such complaint shall be deemed to be an inquiry within the meaning of regulation 52 and accordingly the Internal Complaints Committee shall be deemed to be an inquiry officer appointed with respect to such complaint and shall have all the powers, functions and duties of an inquiry officer as provided in that regulation.

**51. Penalties.**

- (1) Without prejudice to the other provisions of these Regulations, an employee who commits a breach of any regulation of the Board or who displays negligence, inefficiency or indolence, or who knowingly does anything detrimental to the interests of the Board or in conflict with its instructions, or who commits a breach of discipline or is guilty of any other act of misconduct, shall be liable to the following penalties:-
  - (a) censure;
  - (b) withholding of promotion;
  - (c) recovery from pay of the whole or part of any pecuniary loss caused to the Board by the employee by negligence or breach of orders;

- (d) reduction to a lower stage in the time scale of pay for a period not exceeding three years without cumulative effect;
  - (e) withholding of increments of pay;
  - (f) save as provided for in clause (d), reduction to a lower stage in the time scale of pay for a specified period with further directions as to whether or not the employee shall earn increments of pay during the period of such reduction and whether on the expiry of such period, the reduction shall or shall not have the effect of postponing the future increments of his pay;
  - (g) reduction to a lower time scale of pay, grade, post or service which shall ordinarily be a bar to the promotion of the employee to the time scale of pay, grade, post or service from which he was reduced, with or without further directions regarding conditions of restoration to the grade or post or service from which the employee was reduced and his seniority and pay on such restoration to that scale of pay, grade, post or service;
  - (h) compulsory retirement;
  - (i) removal from service which shall not be a disqualification for future employment;
  - (j) dismissal from service which shall ordinarily be a disqualification for future employment.
- (2) Penalties under clauses (a), (b), (c), (d) and (e) of sub-regulation (1) shall be classified as minor penalties, while under sub clauses (f), (g), (h), (i) and (j) shall be classified as major penalties:

Provided that the following shall not amount to a penalty within the meaning of this regulation, namely:

- (i) withholding of one or more increments of an employee on account of his failure to pass a specified departmental test or examination in accordance with the terms of appointment to the post which he holds;
- (ii) stoppage of pay of an employee at the efficiency bar in a time scale, on the ground of his unfitness to cross the bar;
- (iii) non-promotion whether in an officiating capacity or otherwise, of an employee, to a higher grade or post for which he may be eligible for consideration but for which he is found unsuitable after consideration of his case;
- (iv) reversion to a lower grade or post, of an employee officiating in higher grade or post, on the ground that he is considered to be unsuitable for such higher grade or post, or on administrative grounds unconnected with his conduct;
- (v) reversion to his previous grade or post, of an employee appointed on probation to another grade or post, during or at the end of the period of probation, in accordance with the terms of his appointment or regulations or orders governing such probation;
- (vi) termination of the service of an employee appointed on probation, during or at the end of the period of probation, in accordance with the terms of his appointment, or the regulations or orders governing such probation;
- (vii) termination of employment of an employee on medical grounds, if he is declared unfit to continue in the Board's service by the Medical Officer authorized by the Board; and
- (viii) retirement of an employee in accordance with the proviso to sub-regulation (2) of regulation 9.

## **52. Procedure for imposing major penalties.**

- (1) No order imposing any of the major penalties specified in regulation 51 shall be made except after an inquiry is held in accordance with this regulation.

- (2) Where it is proposed to hold an inquiry, the Competent Authority shall frame definite and distinct charges on the basis of the allegations against the employee and the articles of charge, together with a statement of the allegations, on which they are based, shall be communicated in writing to the employee, who shall be required to submit his statement of defence within such time as may be specified by the Competent Authority.
- (3) On receipt of the written statement of the employee, or if no such statement is received within the time specified, if it has been considered that there are grounds for inquiring into the truth of any imputation of misconduct or misbehavior against an employee, the Competent Authority may himself inquire into or appoint an inquiry officer to inquire into the truth thereof:
- Provided that it may not be necessary to hold an inquiry in respect of the articles of charge admitted by the employee in his written statement but it shall be necessary to record its findings on each such charge.
- (4) The Competent Authority shall, where it is not the Inquiry Officer, forward to the Inquiry Officer-
- (a) a copy of the articles of charges and statements of imputations of misconduct or misbehavior;
  - (b) a copy of the written statement of defence, if any submitted by the employee;
  - (c) a list of documents by which and list of witnesses by whom the articles of charge are proposed to be substantiated;
  - (d) a copy of statements of the witnesses, if any;
  - (e) evidence providing the delivery of articles of charge under sub-regulation (2);
  - (f) a copy of the order appointing the 'Presenting Officer' in terms of sub-regulation (5).
- (5) The Competent Authority may appoint an officer to be known as the "Presenting Officer" to present on its behalf the case in support of the articles of charge.
- (6) The employee may take the assistance of any other employee for his defence but may not engage a legal practitioner, for the purpose, unless the presenting officer appointed by the Competent Authority is a legal practitioner or Competent Authority having regard to the circumstances of the case, so permits.
- (7) The Inquiry Officer shall by notice in writing specify the day on which the employee shall appear in person before the Inquiry Officer.
- (8) The employee shall appear before the Inquiry Officer at the time, place and date specified in the notice and the Inquiry Officer shall ask the employee whether he pleads guilty or as any defence to make and, if he pleads guilty to any of the articles of charge, the Inquiry Officer shall record the plea, sign the record and obtain the signature of the employee concerned thereon.
- (9) The Inquiry Officer shall return a finding of guilt in respect of those articles of charge to which the employee concerned pleads guilty.
- (10) If the employee does not plead guilty, the Inquiry Officer shall adjourn the case to a later date not exceeding 30 days.
- (11) The Inquiry Officer shall, where the employee does not admit all or any of the articles of charge, furnish to such employee a list of documents by which, and a list of witness by whom, the articles of charge are proposed to be proved.
- (12) The Inquiry Officer shall also record an order that the employee may for the purpose of preparing his defence-
- (a) inspect within five days of the order or within such further time not exceeding five days as the inquiring officer may allow, the documents listed;
  - (b) submit a list of documents and witness that he wants for the inquiry;

- (c) be supplied with copies of statements or witnesses to be relied upon, if any, recorded earlier and the Inquiry Officer shall furnish such copies not later than three days before the commencement of the examination of the witnesses by the Inquiry Officer;
- (d) give a notice within ten days of the order or within such further time not exceeding ten days as the inquiring officer may allow for the discovery or production of the documents referred to in sub-clause (b).

NOTE: The relevancy of the documents and the examination of the witnesses referred to in sub-clause (b) shall be given by the employee concerned.

(13) The inquiry officer shall, on receipt of the notice for the discovery or production of the documents, forward the same or copies thereof to the officer in whose custody or possession the documents are kept with a requisition for the production of the documents on such date as may be specified.

(14) On the receipt of the requisition under sub regulation (11), the officer having the custody or possession of the requisitioned documents shall arrange to produce the same before the Inquiry Officer on the date, place and time specified in the requisition:

Provided that the officer having the custody or possession of the requisitioned documents may claim privilege if the production of such documents will be against the public interest or the interest of the Board. In that event, it shall inform the Inquiry Officer accordingly.

(15) On the date fixed for the inquiry, the oral or documentary evidence by which the articles of charge are proposed to be proved shall be produced by or on behalf of the Competent Authority.

(16) The witnesses produced by the Presenting Officer shall be examined by the Presenting Officer and may be cross-examined by or on behalf of the employee.

(17) The Presenting Officer shall be entitled to re-examine his witnesses on any points on which they have been cross - examined, but not on a new matter, without the leave of the inquiry officer and the inquiry officer may also put such questions to the witnesses.

(18) Before the close of the case, in support of the charges, the Inquiry Officer may, in its discretion, allow the Presenting Officer to produce evidence not included in charge sheet or may itself call for new evidence or recall or re-examine any witness and in such case the employee shall be given opportunity to inspect the documentary evidence before it is taken on record, or to cross-examine a witness, who has been so summoned.

(19) The Inquiry Officer may also allow the employee to produce new evidence, if it is of opinion that the production of such evidence is necessary in the interests of justice.

(20) When the case in support of the charges is closed, the employee may be required to state his defence, orally or in writing, as he may prefer and if the defence is made orally, it shall be recorded and the employee shall be required to sign the record:

Provided that in either case, a copy of the statement of defence shall be given to the Presenting officer, if any, appointed.

(21) The evidence on behalf of the employee shall then be produced.

(22) The employee may examine himself in his own behalf, if he so prefers and the witnesses produced by the employee shall then be examined by the employee and may be cross-examined by the Presenting Officer.

(23) The employee shall be entitled to re-examine any of his witnesses on any points on which they have been cross-examined, but not on any new matter without the leave of the Inquiry Officer.

(24) The inquiry officer may, after the employee closes his evidence, and shall, if the employee has not got himself examined, generally question him on the circumstances appearing against him in the evidence for the purpose of enabling the employee to explain any circumstances appearing in the evidence against him.

(25) After the completion of the production of the evidence, the employee and the Presenting Officer may file written briefs of their respective cases within 15 days of the date of completion of the production of evidence.

(26) If the employee does not submit the written statement of defence referred to in sub-regulation (2) on or before the date specified for the purpose or does not appear in person, or through the assisting officer or otherwise fails or refuses to comply with any of the provisions of these regulations, the Inquiry Officer may hold the inquiry ex-parte.

(27) Whenever any Inquiry Officer, after having heard and recorded the whole or any part of the evidence in an inquiry ceases to exercise jurisdiction therein, and is succeeded by another Inquiry Officer which has, and which exercises, such jurisdiction, the Inquiry Officer so succeeding may act on the evidence so recorded by its predecessor, or partly recorded by its predecessor and partly recorded by itself:

Provided that if the succeeding Inquiry Officer is of the opinion that further examination of any of the witnesses whose evidence has already been recorded is necessary in the interest of justice, it may recall, examine, cross-examine and re-examine any such witnesses as herein before provided.

(28) On the conclusion of the inquiry, the Inquiry Officer shall prepare a report which shall contain the following:-

- (a) a gist of the articles of charge and the statement of the imputations of misconduct or misbehavior;
- (b) a gist of the defence of the employee in respect of each article of charge;
- (c) an assessment of the evidence in respect of each article of charge; and
- (d) the findings on each article of charge and the reasons therefor.

**Explanation:** If, in the opinion of the Inquiry Officer the proceedings of the inquiry establish any article of charge different from the original article of charge, it may record its findings on such article of charge:

Provided that the findings on such article of charge shall not be recorded unless the employee has either admitted the facts on which such article of charge is based or has had a reasonable opportunity of defending himself against such article of charge.

(29) The Inquiry Officer, where it is not himself the Competent Authority, shall forward to the Competent Authority the records of inquiry which shall include -

- (a) the report of the inquiry prepared by it under sub-regulation (28);
- (b) the written statement of defence, if any, submitted by the employee referred to in sub regulation (20);
- (c) the oral and documentary evidence produced in the course of the inquiry;
- (d) written briefs referred to in sub-regulation (25), if any, and
- (e) the orders, if any, made by the Competent Authority and the Inquiry Officer in regard to the inquiry.

### **53. Action on the inquiry report.**

(1) The Competent Authority, if it is not itself the Inquiry Officer, may, for reasons to be recorded by it in writing, remit the case to the inquiry for fresh or further inquiry and report and the Inquiry Officer shall thereupon proceed to hold the further inquiry according to the provisions of regulation 52 as far as may be.

(2) The Competent Authority, shall, if it disagrees with the findings of the Inquiry Officer on any article of charge, record its reasons for such disagreement and record its own findings on such charge, if the evidence on record is sufficient for the purpose.

(3) If the Competent Authority, having regard to the findings on all or any of the articles of charge, is of the opinion that any of the penalties specified in regulation 51 should be

imposed on the employee it shall notwithstanding anything contained in regulation 54, make an order imposing such penalty.

(4) If the Competent Authority having regard to its findings on all or any of the articles of charge, is of the opinion that no penalty is called for, it may pass an order exonerating the employee concerned.

#### **54. Procedure for imposing minor penalties.**

(1) Where it is proposed to impose any of the minor penalties specified in clauses (a) to (e) of regulation 51, the employee concerned shall be informed in writing of the imputations of lapses against him and given an opportunity to submit his written statement of defence within a specified period not exceeding 15 days or such extended period as may be granted by the Competent Authority and the defence statement, if any, submitted by the employee shall be taken into consideration by the Competent Authority before passing orders.

(2) The record of the proceedings in such cases shall include-

- (a) a copy of the statement of imputations of lapses furnished to the employee;
- (b) the defence statement, if any, of the employee; and
- (c) the orders of the Competent Authority together with the reasons therefor.

(3) Where the Competent Authority is satisfied that an inquiry is necessary, it shall follow the procedure for imposing a major penalty as laid down in regulation 52.

#### **55. Communication of orders.**

Orders made by the Competent Authority under regulation 53 or regulation 54 shall be communicated to the employee concerned, who shall also be supplied with a copy of the report of inquiry, if any.

#### **56. Common proceedings.**

Where two or more employees are concerned in a case, the Competent Authority may make an order directing that the disciplinary proceedings against all of them may be taken in a common proceeding.

#### **57. Special procedure in certain cases.**

Notwithstanding anything contained in regulation 52 or regulation 53 or regulation 54, the Competent Authority may impose any of the penalties specified in regulation 51, if the facts on the basis of which action is to be taken, have been established in a Court of Law or where the employee has absconded or where it is for any other reason impracticable to communicate with him or where there are other difficulties in observing the requirements contained in regulation 52, 53 and 54 and the requirements can be waived without doing injustice to the employee:

Provided that in every case where all or any of the requirements of regulation 52, 53 and 54 are waived, the reasons for so doing shall be recorded in writing.

#### **58. Suspension.**

(1) An employee may be placed under suspension by the Competent Authority-

- (a) where a disciplinary proceeding against him is contemplated or is pending; or
- (b) where a case against him in respect of any criminal offence is under investigation, inquiry or trial.

(2) An employee shall be deemed to have been placed under suspension by an order of the Competent Authority -

- (a) with effect from the date of his detention, if he is detained in custody, whether on a criminal charge or otherwise, for a period exceeding 48 hours;



(b) with effect from the date of his conviction, if, in the event of a conviction for an offence, he is sentenced to a term of imprisonment and is forthwith not dismissed or removed or compulsorily retired consequent to such conviction.

**Explanation:** The period of 48 hours referred to in clause (b) of this sub-regulation shall be computed from the commencement of the imprisonment after the conviction and for that purpose, intermittent periods of imprisonment, if any, shall be taken into account.

(3) Where a penalty of dismissal, removal or compulsory retirement from service imposed upon an employee under suspension is set aside in appeal under these regulations and the case is remitted for further enquiry or action or with any other directions, the order of his suspension shall be deemed to have been continued in force on and from the date of original order of dismissal, removal or compulsory retirement and shall remain in force until further orders.

(4) Where a penalty of dismissal or removal or compulsory retirement from service imposed upon an employee is set aside or declared or rendered void in consequence of or by a decision of a court of law, and the Competent Authority, on a consideration of a circumstances of the case, decides to hold a further enquiry against him on the allegations on which a penalty of dismissal, removal or compulsory retirement was originally imposed, the employee shall be deemed to have been placed under suspension by the Competent Authority from the date of the original order of dismissal, removal or compulsory retirement and shall continue to remain under suspension until further orders:

Provided that no such further enquiry shall be ordered unless it is intended to meet a situation where the Court has passed an order purely on technical grounds without going into the merits of the case.

(5) An order of suspension made or deemed to have been made under these regulations may at any time be modified or revoked by the Competent Authority which made or is deemed to have made the order.

### **59. Subsistence allowance.**

(1) During suspension, an employee shall receive subsistence allowance equal to-

(a) fifty percent of his pay for the first six months of suspension; and

(b) seventy-five per cent of his pay for the period of suspension beyond six months:

Provided that the enhanced rate of subsistence allowance specified under sub-clause (b) shall be admissible only if the enquiry is not delayed for reasons attributable to the concerned employee or any of his representatives:

Provided further that if no penalty under regulation 51 is imposed, the employee shall be refunded the difference between the subsistence allowance and the emoluments which he would have received but for such suspension, for the period he was under suspension, and that, if a penalty is imposed on him under Regulation 51, no order shall be passed which shall have the effect of compelling him to refund such subsistence allowance.

(2) The period during which an employee is under suspension shall, if he is not dismissed or removed or compulsorily retired from service, be treated as period spent on duty or leave as the Competent Authority who passes the final order may direct.

### **60. Vigilance cases.**

Notwithstanding anything contained in regulations 51 to 59, the following additional provisions shall apply where it is alleged that an employee has been guilty of corrupt practices, namely:-

(a) where it is alleged that an employee is possessed of disproportionate assets or that he has committed an act of criminal misconduct or where the investigation and proof of the allegation would require the evidence of persons, who are not employees of the Board or where, in the opinion of the competent authority, the investigation into the allegations may be entrusted to the Central Bureau of Investigation or the Central Vigilance Commission or any other such agency as may be approved by the Board;

(b) if after considering the report of the investigation, the Competent Authority is satisfied that there is a prima facie case for instituting disciplinary proceedings against the employee, it may send the investigation report to the Central Vigilance Commission or such other authority as may be decided, for its advice whether disciplinary proceedings should be taken against the employee concerned;

(c) if after considering the advice of the Central Vigilance Commission or other authority, as the case may be, the Competent Authority is of the opinion that disciplinary proceedings should be instituted against the employee concerned, then notwithstanding the provisions of sub-regulation(3) of regulation 52, the enquiry under this regulation may be entrusted to a Commissioner for Departmental Inquiries or other person who may be nominated by the Central Vigilance Commission for this purpose;

(d) the Inquiry Officer shall submit his report to the competent authority and the report shall be forwarded to the Central Vigilance Commission for its advice as to whether the charge or charges as the case may be, can be considered to have been established and the penalty or penalties to be imposed under regulation 51 thereof;

(e) the penalty or penalties to be imposed shall be decided by the competent authority after considering the advice of the Central Vigilance Commission.

## **61. Appeal.**

(1) An employee may appeal against an order imposing upon him any of the penalties specified in regulation 51 or order of suspension under regulation 58 which shall lie before an Appellate Authority.

(2) An appeal shall be preferred to the Appellate Authority within 45 days from the date of receipt of the order appealed against.

(3) The Appellate Authority shall consider whether the findings are justified or whether the penalty is excessive or inadequate and pass appropriate orders.

(4) The Appellate Authority may pass an order confirming, enhancing, reducing or setting aside the penalty or remitting the case to the authority which imposed the penalty or to any other authority with such direction as it may deem fit in the circumstances of the case:

Provided that -

(i) if the enhanced penalty which the Appellate Authority proposed to impose is a major penalty specified in regulation 51 and an inquiry as provided in regulation 52 has not already been held in the case, the Appellate Authority shall direct that such an inquiry be held in accordance with the provisions of regulation 52 and thereafter consider the record of the inquiry and pass such orders as it may deem proper; or

(ii) if the Appellate Authority decides to enhance the punishment but an inquiry has already been held as provided in regulation 52, the Appellate Authority shall

give a show cause notice to the employee as to why the enhanced penalty should not be imposed upon him and shall pass final order after taking into account the representation, if any, submitted by the employee.

**CHAPTER – VII**  
**MISCELLANEOUS**

**62. Deputation of employees to other services.**

(1) No employee of the Board may be deputed to serve under any other employer without the approval of the Board for the duration of such deputation and the terms and conditions on which the deputation shall take effect:

Provided that no employee may be deputed to foreign service against his will.

(2) Where the services of an employee of the Board are placed at the disposal of a foreign employer, it shall be a condition of the deputation that the foreign employer shall, during the periods of such deputation, bear the entire cost of the services of the employee.

**63. Redressal of grievances.**

(1) The Board shall constitute a Grievance Redressal Committee, consisting of 3 members, at least one of which shall be a woman.

(2) All the grievances received from employees will be placed before the Grievance Redressal Committee within a period of 30 days.

(3) The Grievance Redressal Committee may further, if it considers necessary, summon the employee and/or any other officer of the Board or ask for written clarification from any officer of the Board.

(4) The Grievance Redressal Committee shall recommend follow-up action on the grievances, which shall be placed before appropriate authority for decision.

<sup>3</sup>[SCHEDULE I  
(See regulation 4)]

Name of post.	Number of posts.	Classification.	Scale of Pay.	Whether selection post or non-selection post.	Age-limit for direct recruits.	Educational and other qualifications required for direct recruits.	Whether age and educational qualifications prescribed for direct recruits will apply in the case of promotees.	Period of probation, if any.	Method of recruitment, whether by direct recruitment or by promotion or by deputation/ and percentage of the vacancies to be filled by various methods.	In case of recruitment by promotion or deputation, grades from which promotion or deputation to be made:-		If Departmental Promotion / Selection Committee exists, what is its composition.	Circumstances under which Union Public Service Commission is to be consulted in making recruitment.
										Promotion	Deputation from		

<sup>3</sup> Substituted by Notification No. IBBI/2022-23/GN/REG090, dated 6<sup>th</sup> July, 2022 (w.e.f. 06-07-2022).

											Government	RBI, Bank s, Financial Institution, regulatory bodies, statutory bodies, and Academies		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11a)	(11b)	(11c)	(12)	(13)
1. Executive Director.	04 (2022 ).	Not applicable.	Rs.120 500 – 3500 (2) – 127500 (3).	Selection.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	(i) by <b>promotion</b> : 75 per cent. failing which by deputation (including short-term	Officer having three years of service in Grade F.	(a) <b>Age:</b> Between forty to fifty-five years.  (b) Group A Officers from All India Service or	(a) <b>Age:</b> Between forty to fifty-five years.  (b) Officers	Departmental Promotion / Selection Committee (for considering promotion /selection) consisting of :-  (i)	Not applicable.

									contract );  (ii) by <b>deputa tion: 25</b> per cent.		Central Civil Services who have complete d minimu m eighteen years of service and (i) holding regular post in level 14 (Rs. 144200- 218200) in the Pay Matrix;  <b>or</b>  (ii) with six years of service in the	with not less than twent y years of experi ence in the office r cadre of which mini mum fiftee n years experi ence in the field of law, financ e, econo mics, accou	Chairperso n, Insolvency and Bankruptc y Board of India- Chairman;  (ii) Whole Time Member, Insolvency and Bankruptc y Board of India – Member;  (iii) Joint Secretary or equivalent , Ministry of Corporate Affairs – Member;  (iv) An external expert,	
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										<p>grade rendered after appointment thereto on regular basis in level 13 (Rs. 123100-215900) in the Pay Matrix.</p> <p><b>Desirable:</b> Experience in the field of law, finance, economics, accountancy or administration with knowledge</p>	<p>ntancy or administration.</p> <p><b>Desirable educational qualification:</b> Master of Business Administration with specialization in law or finance or economics or accountancy or</p>	<p>nominated by the Chairperson, Insolvency and Bankruptcy Board of India-Member.</p>	
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											ge of insolven cy or bankrup tcy issues.	Post Gradu ate in law or financ e or econo mics or accou ntanc y from a recog nised Unive rsity or Institu tion with knowl edge of insolv ency or bankr uptcy issues.		
2. Chie	04*	Not applica	Rs.10 1900-	Selec tion.	Not applic	Not applica	Not applica	Not applica	(i) by promot	Offic er	Group A Officers	Offic ers	Departme ntal	Not applicab



f General Manager (Grade F).	(2022 )  *Subject to variation depend on workload.	ble.	3000(4)- 11390 0(5).		able.	ble.	ble.	ble.	<b>ion: 75</b> per cent. failing which by deputation (including short-term contract );  <b>(ii) by</b> <b>deputation: 25</b> per cent.	having three years of service in Grade E.	from All India Service or Central Civil Services, - (i) with three years of regular service in level 13 (Rs. 123100- 215900) in the Pay Matrix;  <b>or</b>  (ii) with five years of regular service in the grade rendered after appoint	with not less than seventeen years of experience in officer cadre of which minimum ten years experience in the field of law, finance , economics, accountancy or administration	Promotion / Selection Committee (for considering promotion /selection) consisting of :-  (i) Chairperson, Insolvency and Bankruptcy Board of India – Chairman;  (ii) Whole Time Member, Insolvency and Bankruptcy Board of India – Member;  (iii) Joint	le.
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										<p>ment thereto on regular basis in level 12 (Rs. 78800-209200) in the Pay Matrix.</p> <p><b>Desirable:</b> Experience in the field of law, finance, economics, accountancy or administration with knowledge of insolvency or bankrupt</p>	<p>. <b>Desirable educational qualification:</b> Master of Business Administration with specialisation in law or finance or economics or accountancy or Post Graduate in law or</p>	<p>Secretary, Ministry of Corporate Affairs – Member;</p> <p>(iv) An external expert, nominated by the Chairperson, Insolvency and Bankruptcy Board of India - Member.</p>	
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											cy issues.	finance or economics and accountability from a recognised University or Institution with knowledge of insolvency or bankruptcy issues.		
3. General Manager	08* (2022)	Not applicable.	Rs.72800-2250(1)-75050	Selection.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	(i) by promotion: 75 per cent.	Officer having three	Group A Officers from All India Service	Officers with not less	Departmental Promotion / Selection Committee	Not applicable.

(Grade E).	*Subject to variation depend on workload.	- 2400(2)- 79850 - 2500(3)- 87350 - 3000(5)- 1 02350(12).						failing which by deputiation (including short-term contract);  (ii) by <b>deputation</b> : 25 per cent.	years of service in Grade D.	or Central Civil Services, -  (i) holding regular post in level 13 (Rs. 123100-215900) in the Pay Matrix;  <b>or</b>  (ii) with three years of regular service in the grade rendered after appointment thereto	than fourteen years of experience in officer cadre of which minimum seven years experience in the field of law, finance, economics, accountancy or administration.  <b>Desirable</b>	e (for considering promotion/selection) consisting of :-  (i) Chairperson, Insolvency and Bankruptcy Board of India – Chairman;  (ii) Whole Time Member, Insolvency and Bankruptcy Board of India – Member;  (iii) Joint Secretary, Ministry of	
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										<p>on regular basis in level 12 (Rs. 78800-209200) in the Pay Matrix.</p> <p><b>Desirable:</b> Experience in the field of law, finance, economics, accountancy or administration with knowledge of insolvency or bankruptcy issues.</p>	<p><b>educational qualification:</b> Master of Business Administration with specialisation in law or finance or economics or accountancy or Post Graduate in law or finance or economics</p>	<p>Corporate Affairs – Member;</p> <p>(iv) An external expert, nominated by the Chairperson, Insolvency and Bankruptcy Board of India - Member.</p>
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												and accountancy from a recognized University or Institution with knowledge of insolvency or bankruptcy issues.		
4. Deputy General Manager (Grade	04* (2022) *Subject to variation	Not applicable.	Rs. 68500 - 2150 (2)- 72800 - 2250(6)-	Selection.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	(i) <b>by promotion:</b> 75 per cent. failing which by deputati	Officer having three years of service in	Group A Officers from All India Service or Central Civil Services,	Officers with not less than eleven years of	Departmental Promotion / Selection Committee (for considering promotion	Not applicable.

D).	depend on workload.		86300 (9).						on (including short-term contract);  (ii) by <b>deputation</b> : 25 per cent.	Grade C.	-  (i) with regular service in level 12 (Rs. 78800-209200) in the Pay Matrix ;  <b>or</b>  (ii) with three years of regular service in the grade rendered after appointment thereto on regular basis in level 11 (Rs.	experience in officer cadre of which minimum five years experience in the field of law, finance, economics, accountancy or administration.  <b>Desirable educational qualification:</b>	/selection) consisting of :-  (i) Two Whole Time Members, Insolvency and Bankruptcy Board of India – Members;  (ii) Two external Members/experts nominated by the Chairperson, Insolvency and Bankruptcy Board of India – Members.
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										<p>67700-208700) in the Pay Matrix .</p> <p><b>Desirable:</b> Experience in the field of law, finance, economics, accountancy or administration with knowledge of insolvency or bankruptcy issues.</p>	<p>Master of Business Administration with specialisation in law or finance or economics or accountancy or Post Graduate in law or finance or economics and accountancy</p>		
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												from a recognised University or Institution with knowledge of insolvency or bankruptcy issues.		
5. Assistant General Manager (Grade C).	08* (2022) *Subject to variation depend on workl	Not applicable.	Rs.49000-1750(3)-54250 - 1900(2)-58050-2000(4)-66050-EB-	Selection.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	(i) <b>by promotion:</b> 75 per cent. failing which by deputation (including short-	Officer having three years of service in Grade B.	Group A Officers from All India Service or Central Civil Services, - (i) with regular	Officers with not less than eight years of experience in officer cadre	Departmental Promotion / Selection Committee (for considering promotion /selection) consisting of :-	Not applicable.

	oad.		2000(2)-70050 - 2150(1)-72200 (13).						term contract);  (ii) by <b>deputation</b> : 25 per cent.		service in level 11 (Rs. 67700-208700) in the Pay Matrix  <b>or</b>  (ii) with seven years of regular service in the grade rendered after appointment thereto on regular basis in level 10 (Rs. 56100-177500) in the Pay Matrix.  <b>Desirabl</b>	of which minimum five years experience in the field of law, finance, economics, accountancy or administration.  <b>Desirable educational qualification:</b>  Master of Business	(i) Two Whole Time Members, Insolvency and Bankruptcy Board of India – Members;  (ii) Two external Members/experts nominated by the Chairperson, Insolvency and Bankruptcy Board of India – Members.	
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											<p><b>e:</b> Experience in the field of law, finance, economics, accountancy or administration with knowledge of insolvency or bankruptcy issues.</p>	<p>administration with specialisation in law or finance or economics or accountancy or Post Graduate in law or finance or economics and accountancy from a recognized Unive</p>		
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												rsity or Institution with knowledge of insolvency or bankruptcy issues.		
6. Manager (Grade B).	13* (2022) *Subject to variation depend on workload.	Not applicable.	Rs.35150-1750(9)-50900-EB-1750(2)-54400-2000(4)-62400(16).	Selection.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	(i) <b>by promotion:</b> 75 per cent. failing which by deputation (including short-term contract);	Officer having three years of service in Grade A.	Officer of the Central Government or State Government or Union Territories, Public Sector Undertaking,- (i) with	Officers with not less than four years of experience in officer cadre of Junio	Departmental Promotion / Selection Committee (for considering promotion /selection) consisting of :-  (i) Two Whole Time Members,	Not applicable.

									(ii) by deputation: 25 per cent.	three years of service in the grade rendered after appoint ment thereto on regular basis in level 10 (Rs. 56100- 177500) in the Pay Matrix;	or	(ii) with five years of service in the grade rendered after appoint	r Man agem ent Grad e of whic h mini mum three years exper ience in the field of law, finan ce, econ omic s, acco untan cy or admi nistra tion.	Insolvency and Bankruptc y Board of India – Members;  (ii) Two external Members/ experts nominated by the Chairperso n, Insolvency and Bankruptc y Board of India – Members;
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										<p>ment thereto on regular basis in level 8 (Rs. 47600-151100) in the Pay Matrix.</p> <p><b>Desirable:</b> Experience in the field of law, finance, economics, accountancy or administration with knowledge of insolvency or bankrupt</p>	<p><b>Desirable educational qualification:</b> Master of Business Administration with specialisation in law or finance or economics or accountancy or Post Graduate in law or finance or</p>		
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											cy issues.	economics and accountancy from a recognised University or Institution with knowledge of insolvency or bankruptcy issues.		
7. Assistant Manager (Grade A).	27* (2022)  *Subject to	Not applicable.	Rs.28150-1550(4)-34350-1750(7)-46600-	Selection.	Age between 18 to 30 years.	<b>Essential:</b> Chartered Accountant or Company	Not applicable.	Two years from the date of appointment.	(i) <b>by direct recruitment:</b> 75 per cent.	Not applicable.	Officer of the Central Government or State Government or	Officers with not less than two years	<b>Direct Recruitment:</b> Written examination followed by an	Not applicable.

	variation depend on workload.		EB-1750 (4)-53600-2000(1)-55600 (17).			Secretary or Cost Management Accountant or Bachelor of Law or Master of Business Administration with Finance or Masters in Economics or Masters in Commerce  Information Technology			(ii) by <b>deputation</b> : 25 per cent.		Union Territories, Public Sector Undertaking,-  (i) with regular service in level 10 (Rs. 47600-151100) in the Pay Matrix;  <b>or</b> (ii) with two years of regular service in the grade rendered after appointment thereto on regular basis in	of experience in office or cadre or Junior Management Grade  <b>Desirable educational qualification:</b> Master of Business Administration with specialia	interview or group discussion. The interview or group discussion by a committee comprising of two Officers of the Board not below the rank of Executive Director and two external Members or experts, nominated by the Chairperson.  <b>Deputation:</b> Committee comprising of two	
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						<p>Discipline: B. Tech in Computer Science or Computer Engineering or Master of Computer Applications.</p> <p><b>Preference:</b>  (a) Pass in National or Limited Insolvency Examination;  (b) Higher Qualification.</p>					<p>level 8 (Rs. 47600-151100) in the Pay Matrix;  <b>or</b>  (iii) with three years of regular service in the grade rendered after appointment thereto on regular basis in level 7 (Rs. 44900-142400) in the Pay Matrix.</p> <p><b>Desirable:</b>  experience</p>	<p>lisation in law or finance or economics or accountancy or Post Graduate in law or finance or economics and accountancy from a recognised University or Institution with</p>	<p>Officers of the Board not below the rank of Executive Director, and two external experts nominated by the Chairperson.</p>
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						tion than Essential Qualification; (c) Two or more of the essential qualifications;  These must be from a recognised University or Institution.					ce in the field of law, finance, economics, accounts, agency or administration.	knowledge of insolvency or bankruptcy issues.		
8. Personal / General Assistant (Grade III).	02* (2022)  *Subject to variation depend on workl	Not applicable.	Rs.20650-1150(3)-24100-1225(1)-25325-1325(3)-29300-1475(6)-38150-1525(2)-41200-	Selection.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Promotion failing which by deputiation.	Not less than seven years of service in Grade II.	Officer of the Central Government or State Government or Union Territories, or Public	Not applicable.	Departmental Promotion /Selection Committee (for considering promotion /selection) consisting of :-	Not applicable.

	oad.		1740(2) -46420- 1875(1) (20 years).								Sector Undertak ing or autonom ous and statutory bodies,- (a) (i) holding analogou s post on regular basis in the parent cadre or departme nt; <b>or</b> (ii) with a minimu m of six years of regular service, in the grade rendered after appoint ment		(i) two Officers from Board – Members;  (ii) two external members nominated by Chairperso n, Insolvency and Bankruptc y Board of India – Members.	
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											<p>thereto on regular basis in level 6 (Rs. 35400-112400) in the Pay Matrix or equivalent and</p> <p>(b) Possessing the following educational qualification, namely:-</p> <p><b>Essential:</b> Graduate degree from a</p>			
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											recognised University or Institute or equivalent .			
											<b>Desirable:</b>			
											(i) working experience in dealing with regulatory authority or statutory bodies or other Government Institutions;			
											(ii) working knowledge			

											ge of computer;  (iii) skill in stenography and typing.			
9. Personal / General Assistant (Grade II).	02* (2022)  *Subject to variation depend on workload.	Not applicable.	Rs.13150-750(3)-15400-900(4)-19000-1200(6)-26200-1300(2)-28800-1480(3)-33240-1750(1)-34990 (20 years).	Selection.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Promotion failing which by deputation.	Not less than seven years of service in Grade I.	Officer of Central Government or State Government or Union Territories, or Public Sector Undertaking or autonomous and statutory bodies,-  (a) (i) holding	Not applicable.	Departmental Promotion /Selection Committee (for considering promotion /selection) consisting of :-  (i) two Officers from Board – Members;  (ii) two external members nominated	Not applicable.

											<p>analogous post on regular basis in the parent cadre or department; <b>or</b></p> <p>(ii) with a minimum of four years of regular service, in the grade rendered after appointment thereto on regular basis in level 5 (Rs. 29200-92300) in the Pay</p>		<p>by Chairperson, Insolvency and Bankruptcy Board of India – Members.</p>	
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											<p>Matrix or equivalent</p> <p>and</p> <p>(b) Possessing the following educational qualification, namely:-</p> <p><b>Essential:</b> Graduate degree from a recognised University or equivalent.</p> <p><b>Desirable:</b> (i)</p>			
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											working experience in dealing with regulatory authority or statutory bodies or other Government Institutions;			
											(ii) working knowledge of computer;			
											(iii) skill in stenography and typing.			
10. Personal	06* (2022)	Not applicable.	Rs.10940-380(4)-	Selection.	Age between 18	Graduate from recognised	Not applicable.	Two years from	Direct recruitment.	Not applicable.	Not applicable.	Not applicable.	<b>Direct recruitment:</b>	Not applicable.

/ General Assistant (Grade I).	) *Subject to variation depend on workload.		12460-440(3)-13780-520(3)-15340-690(2)-16720-860(4)-20160-1180(3)-23700 (20 years).		to 27 years.	ed University or Institute or equivalent.		the date of appointment.					Written examination followed by an interview or group discussion. The interview or group discussion by a committee comprising of two Officers of the Board not below the rank of Executive Director and two external experts, nominated by the Chairperson.	
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NOTE -

1. **Promotion Note:** Where juniors who have completed their qualifying or eligibility service are being considered for promotion, their seniors would also be considered provided they are not short of the requisite qualifying or eligibility service by more than half of such qualifying or eligibility service or two years, whichever is less, and have successfully completed their probation period for promotion to the next higher grade along with their juniors who have already completed such qualifying or eligibility service.
2. **Deputation Note:**
  - (a) The departmental officers in the feeder category who are in the direct line of promotion will not be eligible for consideration for appointment on deputation. Similarly, deputationists shall not be eligible for consideration for appointment by promotion.
  - (b) The period of deputation including period of deputation in another ex-cadre post held immediately preceding this appointment in the same or some other organisation or department of the Central Government, shall ordinarily not exceed three years. It may be extendable for another two years and the maximum period of deputation shall be as per Department of Personnel and Training Guidelines.
3. For filling up Direct Recruit posts, written examination to be conducted by engaging a recognised or reputed and experienced professional agency after following due procedure.
4. In the event of non-availability of adequate number of internal candidates for promotion, the minimum eligible service for promotion to the next higher grade or post may be relaxed by the Board up to a period not exceeding six months.
5. The crucial date for determining the upper age-limit specified in the Schedule shall be the date indicated in the advertisement.
6. Reservation, relaxation of age-limit and other concessions required to be provided for candidates belonging to the Scheduled Caste, the Scheduled Tribes, the other backward classes, Ex-service men and other special categories of persons shall be as applicable in terms of orders or guidelines issued by the Central Government from time to time.
7. In every selection or promotion committee constituted for the purpose of the recruitment or promotion, an officer of appropriate rank belonging to the Scheduled Caste or Scheduled Tribe may be inducted as a member in case no member of such committee belongs to the Scheduled Caste or the Schedule Tribe.
8. A candidate, except in the case of appointments by deputation or by promotion, will be required to undergo medical tests to satisfy the Board of his medical fitness by a Government Medical Officer or Medical Officer of a Government undertaking authorised by board.
9. The antecedents of a candidate, except in the case of appointments by deputation or by promotion, will be verified by the Board and the said verification shall be completed during the period of probation.]

## SCHEDULE II

(See regulation 9)

1. The cases of employees will be reviewed at least 3 months before they attain 55 years of age or complete 30 years of service, whichever is earlier.
2. The exercise to review will be carried out on quarterly basis.

Sl. No.	Quarter in which review is to be made	Cases of employees who will be attaining the age of 55 years or will be completing 30 years of service, whichever is earlier in the quarter indicated below to be reviewed
1.	January to March	July to September of the same year
2.	April to June	October to December of the same year
3.	July to September	January to March of the next year
4.	October to December	April to June of the next year

3. A review committee of 3 officers will be constituted as under: -
  - (a) For Officers, under the chairmanship of a Whole Time Member, and two other members who are senior to the employee being reviewed.
  - (b) For Other Employees, under the Chairmanship of Executive Director
4. The criteria to be followed by the committee in making their recommendations would be as follows: -
  - (a) Employees whose integrity is doubtful, will be retired.
  - (b) Employees who are found to be ineffective will also be retired. The basic consideration in identifying such employee should be the fitness/competence of the employee to continue in the post which he/she is holding.
  - (c) While the entire service record of an officer should be considered at the time of review, no employee should ordinarily be retired on grounds of ineffectiveness if his service during the preceding 5 years, or where he has been promoted to a higher post during that 5 years period, his service in the highest post, has been found satisfactory.
  - (d) Consideration is ordinarily to be confined to the preceding 5 years or to the period in the higher post, in case of promotion within the period of 5 years, only when retirement is sought to be made on grounds of ineffectiveness. There is no such stipulation, however where the employee is to be retired on grounds of doubtful integrity.
5. The recommendations of the committee will be placed before an appropriate authority as decided by the Board, which shall not be below the rank of chairman of the review committee.

(Dr. M. S. Sahoo)  
Chairperson  
Insolvency and Bankruptcy Board of India

# **INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (GRIEVANCE AND COMPLAINT HANDLING PROCEDURE) REGULATIONS, 2017<sup>1</sup>**

**[AMENDED UPTO 14-06-2022]**

**IBBI/2017-18/GN/REG/21.**—In exercise of the powers conferred under sections 196, 217, 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, namely :—

## **CHAPTER I PRELIMINARY**

### **1. Short title, commencement and application.**

- (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017.
- (2) These regulations shall come into force on the date of their publication in the Official Gazette.
- (3) These regulations shall apply to grievances and complaints against service providers.

### **2. Definitions.**

- (1) Unless the context otherwise requires-
  - (a) “aggrieved” means a stakeholder who has filed a grievance with the Board on failing to get his grievance redressed from the concerned service provider;
  - (b) “associated person” means a proprietor, partner, director, officer, or an employee of a service provider, a professional or a valuer engaged by a service provider or any other person acting for or on behalf of a service provider;
  - (c) “Board” means the Insolvency and Bankruptcy Board of India established under sub-section of section 188 of the Code;
  - (d) “Code” means the Insolvency and Bankruptcy Code, 2016 (31 of 2016);
  - (e) “complaint” means a written expression by a stakeholder alleging contravention of any provision of the Code or rules, regulations, or guidelines made thereunder or circulars or directions issued by the Board by a service provider or any of its associated persons and includes a complaint-cum-grievance;
  - (f) “complaint-cum-grievance” means a complaint and grievance in the same matter.
  - (g) “complainant” means a stakeholder who has filed a complaint or a complaint-cum-grievance with the Board;
  - (h) “grievance” means a written expression by a stakeholder of his suffering on account of conduct of a service provider or its associated persons;
  - (i) “service provider” means an insolvency professional agency, an insolvency professional, an insolvency professional entity or an information utility;

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<sup>1</sup> Vide Notification No. IBBI/2017-18/GN/REG/21, dated 6<sup>th</sup> December 2017, published in the Gazette of India, Extraordinary, Part III, Sec.4, dated 7<sup>th</sup> December, 2016 (w.e.f. 07.12.2016).

- (j) “stakeholder” means a debtor, a creditor, a claimant, a service provider, a resolution applicant and any other person having an interest in the insolvency, liquidation, voluntary liquidation, or bankruptcy transaction under the Code.
- (2) The words and expressions used and not defined in these regulations, but defined in the Code, shall have the same meaning as assigned to them in the Code.

## CHAPTER II

### FILING OF GRIEVANCE AND COMPLAINT

#### 3. Filing of grievance and complaint.

- (1) A stakeholder, who wishes to file a grievance, shall file it with the Board.
- (2) A grievance shall state:-
- (i) details of identity of the aggrieved;
  - (ii) details of identity of the service provider;
  - (iii) details of the conduct of the service provider that has caused the suffering to the aggrieved;
  - (iv) details of suffering, whether pecuniary or otherwise, the aggrieved has undergone;
  - (v) how the conduct of the service provider has caused the suffering of the aggrieved;
  - (vi) details of his efforts to get the grievance redressed from the service provider and why the response, if any, of the service provider is not satisfactory; and
  - (vii) how the grievance may be redressed.
- (3) A stakeholder, who wishes to file a complaint, shall file it with the Board in Form A along with a demand draft for two thousand and five hundred rupees drawn in favour of the Insolvency and Bankruptcy Board of India payable at New Delhi or an online acknowledgement of two thousand and five hundred rupees paid to the credit of the Board towards fee.
- (4) A grievance or a complaint, as the case may be, shall be filed within forty-five days of the occurrence of the cause of action for the grievance or the complaint:
- Provided that a grievance or a complaint may be filed after the aforesaid period, if there are sufficient reasons justifying the delay, but such period shall not exceed 30 days.
- (5)<sup>2</sup>[A grievance or a complaint shall be filed with the Board on its dedicated portal [www.ibbi.gov.in](http://www.ibbi.gov.in).]

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<sup>2</sup> Substituted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). Sub-regulation (5), before substitution stood as under:

“(5) A grievance or a complaint shall be filed with the Board online.

Provided that a grievance or complaint shall be filed by mail at [complaintsandgrievances@ibbi.gov.in](mailto:complaintsandgrievances@ibbi.gov.in) or by post or hand delivery at the Office of the Board, until the Board provides a facility for online filing of grievances and complaints.”

#### **4. Identity of the stakeholder.**

- (1) A stakeholder filing a grievance, or a complaint shall disclose its identity in the grievance or the complaint, as the case may be, and also the identity of the authorised representative, who is authorised to file it.
- (2) A stakeholder filing a grievance or a complaint, as the case may be, may request the Board to keep its identity confidential and in that case the Board shall keep it confidential unless its disclosure is necessary for processing the grievance or complaint or under any law.

#### **5. Registration number.**

- (1) Where the Board is in receipt of more than one grievance or more than one complaint in the same matter, it may club such grievances or such complaints together for their disposal.
- (2) The Board shall assign a unique registration number to every grievance and every complaint and communicate the said registration number to the aggrieved or the complainant within a week of its receipt.
- (3) The Board shall not take any cognizance of any anonymous grievance or complaint.

### **CHAPTER III**

#### **DISPOSAL OF GRIEVANCE**

#### **6. <sup>3</sup>[Disposal of grievance by the Board].**

- (1) The Board may seek additional information and records from the aggrieved and information and records from the concerned service provider to decide if the grievance requires any redress by the service provider.
- (2) The aggrieved and the service provider shall submit the information and records sought under sub- regulation (1) within <sup>4</sup>[seven] days thereof.  
<sup>5</sup>[Provided that an additional time not exceeding seven days may be granted by the Board for submitting the information and records sought under sub-regulation (2) on the request of the service provider.]
- (3) The Board shall close the grievance within <sup>6</sup>[thirty] days of its receipt if it does not require any redress.
- (4) The Board shall direct the service provider to redress the grievance within <sup>7</sup>[thirty] days of its receipt if it requires any redress.

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<sup>3</sup> Substituted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). The short title, before substitution stood as: "Disposal of grievance".

<sup>4</sup> Substituted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). The words, before substitution stood as: "fifteen".

<sup>5</sup> Inserted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>6</sup> Substituted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). The words, before substitution stood as: "forty-five".

<sup>7</sup> Substituted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). The words, before substitution stood as: "forty-five".

## **<sup>8</sup>[6A. Disposal of grievance by Insolvency Professional Agency.**

(1) Notwithstanding anything contained in regulation 6, the Board may forward a grievance against an insolvency professional for disposal by the insolvency professional agency of which he is a professional member.

(2) On receipt of the grievance under sub-regulation (1), the insolvency professional agency shall dispose of the grievance in accordance with its bye-laws and intimate the Board within thirty days of receipt of grievance.]

### **CHAPTER IV**

#### **DISPOSAL OF COMPLAINT**

##### **7. Disposal of complaint.**

(1) The Board may seek additional information and records from the complainant and information and records from the concerned service provider to form a prima facie view whether the contravention alleged in the complaint is correct.

(2) The complainant and the service provider shall submit the information and records sought under sub-regulation (1) within <sup>9</sup>[seven] days thereof.

<sup>10</sup>[Provided that an additional time, not exceeding seven days, may be granted by the Board on request of the service provider.]

(3) <sup>11</sup>[The Board shall investigate the information and records and form an opinion whether there exists a prima facie case within thirty days of the receipt of the complaint .].

(4) The Board shall close the complaint where it is of the opinion under sub-regulation (3) that there does not exist a prima facie case and communicate the same to the complainant.

(5) If the complainant is not satisfied with the decision of the Board under sub-regulation (4), he may request a review of such decision <sup>12</sup>[within thirty days].

(6) The Board shall dispose of the review under sub-regulation (5) within thirty days of the receipt of the request for review by an order with an opinion whether there exists a prima facie case.

(7) <sup>13</sup>[Where the Board is of the opinion that there exists a prima facie case, it may issue

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<sup>8</sup> Inserted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>9</sup> Substituted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). The words, before substitution stood as: "fifteen".

<sup>10</sup> Inserted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>11</sup> Substituted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). Sub-regulation (3), before substitution stood as under: "The Board shall form an opinion whether there exists a prima facie case within forty-five days of the receipt of the complaint".

<sup>12</sup> Inserted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>13</sup> Substituted by Notification No IBBI/2022-23/GN/REG086, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). Sub-regulation (7), before substitution stood as: "Where the Board is of the opinion under this regulation that there exists a prima facie case, it may order an inspection under sub-regulation (3) of regulation 3, order an investigation under sub-regulation (2) of regulation 7 or issue a show cause notice under sub-regulation (2) of regulation 11 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017, as may be warranted".



a show cause notice under regulation 11 of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017 or order an investigation under Chapter III of Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017].

- (8) Where the Board is of the opinion that the complaint is not frivolous, it shall refund the fee of two thousand five hundred rupees received under sub-regulation (3) of regulation 3.

## **CHAPTER V**

### **STATISTICS**

8. The Board shall periodically disclose summary statistics about receipt and disposal of grievances and complaints on its web site.

### **Form A**

[Under sub-regulation (3) of regulation (3) of the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017]

Date .....

To

Insolvency and Bankruptcy Board  
of India (Write here the address of  
the Board)

Dear Madam / Sir,

Subject: Complaint against [name of the service provider / associated person]

I, hereby submit a complaint against [name of the service provider / associated person].

The details of the same are set out as under:

Sl. No.	Particulars	Description
1	Name of the complainant	
2	Identity of the complainant	Aadhaar No / CIN
3	Name of the authorised representative, if complaint is filed on behalf of the complainant	
4	Identity of the authorised representative	Aadhaar No.
5	Complete address for correspondence with complainant / authorised representative: (Along with Email ID & Phone No.)	
6	Name of the service provider / its associated persons complained	

	against	
7	Identity of the service provider	Aadhaar No / CIN (If known)
8	Complete address of the service provider (Along with Email ID & Phone No)	
9	Details of the alleged contravention of any provision of the Code or rules, regulations, or guidelines made thereunder or circulars or directions issued by the Board by a service provider or its associated persons.	Please quote the exact section, sub-section, rules, regulation, or clause, as the case may be.
10	Details of alleged conduct or activity of the service provider or its associated persons, along with date and place of such conduct or activity, which contravenes the provision of the law.	Please narrate details.
11	Details of suffering, whether pecuniary or otherwise, the complainant has undergone.	
12	How the conduct or activity of the service provider or its associated persons has caused the suffering of the complainant or to any other stakeholder.	
13	Details of evidence in support of alleged contravention.	
14	Does the complainant have a grievance? If so, how it may be redressed?	
15	Is complaint being filed within forty-five days of the occurrence of the cause of action for the complaint? If not explain the reasons for delay.	
16	Whether the fee of Rs.2500 has been paid	Yes / No
17	The Bank account No. and details of the complainant to which the fee can be refunded	
18	Whether the complainant wishes to keep its identity confidential	Yes / No.
19	List of documents attached in support of the complaint:	a. Authorisation, if it is filed by an authorised representative;

		b. Demand draft for Rs.2500 / Online acknowledgement of credit of Rs.2500 to the account of the Board; c. d. . . m. n.
20	Any other details in support of the complaint.	

Yours faithfully

Signature

Name of the Complainant / Authorised Representative

**Verification**

I,....., the complainant / authorised representative of the complainant do hereby declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the ..... day of ....., 20xx, at .....

Signature

Name of the Complainant / Authorised Representative

Date:

Place:

Dr. M. S. SAHOO, Chairperson  
 [ADVT.-III/4/Exty./330/17/(482)]

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSPECTION AND INVESTIGATION) REGULATIONS, 2017<sup>1</sup>**

**[AMENDED UPTO 14-06-2022]**

**No. IBBI/2017-18/GN/REG011** - In exercise of the powers conferred under sections 196, 217, 218, 219, 220 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, namely-

**CHAPTER I**

**PRELIMINARY**

**1. Short title, commencement and application.**

- (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.
- (2) These regulations shall come into force on the date of their publication in the Official Gazette.
- (3) These regulations shall apply to inspection and investigation of service providers.

**2. Definitions.**

- (1) In these regulations, unless the context otherwise requires –
  - (a) “associated person” means a proprietor, partner, director, officer, or an employee of a service provider, a professional or a valuer engaged by a service provider or any other person acting for or on behalf of a service provider under inspection or investigation;
  - (b) “Code” means the Insolvency and Bankruptcy Code, 2016 (31 of 2016);
  - (c) “Disciplinary Committee” means a committee of whole time member(s) constituted by the Board under sub-section (1) of section 220 of the Code:  
Provided that the whole time member(s) in the Disciplinary Committee shall not be associated with the investigation or inspection;
  - (d) “electronic form” shall have the same meaning as assigned to it in clause (r) of section 2 of the Information Technology Act, 2000 (21 of 2000);

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<sup>1</sup>Vide Notification No. IBBI/2017-18/GN/REG011, dated 12<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, Part III, Sec.4, vide No.239, dated 14<sup>th</sup> June, 2017 (w.e.f. 14.06.2017).

- (e) “Investigating Authority” means an officer or a team of officers of the Board, which has been directed by the Board, to conduct the investigation of a service provider;
- (f) “Inspecting Authority” means an officer or a team of officers of the Board, which has been directed by the Board, to conduct the inspection of a service provider;
- (g) “noticee” means a service provider or an associated person who is alleged to have contravened any provision of the Code, or the rules, regulations or guidelines made thereunder;
- (h) “record” means the books of accounts, registers, documents, call records and other records, whether maintained in electronic form or otherwise, of a service provider and its associated person;
- (i) “section” means section of the Code; <sup>2</sup>[\*]
- (j) “service provider” means insolvency professional agency, insolvency professional, insolvency professional entity or information utility <sup>3</sup>]; and]

<sup>4</sup>[(k) “stakeholder” means a stakeholder as defined in clause (j) of sub-regulation (1) of regulation 2 of the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017.]

(2) The words and expressions used and not defined in these regulations, but defined in the Code, shall have the same meaning assigned to them in the Code.

## **CHAPTER II**

### **INSPECTION**

#### **3. Inspection by the Board.**

(1) The Board shall conduct inspection of such number of service providers every year, as may be decided by the Board from time to time.

(2) Without prejudice to provisions of sub-regulation (1), the Board may conduct inspection of a service provider under section 218.

(3) The Board may, for the purposes of this regulation, by an order, direct an Inspecting Authority to conduct an inspection of records of a service provider for purposes specified under sub-regulation (4).

(4) The purposes under sub-regulation (3) include -

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<sup>2</sup> Omitted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to omission, the word stood as: “and’.

<sup>3</sup> Inserted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022).

<sup>4</sup> Inserted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022).

- (a) to ensure that the records are being maintained by a service provider in the manner required under the relevant regulations;
  - (b) to ascertain whether adequate internal control systems, procedures and safeguards have been established and are being followed by a service provider to fulfill its obligations under the relevant regulations;
  - (c) to ascertain whether any circumstance exists which would render a service provider unfit or ineligible;
  - (d) to ascertain whether the provisions of the Code, or the rules, regulations and guidelines made thereunder and the directions issued by the Board, if any, are being complied with;
  - (e) to inquire into the complaints received from <sup>5</sup>[stakeholders] or any other person on any matter having a bearing on the activities of a service provider; and
  - (f) such other purpose as may be deemed fit by the Board in furtherance of the objectives of the Code.
- (5) The order referred to in sub-regulation (3) shall contain-
- (a) scope of inspection;
  - (b) composition of Inspecting Authority;
  - (c) timelines for conducting the inspection;
  - (d) reporting of progress in inspection;
  - (e) submission of interim inspection report, if any; and
  - (f) submission of inspection report.
- (6) The Board and the Inspecting Authority shall make every effort to keep the inspection confidential and to cause the least burden on, or disruption to, the business of the service provider under inspection.

#### **4. Conduct of Inspection.**

- (1) The Inspecting Authority shall serve a notice of inspection to the service provider at least 10 days before the commencement of inspection:

Provided that where the Inspecting Authority is satisfied that the notice will cause undue delay in inspection or there is an apprehension that records of the service provider may be destroyed, mutilated, altered, falsified or secreted, after the notice is served, it may, for reasons to be recorded in writing, dispense with such notice.

- (2) The Inspecting Authority may require the service provider or an associated person to submit records, as may be required, before the commencement of inspection.

- (3) The Inspecting Authority may visit the offices of the service provider for conducting the on-site inspection.

- (4) It shall be the duty of the service provider and an associated person to produce before the Inspecting Authority such records in his custody or control and furnish to the

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<sup>5</sup>Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, the word stood as: “clients”.

Inspecting Authority such statements and information relating to its activities within such time as the Inspecting Authority may require.

(5) The service provider shall allow the Inspecting Authority to have access to the premises occupied by such service provider or by any other person on its behalf and extend facility for examination of any records in the possession of the service provider or any such other person and provide copies of records or other material which in the opinion of the Inspecting Authority are relevant for the inspection.

(6) The Inspecting Authority shall, in the course of inspection, may examine and record statements of any associated person of the service provider in relation to the affairs of his business.

(7) It shall be the duty of the service provider and an associated person to give to the Inspecting Authority all assistance which the Inspecting Authority may reasonably require in connection with the inspection.

## **5. Interim Inspection Report.**

(1) The Inspecting Authority may submit an interim inspection report to the Board, if it considers appropriate, keeping in view the nature and progress of inspection.

(2) The Inspecting Authority shall submit an interim inspection report, if required by the Board.

(3) If the Board is satisfied from the interim inspection report that there is a gross violation of the provisions of the Code, or the rules, regulations made thereunder, by the service provider and an immediate action under sub-section (2) of section 220 is warranted, the Board shall refer the matter to the Disciplinary Committee for an appropriate action.

(4) On consideration of the interim inspection report, the Disciplinary Committee may pass an interim order with appropriate directions to the service provider.

(5) The interim order referred to sub-regulation (4) shall lapse on expiry of 90 days.

## **6. Inspection Report.**

(1) The Inspecting Authority shall send a copy of the draft inspection report to the service provider requiring comments of the service provider within 15 days from receipt of the draft inspection report.

(2) The Inspecting Authority shall submit a copy of the draft inspection report to the Board.

(3) The Board shall examine the draft inspection report as to whether inspection is complete and satisfactory or requires further inspection and advise the Inspecting Authority accordingly within 15 days of receipt of draft inspection report.

(4) After considering the comments of the service provider and taking into account advice of the Board, the Inspecting Authority shall prepare the inspection report and submit it to the Board.

### **CHAPTER III**

#### **INVESTIGATION**

##### **7. Investigation by the Board.**

- (1) The Board may conduct investigation of a service provider under section 218.
- (2) The Board may, for the purposes of this regulation, by an order, direct an Investigating Authority to conduct an investigation of the affairs of the service provider and to report thereon to the Board.
- (3) The order referred to in sub-regulation (2) shall contain the following particulars: -
  - (a) scope of investigation in terms of records, activities, places, and persons;
  - (b) composition of Investigating Authority;
  - (c) timelines for conducting investigation;
  - (d) reporting of progress in investigation;
  - (e) submission of interim investigation report, if any; and
  - (f) submission of investigation report.
- (4) The Board and the Investigating Authority shall make every effort to keep investigation confidential and to cause the least burden on, or disruption to, the business of the service provider under investigation.
- (5) The Board may, at any time, modify the order referred to under sub-regulation (2) to enlarge the scope of investigation or other terms of investigation, for reasons to be recorded in writing.

##### **8. Conduct of Investigation.**

(1) The Investigating Authority shall serve a notice of investigation to the service provider at least 10 days before the commencement of investigation:

Provided that where the Investigating Authority is satisfied that the notice will cause undue delay in investigation or there is an apprehension that records of the service provider may be destroyed, mutilated, altered, falsified or secreted, after the notice is served, it may, for reasons to be recorded in writing, dispense with such notice.

- (2) The Investigating Authority may require the service provider or an associated person to submit records as may be required, before the commencement of investigation.
- (3) The Investigating Authority may visit the offices of the service provider for conducting the on-site investigation.
- (4) It shall be the duty of the service provider and an associated person to produce before the Investigating Authority such records in his custody or control and furnish to



the Investigating Authority such statements and information relating to its activities within such time as the Investigating Authority may require.

(5) The service provider shall allow the Investigating Authority to have access to the premises occupied by such service provider or by any other person on its behalf and extend facility for examination of any records in the possession of the service provider or any such other person and provide copies of records or other material which in the opinion of the Investigating Authority are relevant for the investigation.

(6) The Investigating Authority shall, in the course of investigation, may examine and record statements of any associated person of the service provider in relation to the affairs of his business and for that purpose may require any of those persons to appear before it personally.

(7) Notes of any examination referred to in sub-regulation (6) shall be recorded and shall be read over to, or by, and signed by, the person examined.

(8) It shall be the duty of the service provider and an associated person to give to the Investigating Authority all assistance which the Investigating Authority may reasonably require in connection with the investigation.

(9) The Investigating Authority may keep in its custody any record produced to it up to six months and thereafter shall return the same to the person by whom or on whose behalf the records were produced:

Provided that it may call for these records again if it considers necessary and shall give certified copies of these to the person by whom or on whose behalf these were produced, if required by him.

(10) Where in the course of investigation, the Investigating Authority has reasonable grounds to believe that the records of, or relating to, a service provider or an associated person in any manner, may be destroyed, mutilated, altered, falsified or secreted, the Investigating Authority may make an application to the competent court having jurisdiction for an order for the seizure of such records.

(11) After considering the application under sub-regulation (10) and hearing the Investigating Authority, if necessary, the competent court may, by order, authorise the Investigating Authority –

- (a) to enter, with such assistance, as may be required, the place or places where such records are kept;
- (b) to search that place or those places in the manner specified in the order; and
- (c) to seize records, it considers necessary, for the purposes of the investigation.

(12) The Investigating Authority may requisition the services of any police officer or any officer of the Central Government, or of both to assist him in search and seizure under the order under sub-regulation (11) and it shall be the duty of every such officer to comply with such requisition.

(13) Every search or seizure shall be carried out in accordance with the provisions of the Code of Criminal Procedure, 1973 (2 of 1974) relating to searches or seizures made under that Code.

## **9. Interim Investigation Report.**

(1) The Investigating Authority may submit an interim investigation report to the Board, if it considers appropriate, keeping in view the nature and progress of investigation.

(2) The Investigating Authority shall submit an interim investigation report, if required by the Board.

(3) If the Board is satisfied from the interim investigation report that *prima facie*, there is a gross violation of the provisions of the Code, or the rules or regulations made thereunder, by the service provider and an immediate action under sub-section (2) of section 220 is warranted, the Board shall refer the matter to the Disciplinary Committee for an appropriate action.

(4) On consideration of the interim investigation report, the Disciplinary Committee may pass an interim order with appropriate directions to the service provider.

(5) The interim order referred to sub-regulation (4) shall lapse on expiry of 90 days.

## **10. Investigation Report.**

(1) The Investigating Authority shall submit <sup>6</sup>[the investigation report] to the Board.

(2) The Board shall examine the <sup>7</sup>[\*] investigation report as to whether investigation is complete and satisfactory or requires further investigation and advise the Investigating Authority accordingly within 15 days of receipt of the <sup>8</sup>[\*] investigation report.

(3) After taking into account advice of the Board, the Investigating Authority shall prepare the investigation report and submit it to the Board.

### **<sup>9</sup>[CHAPTER III-A INVESTIGATION DURING DISPOSAL OF COMPLAINT OR GRIEVANCE**

#### **10A. Investigation during disposal of complaint or grievance.**

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<sup>6</sup> Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, the words stood as:” a copy of the draft investigation report”.

<sup>7</sup> Omitted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to omission, the word stood as: “draft”.

<sup>8</sup> Omitted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to omission, the word stood as: “draft”.

<sup>9</sup> Inserted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022).

Notwithstanding anything contained in Chapter III, the processing of a complaint or grievance or material available on record under the Insolvency and Bankruptcy Board of India (Grievance and Complaint Handling Procedure) Regulations, 2017, shall mean investigation under this regulation and in such case the processing papers shall mean the investigation report under regulation 10:

Provided that nothing in this regulation shall restrict the Board to appoint an inspecting authority under Chapter-II or an investigating authority under Chapter-III.

### **CHAPTER III-B INTERIM ORDER ON MATERIAL AVAILABLE ON RECORD**

#### **10B. Interim order on material available on record.**

(1) If based on material available on record, the Board is satisfied that prima facie, there is a violation of the provisions of the Code or the rules or regulations made thereunder by the service provider, and an immediate action under sub-section (2) of section 220 is warranted, the Board shall refer the matter to the Disciplinary Committee for an appropriate action.

(2) On consideration of the matter referred under sub-regulation (1), the Disciplinary Committee may pass an interim order with appropriate directions.

(3) The interim order referred to sub-regulation (2) shall lapse on expiry of ninety days from the date of the order.]

### **CHAPTER IV**

#### **CONSIDERATION OF REPORT**

#### **11. Consideration of Report.**

(1) The Board shall consider the inspection report received under regulation 6 or investigation report received under regulation 10, as the case may be, expeditiously.

(2) If the Board, after consideration of the report under sub-regulation (1) <sup>10</sup>[or on the basis of material otherwise available on record], is of the *prima facie* opinion that sufficient cause exists to take actions under section 220 or sub-section (2) of section 236, it shall issue a show-cause notice in accordance with regulation 12 to the service provider or an associated person and in any other case, close the inspection or investigation, as the case may be.

#### **12. Show-cause notice.**

- (1) The show-cause notice shall be in writing and shall state-
- (a) the provisions of the Code under which it has been issued;
  - (b) the details of the alleged facts;
  - (c) the details of the evidence in support of the alleged facts;

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<sup>10</sup> Inserted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022)

- (d) <sup>11</sup>[the provisions of the Code, rules, regulations and guidelines thereunder allegedly violated, or the manner in which the public interest is allegedly affected;]
- (e) the actions or directions that the Board proposes to take or issue, if the allegations are established; <sup>12</sup>[\*]
- (f) the time within which the noticee may make written submission.

<sup>13</sup>(g) the manner in which service provider is required to respond to the show cause notice; and

(h) consequences of failure to respond to the show-cause notice.]

(2) For the purposes of clause (e) of sub-regulation (1), the Board shall take into account, but not limited to, the following factors: -

- (a) the nature and seriousness of the alleged contraventions, including whether it was deliberate, reckless or negligent on the part of the noticee;
- (b) the consequences and impact of the alleged contravention, including -
  - (i) unfair advantage gained by the noticee as a result of the alleged contravention;
  - (ii) loss caused, or likely to be caused, to <sup>14</sup>[stakeholders] or any other person as a result of the alleged contravention; and
  - (iii) the conduct of the noticee after the occurrence of the alleged contravention, and prior to the alleged contraventions.

(3) The show-cause notice shall provide <sup>15</sup>[fifteen] days to the noticee to make a written submission.

(4) The show-cause notice shall state, if a noticee fails to respond under sub-regulation (3) within the given time, it shall be disposed of based on the material available on record.

(5) The show-cause notice shall enclose copies of relevant documents and extracts of relevant portions from the report of investigation or inspection, or other records.

(6) <sup>16</sup>[A show-cause notice shall be served on the service provider in electronic form at the email address provided by the service provider to the Board and a copy shall also be sent by registered post.]

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<sup>11</sup> Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, it stood as “(d) the provisions of the Code, or the rules, regulations or guidelines made thereunder, allegedly violated;”.

<sup>12</sup> Omitted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to omission, the word stood as: “and”.

<sup>13</sup> Inserted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022).

<sup>14</sup> Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, the words stood as: “clients”.

<sup>15</sup> Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, the words stood as: “at least 21”.

(7) The Board shall refer the show-cause notice to the Disciplinary Committee alongwith all the relevant records including the written submissions, if any, made by the noticee in the matter.

### **13. Disposal of Show-cause notice.**

(1) The Disciplinary Committee, after providing an opportunity of being heard to the noticee, shall dispose of the show-cause notice by a reasoned order.

(2) <sup>17</sup>[The Disciplinary Committee shall endeavour to dispose of the show-cause notice within a period of thirty-five days of the date of the issuance of the show-cause notice.]

(3) The order under sub-regulation (1) may provide for-

(a) closure of show-cause notice without any direction;

(b) warning;

<sup>18</sup>[(ba) suspension or cancellation of authorisation for assignment of an insolvency professional;]

(c) any of the actions under sub-sections (2), (3) and (4) of section 220;

(d) a reference to the Board to take any action under sub-section (5) of section 220 or sub-section (2) of section 236; or

(e) any other action or direction as may be considered appropriate.

(4) The order under sub-regulation (1) shall not become effective until thirty days have elapsed from the date of issue of the order, unless the Disciplinary Committee states otherwise in the order along with the reasons for the same.

(5) <sup>19</sup>[The order passed under sub-regulation (1) shall be served upon the service provider in an electronic form and be published on the website of the Board:

Provided that where the service provider is an insolvency professional, a copy of the order shall be sent to the insolvency professional agency of which he is a professional member.]

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<sup>16</sup> Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, it stood as:

“(6) A show-cause notice issued shall be served on the noticee-

(a) by sending it to the noticee at its registered office, by registered post with acknowledgement due; and

(b) by an appropriate electronic form to the email address provided by the service provider to the Board.”

<sup>17</sup> Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, it stood as “(2) The Disciplinary Committee shall dispose of the show-cause notice within a period of 180 days of the issue of the show-cause notice.”

<sup>18</sup> Inserted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022).

<sup>19</sup> Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, it stood as:

“(5) The order under sub-regulation (1) shall be issued to the noticee immediately, and be published on the website of the Board.”

<sup>20</sup>[(6) The Disciplinary Committee shall in the order passed under sub-regulation (1) require the service provider-

- (a) to discharge pending obligations, if any;
- (b) to continue its functions till such time as may be directed, only to enable stakeholders to shift to another service provider; and
- (c) to comply with any other directions.

(7) In case where the service provider is an insolvency professional, the Board shall intimate the order to all the members of committee of creditors of the insolvency resolution processes in which he is acting as an interim resolution professional or resolution professional, as the case may be, and to the Adjudicating Authority.]

## **CHAPTER V**

### **RESTITUTION**

#### **14. Restitution.**

- (1) Where a direction has been issued, to any person to disgorge the amount under sub-section (4) of section 220, the Board shall endeavour to realize the amount of disgorgement expeditiously.
- (2) The Board shall, as soon as after the realization of the amount of disgorgement, invite claims by a public announcement from persons, who have suffered loss on account of the contravention underlying the direction under sub-section (4) of section 220, seeking restitution from the disgorged amount.
- (3) The persons referred to in sub-regulation (2) shall submit claims in Form A within 30 days of the public announcement.
- (4) The Board shall scrutinise the claims and prepare a list of valid claims within 30 days of the last date for receipt of claims.
- (5) The Board shall disburse such amount proportionately among the claimants within 30 days of preparation of the list of valid claims.

### **FORM A**

(Under Regulation 14(3) of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017)

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<sup>20</sup> Substituted by Notification No. IBBI/2022-23/GN/REG087, dated 14<sup>th</sup> June, 2022 (w.e.f. 14.06.2022). Prior to substitution, it stood as:

“(6) If the order under sub-regulation (1) suspends or cancels the registration of a service provider, the Disciplinary Committee may, if it considers fit, require the service provider to-

- (a) discharge pending obligations, if any;
- (b) continue its functions till such time as may be directed, only to enable clients to shift to another service provider; and
- (c) comply with any other directions.”

Claim under Order No... dated ..... under section 220(4) of the Code

Sl. No.	Description	Particulars
1.	Name and Address of the Claimant	
2.	Identity of the Claimant (a) Aadhaar No (b) PAN (c) Bank account no, name of the bank, branch to which money is to be remitted and IFSC code	
3.	Please explain how you have lost money on account of contravention as mentioned under section 220(4)	
4.	Please show computation of loss suffered by you	

Verification

I hereby verify and affirm that the contents as stated above are true and correct to the best of my knowledge and belief and no material fact has been concealed.

(Signature of the Claimant)

Note: If the amount of claim exceeds Rs. 10,000, this verification shall be done before a Notary for the purpose of submission of claim.

Dr. M. S. Sahoo  
Chairperson  
Insolvency and Bankruptcy Board of India

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INSOLVENCY  
PROFESSIONALS) REGULATIONS, 2016<sup>1</sup>**

**[AMENDED UPTO 28-09-2022]**

In exercise of the powers conferred by sections 196, 207 and 208 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Board hereby makes the following Regulations, namely-

**CHAPTER I  
GENERAL**

**Short title and commencement.**

1. (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.
- (2) These Regulations shall come into force on 29<sup>th</sup> November, 2016.

**Definitions.**

2. (1) In these Regulations, unless the context otherwise requires -

<sup>2</sup>[(a) “assignment” means any assignment of an insolvency professional as interim resolution professional, resolution professional, liquidator, bankruptcy trustee, authorised representative or in any other role under the Code;

(aa) “authorisation for assignment” means an authorisation to undertake an assignment, issued by an insolvency professional agency to an insolvency professional, who is its professional member, in accordance with its bye-laws;

(ab) “Bar Council” means a Bar Council constituted under the Advocates Act, 1961 (25 of 1961);]

(b) “certificate of registration” means a certificate of registration granted by the Board under section 207 of the Code read with these Regulations;

(c) “Code” means the Insolvency and Bankruptcy Code, 2016 (31 of 2016);

(d) “Institute of Chartered Accountants of India” means the Institute constituted under the Chartered Accountants Act, 1949 (38 of 1949);

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<sup>1</sup> Vide Notification No. IBBI/2016-17/GN/REG003, dated 23<sup>rd</sup> November, 2016 published in the Gazette of India, Extraordinary, Part III, Sec.4, vide No. 424, dated 23<sup>rd</sup> November, 2016 (w.e.f. 29.11.2016).

<sup>2</sup> Substituted by Notification No. IBBI/2019-20/GN/REG045, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23.07.2019). Clause (a), before substitution, stood as under:

‘(a) “Bar Council” means a Bar Council constituted under the Advocates Act, 1961 (25 of 1961);’



(e) “Institute of Cost Accountants of India” means the Institute constituted under the Cost and Works Accountants Act, 1959 (23 of 1959);

(f) “Institute of Company Secretaries of India” means the Institute constituted under the Institute of the Company Secretaries Act, 1980 (56 of 1980); and

(g) “professional member” means <sup>3</sup>[an individual or an insolvency professional entity recognised by the Board under regulation 13] who has been enrolled as a member of an insolvency professional agency;

(2) Unless the context otherwise requires, words and expressions used and not defined in these Regulations, shall have the meanings assigned to them in the Code.

## **CHAPTER II** **INSOLVENCY EXAMINATIONS**

3. (1) The Board shall, either on its own or through a designated agency, conduct a ‘National Insolvency Examination’ in such a manner and at such frequency, as may be specified, to test the knowledge and practical skills of individuals in the areas of insolvency, bankruptcy and allied subjects.

(2) The Board shall, either on its own or through a designated agency, conduct a ‘Limited Insolvency Examination’ to test the knowledge and application of knowledge of individuals in the areas of insolvency, bankruptcy and allied subjects.

<sup>4</sup>[(3) The syllabus, format, qualifying marks and frequency of the Limited Insolvency Examination shall be published on the website of the Board at least three months before the examination.]

## **CHAPTER III** **REGISTRATION OF INSOLVENCY PROFESSIONALS**

### **Eligibility.**

4. (1) No individual shall be eligible to be registered as an insolvency professional if he-

(a) is a minor;

(b) is not a person resident in India;

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<sup>3</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“an individual”.

<sup>4</sup> Substituted by Notification No. IBBI/2017-18/GN/REG027, dated 27<sup>th</sup> March, 2018 (w.e.f. 01.04.2018). Sub Regulation (3), before substitution, stood as under:  
“(3) The syllabus, format and frequency of the ‘Limited Insolvency Examination’, including qualifying marks, shall be published on the website of the Board at least one month before the examination.”

(c) does not have the qualification and experience specified in Regulation 5 or Regulation 9, as the case may be;

(d) has been convicted by any competent court for an offence punishable with imprisonment for a term exceeding six months or for an offence involving moral turpitude, and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be registered;

(e) he is an undischarged insolvent, or has applied to be adjudicated as an insolvent;

(f) he has been declared to be of unsound mind; or

(g) he is not a fit and proper person;

Explanation: For determining whether an individual is fit and proper under these Regulations, the Board may take account of any consideration as it deems fit, including but not limited to the following criteria-

(i) integrity, reputation and character,

(ii) absence of convictions and restraint orders, and

(iii) competence, including financial solvency and net worth.

<sup>5</sup>[(2) No insolvency professional entity, recognised by the Board under regulation 13, shall be eligible to be registered as an insolvency professional, if the entity and/or any of its partner or director, as the case may be, is not fit and proper person under clause (g) of sub-regulation (1).]

## **¶[Qualifications and experience.**

5. Subject to the other provisions of these regulations, an individual shall be eligible for registration, if he –

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<sup>5</sup> Inserted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022).

<sup>6</sup> Substituted by Notification No. IBBI/2017-18/GN/REG027, dated 27<sup>th</sup> March, 2018 (w.e.f. 01.04.2018). Regulation 5, before substitution, stood as under:

“5. Subject to the other provisions of these Regulations, an individual shall be eligible for registration, if he-

(a) has passed the National Insolvency Examination;

(b) has passed the Limited Insolvency Examination, and has fifteen years of experience in management, after he received a Bachelor’s degree from a university established or recognized by law; or

(c) has passed the Limited Insolvency Examination and has ten years of experience as -

(i) a chartered accountant enrolled as a member of the Institute of Chartered Accountants of India,

(ii) a company secretary enrolled as a member of the Institute of Company Secretaries of India,

(iii) a cost accountant enrolled as a member of the Institute of Cost Accountants of India, or

(iv) an advocate enrolled with a Bar Council.”.

(a) has passed the Limited Insolvency Examination within twelve months before the date of his application for enrolment with the insolvency professional agency;

(b) has completed a pre-registration educational course, as may be required by the Board, from an insolvency professional agency after his enrolment as a professional member; and

(c) has-

(i) successfully completed the National Insolvency Programme, as may be approved by the Board;

(ii) successfully completed the Graduate Insolvency Programme, as may approved by the Board;

<sup>7</sup>[(iii) experience of -

(a) ten years in the field of law, after receiving a Bachelor's degree in law;

(b) ten years in management, after receiving a Master's degree in Management or two-year full time Post Graduate Diploma in Management; or

(c) fifteen years in management, after receiving a Bachelor's degree,

from a university established or recognised by law or an Institute approved by All India Council of Technical Education; or] (iv) ten years' of experience as –

(a) chartered accountant registered as a member of the Institute of Chartered Accountants of India,

(b) company secretary registered as a member of the Institute of Company Secretaries of India,

(c) cost accountant registered as a member of the Institute of Cost Accountants of India, or

(d) advocate enrolled with the Bar Council.]

<sup>8</sup>[Explanation 1.- For the purposes of this regulation, only professional and managerial experience shall be considered.

Explanation 2.- For the purpose of computing,-

(a) the total experience of 10 or 15 years under sub-clause (iii), there shall be included experience of any period under sub-clause (iv);

(b) the total experience of 10 years under sub-clause (iv), there shall be included experience of any period under any of the items of that sub-clause.

### **Illustration 1**

Where an individual has experience of nine years under sub-clause (iii) and experience of six years under sub-clause (iv), he shall be considered having experience of fifteen years for the purposes of sub-clause (iii).

### **Illustration 2**

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<sup>7</sup> Substituted by Notification No. IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22.07.2021). Regulation 5(c)(iii), before substitution, stood as under:

“(iii) fifteen years' of experience in management, after receiving a Bachelor's degree from a university established or recognised by law; or”

<sup>8</sup> Inserted by Notification No. IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22.07.2021).

Where an individual has experience of 6 years under item (a) of sub-clause (iv) and experience of four years under item (d) of sub-clause (iv), he shall be considered as having total experience of 10 years for the purposes of sub-clause (iv).]

### **Application for certificate of registration.**

6. (1) An individual enrolled with an insolvency professional agency as a professional member may make an application to the Board in Form A of the Second Schedule to these Regulations, along with a non-refundable application fee of <sup>9</sup>[twenty] thousand rupees to the Board.

<sup>10</sup>[(1A) An insolvency professional entity eligible for registration as an insolvency professional under sub-regulation (2) of regulation 4 may make an application to the Board in Form AA of Second Schedule along with a non-refundable application fee of two lakh rupees.]

(2) The Board shall acknowledge an application made under this Regulation within seven days of its receipt.

(3) The Board may require the applicant to submit, within reasonable time, additional documents, information or clarification that it deems fit.

(4) The Board may require the applicant to appear, within reasonable time, before the Board in person, or through <sup>11</sup>[its] authorised representative for clarifications required for processing the application.

### **Certificate of registration.**

7. (1) If the Board is satisfied, after such inspection or inquiry as it deems necessary that the applicant is eligible under these Regulations, it may grant a certificate of registration to the applicant to carry on the activities of an insolvency professional in Form B of the Second Schedule to these Regulations, within sixty days of receipt of the application, excluding the time given by the Board for presenting additional documents, information or clarification, or appearing in person, as the case may be.

(2) The registration shall be subject to the conditions that the insolvency professional shall -

(a) at all times abide by the Code, rules, regulations, and guidelines thereunder and the bye-laws of the insolvency professional agency with which he is enrolled;

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<sup>9</sup> Substituted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022). Words before substitution stood as: “ten”.

<sup>10</sup> Inserted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022).

<sup>11</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under: “his”.

(b) at all times continue to satisfy the requirements under Regulation 4;

<sup>12</sup>[(ba) undergo continuing professional education, as may be required by the Board;

(bb) not outsource any of <sup>13</sup>[its] duties and responsibilities under the Code, except those specifically permitted by the Board.]

<sup>14</sup>[(c) pay to the Board, a fee of twenty thousand rupees, in case the insolvency professional is an individual or a fee of two lakh rupees, in case the insolvency professional is an insolvency professional entity, every five years after the year in which the certificate is granted and such fee shall be paid on or before the 30<sup>th</sup> April of the year it falls due.

*Illustration*

Where registration is granted on 2<sup>nd</sup> February, 2022 in the year 2021-22, the fee shall become due on 1<sup>st</sup> April, 2027, after five years (2022-23, 2023-24, 2024-25, 2025-26 and 2026-27) and it shall be paid on or before the 30<sup>th</sup> April, 2027]

(ca) pay to the Board, a fee calculated at the rate of <sup>15</sup>[one per cent] of the professional fee earned for the services rendered by <sup>16</sup>[it] as an insolvency professional in the preceding financial year, on or before the 30<sup>th</sup> of April every year, along with a statement in Form E of the Second Schedule;]

<sup>17</sup>[Provided that for the financial year 2019-2020, an insolvency professional shall pay the fee under this clause on or before the 30<sup>th</sup> June, 2020.]

<sup>18</sup>[Provided further that for the financial year 2020-2021, an insolvency professional shall pay the fee under this clause on or before the 30<sup>th</sup> June, 2021.]

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<sup>12</sup> Inserted by Notification No. IBBI/2017-18/GN/REG027, dated 27th March, 2018 (w.e.f. 01.04.2018).

<sup>13</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“his”.

<sup>14</sup> Substituted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022). Clause (c) before substitution stood as:  
“pay to the Board, a fee of ten thousand rupees, every five years after the year in which the certificate is granted and such fee shall be paid on or before the 30<sup>th</sup> April of the year it falls due;

*Illustration*

Where registration is granted on 2<sup>nd</sup> February, 2018 in the year 2017-18, the fee shall become due on 1<sup>st</sup> April, 2023, after five years (2018-19, 2019-20, 2020-21, 2021-22 and 2022-23) and it shall be paid on or before the 30<sup>th</sup> April, 2023.”

<sup>15</sup> Substituted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022). Words before substitution stood as: “0.25 percent”.

<sup>16</sup>Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“him”.

<sup>17</sup> Inserted by Notification No. IBBI/2020-21/GN/REG057, dated 20<sup>th</sup> April, 2020 (w.e.f. 28.03.2020).

<sup>18</sup> Inserted by Notification No. IBBI/2021-22/GN/REG073 dated 27<sup>th</sup> April, 2021 (w.e.f. 27.04.2021).

<sup>19</sup>[Provided further that where the insolvency professional is an insolvency professional entity, it shall pay to the Board, a fee calculated at the rate of one per cent. of professional fee earned for the services rendered as an insolvency professional in the preceding financial year on or before the 30<sup>th</sup> day of April every year, along with a statement in Form G of the Second Schedule.]

<sup>20</sup>[(cb) pay to the Board, a fee specified under sub-regulation (2) of regulation 31A of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, within a period of thirty days, after end of each quarter or upon closure of the processes whichever is earlier, along with a statement in Form EA of the Second Schedule.

Explanation: “quarter” means the period of three months commencing on the first day of January, April, July or October of a financial year.]

(d) not render services as an insolvency professional unless he becomes a partner or director of an insolvency professional entity recognised by the Board under Regulation 13, if he is not a citizen of India;

(e) take prior permission of the Board for shifting <sup>21</sup>[its] professional membership from one insolvency professional agency to another, after receiving no objection from both the concerned insolvency professional agencies;

(f) take adequate steps for redressal of grievances;

(g) maintain records of all assignments undertaken by <sup>22</sup>[it] under the Code for at least three years from the completion of such assignment;

(h) abide by the Code of Conduct specified in the First Schedule to these Regulations; and

<sup>23</sup>[(ha) in case an insolvency professional entity is an insolvency professional, it shall allow only a partner or director, as the case may be, who is an insolvency professional and holds a valid authorisation for assignment to sign and act on behalf of it,]

(i) abide by such other conditions as may be imposed by the Board.

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<sup>19</sup> Inserted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022).

<sup>20</sup> Inserted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022).

<sup>21</sup>Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“his”.

<sup>22</sup>Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“him”.

<sup>23</sup> Inserted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022).

<sup>24</sup>[Provided that clause (ba) and clause (d) shall not be applicable to an insolvency professional which is insolvency professional entity.]

<sup>25</sup>**[Authorisation for assignment.**

7A. An insolvency professional shall not accept or undertake an assignment after 31st December, 2019 unless <sup>26</sup>[it] holds a valid authorisation for assignment on the date of such acceptance or commencement of such assignment, as the case may be:

Provided that provisions of this regulation shall not apply to an assignment which an insolvency professional is undertaking as on-

- (a) 31st December, 2019; or
- (b) the date of expiry of his authorisation for assignment.]

**Refusal to grant certificate.**

8. (1) If, after considering an application made under Regulation 6, the Board is of the *prima facie* opinion that the registration ought not be granted, it shall communicate the reasons for forming such an opinion and give the applicant an opportunity to explain why <sup>27</sup>[its] application should be accepted, within fifteen days of the receipt of the communication from the Board, to enable it to form a final opinion.

(2) The communication under sub-regulation (1) shall be made to the applicant within forty five days of receipt of the application, excluding the time given by the Board for presenting additional documents, information or clarifications, or appearing in person, as the case may be.

(3) After considering the explanation, if any, given by the applicant under sub-regulation (1), the Board shall communicate its decision to-

- (a) accept the application, along with the certificate of registration, or
- (b) reject the application by an order, giving reasons thereof,

within thirty days of receipt of the explanation.

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<sup>24</sup> Inserted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022).

<sup>25</sup> Inserted by Notification No. IBBI/2019-20/GN/REG045, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23.07.2019).

<sup>26</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“it”.

<sup>27</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“his”

9. <sup>28</sup>[\*\*\*]

<sup>29</sup>[CHAPTER IV  
ISSUE AND SURRENDER OF AUTHORISATION FOR ASSIGNMENT AND  
DISCIPLINARY PROCEEDINGS]

10. <sup>30</sup>[(1) An insolvency professional agency shall inform the Board when it-

- (a) issues or renews an authorisation for assignment;
- (b) suspends or cancels an authorisation for assignment;
- (c) revokes the suspension of an authorisation for assignment; or
- (d) accepts the surrender of an authorisation for assignment,

within one working day of taking such action.]

(2) The Board shall take note of the information received under sub-regulation (1).

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<sup>28</sup> Omitted by Notification No. IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22.07.2021). Prior to omission, Regulation 9 stood as under: -

**“9. Registration for a limited period.**

(1) Notwithstanding any of the provisions of Regulation 5, an individual shall be eligible to be registered for a limited period as an insolvency professional if he-

a. has been ‘in practice’ for fifteen years as-

- (i) a chartered accountant enrolled as a member of the Institute of Chartered Accountants of India,
- (ii) a company secretary enrolled as a member of the Institute of Company Secretaries of India,
- (iii) a cost accountant enrolled as a member of the Institute of Cost Accountants of India, or
- (iv) an advocate enrolled with a Bar Council; and

b. submits an application for registration in Form A of the Second Schedule to these Regulations to the insolvency professional agency with which he is enrolled on or before 31st December, 2016 along with a non-refundable application fee of five thousand rupees which shall be collected by such insolvency professional agency on behalf of the Board.

(2) The insolvency professional agency shall submit to the Board the fee collected and the details of the applications received under sub-regulation (1)(b).

(3) An individual referred to sub-regulation (1) shall be registered for a limited period upon submission of the details and fee to the Board under sub-regulation (2), which shall be valid for a period of six months from the date of such submission.

(4) An insolvency professional registered under sub-regulation (3) shall not undertake any assignment as an insolvency professional after the expiry of his registration:

Provided that he may complete the pending assignments undertaken before the expiry of his registration, and his registration shall be deemed to be valid for this limited purpose.”

<sup>29</sup> Substituted by Notification No. IBBI/2019-20/GN/REG045, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23.07.2019). Before substitution, it stood as -“TEMPORARY SURRENDER AND DISCIPLINARY PROCEEDINGS”.

<sup>30</sup> Substituted by Notification No. IBBI/2019-20/GN/REG045, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23.07.2019). Before substitution, it stood as under:

“(1) An insolvency professional agency shall inform the Board if any of its professional members has temporarily surrendered his certificate of membership or revived his certificate of membership after temporary surrender, not later than seven days from approval of the application for temporary surrender or revival, as the case may be.”



<sup>31</sup> [ **Disciplinary proceedings.**

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<sup>31</sup> Substituted by Notification No. IBBI/2022-23/GN/REG088, dated 4<sup>th</sup> July, 2022 (w.e.f. 04.07.2022), Regulation 11 before substitution, stood as under:

“11. (1) Based on the findings of an inspection or investigation, or on material otherwise available on record, if the Board is of the *prima facie* opinion that sufficient cause exists to take actions permissible under section 220, it shall issue a show-cause notice to the insolvency professional.

(2) The show-cause notice shall be in writing, and shall state-

- a. the provisions of the Code under which it has been issued;
- b. the details of the alleged facts;
- c. the details of the evidence in support of the alleged facts;
- d. the provisions of the Code, rules, regulations and guidelines thereunder allegedly violated, or the manner in which the public interest is allegedly affected;
- e. the actions or directions that the Board proposes to take or issue if the allegations are established;
- f. the manner in which the insolvency professional is required to respond to the show-cause notice;
- g. consequences of failure to respond to the show-cause notice; and
- h. procedure to be followed for disposal of the show-cause notice.

(3) The show-cause notice shall enclose copies of documents relied upon and extracts of relevant portions from the report of investigation or inspection, or other records.

(4) A show-cause notice issued shall be served on the insolvency professional in the following manner-

(a) by sending it to the insolvency professional, at the address provided by him or provided by the insolvency professional agency with which he is enrolled, by registered post with acknowledgement due; or

(b) by an appropriate electronic means to the email address of the insolvency professional, provided by him or provided by the insolvency professional agency with which he is enrolled.

(5) The Board shall constitute a Disciplinary Committee for disposal of the show-cause notice.

(6) The Disciplinary Committee shall endeavour to dispose of the show-cause notice within a period of six months of the assignment.

(7) The Disciplinary Committee shall dispose of the show-cause notice assigned under sub-regulation (5) by a reasoned order in adherence to principles of natural justice, and after considering the submissions, if any, made by the insolvency professional, the relevant material facts and circumstances, and the material on record.

(8) The order disposing of a show-cause notice may provide for-

- (a) no action;
- (b) warning;
- [(ba) suspension or cancellation of authorisation for assignment;]
- (c) any of the actions under section 220(2) to (4); or
- (d) a reference to the Board to take any action under section 220(5).

(9) The order passed under sub-regulation (7) shall not become effective until thirty days have elapsed from the date of issue of the order unless the Disciplinary Committee states otherwise in the order along with the reason for the same.

(10) The order passed under sub-regulation (7) shall be issued to the insolvency professional, with a copy issued to the insolvency professional agency with which he is enrolled immediately, and be published on the website of the Board.”

11. The disciplinary proceedings shall be conducted in accordance with the provisions of Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.]

**CHAPTER V**  
**RECOGNITION OF INSOLVENCY PROFESSIONAL ENTITIES**

**Recognition of Insolvency Professional Entities.**

12. <sup>32</sup>[(1) A company, a registered partnership firm or a limited liability partnership may be recognised as an insolvency professional entity, if –

<sup>33</sup>[(a) its objective is to provide support services to insolvency professionals or to carry on the activities of an insolvency professional or both.]

(b) it has a net worth of not less than one crore rupees;

<sup>34</sup>[(c) majority of its equity shares and voting rights are held by insolvency professionals, who are its directors, in case it is a company,]

(d) majority of capital contribution is made by insolvency professionals, who are its partners, in case it is a limited liability partnership firm or a registered partnership firm;

(e) majority of its partners or directors, as the case may be, are insolvency professionals;

(f) majority of its whole time directors are insolvency professionals, in case it is a company; and

(g) none of its partners or directors is a partner or a director of another insolvency professional entity:

<sup>35</sup>[Provided that the insolvency professional entities recognised before the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency

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<sup>32</sup> Substituted by Notification No. IBBI/2017-18/GN/REG027, dated 27th March, 2018 (w.e.f. 01.04.2018). Sub regulation (1) of Regulation 12, before substitution, stood as under:

“A limited liability partnership, a registered partnership firm or a company may be recognised as an insolvency professional entity if-

(a) a majority of the partners of the limited liability partnership or registered partnership firm are registered as insolvency professionals; or

(b) a majority of the whole-time directors of the company are registered as insolvency professionals, as the case may be.”

<sup>33</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“its sole objective is to provide support services to insolvency professionals.”

<sup>34</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“majority of <sup>34</sup>[its equity shares] is held by insolvency professionals, who are its directors, in case it is a company;”

<sup>35</sup> Substituted by Notification No. IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22.07.2021). The proviso, before substitution stood as under:

Professionals) (Second Amendment) Regulations, 2021 shall comply with the provisions of clauses (b) and (c) on or before 31<sup>st</sup> December 2021.

*Explanation.-* For the purposes of clause (b) of this sub-regulation, ‘net worth’ means-

(i) the net worth as defined under section 2(57) of the Companies Act, 2013 in case of a company;

(ii) sum of partners’ contribution in the capital account and their undistributed profits net of accumulated losses, if any, in case of a registered partnership firm or limited liability partnership.]

<sup>36</sup>[(2) A person eligible under sub-regulation (1) may make an application for recognition as an insolvency professional entity to the Board in Form C of the Second Schedule along with an application fee of <sup>37</sup>[two lakh] rupees.]

<sup>38</sup>[(3) The Board shall acknowledge an application made under this regulation within seven days of its receipt.

(4) The Board may, after examination of the application,-

(i) require the applicant to submit, within reasonable time, additional documents, information or clarification;

(ii) inspect or inquire the applicant;

(iii) require any of the directors or partners of the applicant to appear, within a reasonable time, before it in person for any clarifications,

as may be necessary for the purpose of considering the application.]

13. <sup>39</sup>[(1)(a) Where the Board, after consideration of the application under sub-regulation (4) of regulation 12,-

(i) is satisfied that the applicant is eligible under these Regulations, it may grant a certificate of recognition as an insolvency professional entity within sixty days of receipt of the

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“Provided that the insolvency professional entities recognised as on the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2018 shall comply with the provisions of clauses (a), (b) (c) and (d) on or before 30th September, 2018 and the provisions of clauses (e), (f) and (g) on or before 30th June, 2018.”

<sup>36</sup> Substituted by Notification No. IBBI/2018-19/GN/REG036, dated 11th October, 2018 (w.e.f.11.10.2018). Sub - regulation (2), before substitution, stood as under:

“(2) A person eligible under sub-regulation (1) may make an application for recognition as an insolvency professional entity to the Board in Form C of the Second Schedule to these Regulations.”

<sup>37</sup> Substituted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022). Words before substitution stood as: “fifty thousand”.

<sup>38</sup> Inserted by Notification No IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22.07.2021).

<sup>39</sup> Substituted by Notification No IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22.07.2021). Sub-regulation (1), before substitution stood as under:

“13(1) If the Board is satisfied, after such inspection or inquiry as it deems necessary that the applicant is eligible under these Regulations, it may grant a certificate of recognition as an insolvency professional entity in Form D of the Second Schedule to these Regulations.”

application, excluding the time taken by the applicant for submitting additional documents, information or clarification, or appearing in person, as the case may be, under sub-regulation (4) of regulation 12;

(ii) is of the *prima facie* opinion that the recognition ought not be granted, it shall communicate such opinion along with reasons thereof and provide the applicant an opportunity to submit its explanation within fifteen days of the receipt of the communication from the Board, to enable it to form a final opinion.

(b) The Board shall, within thirty days of receipt of the explanation, if any, submitted by the applicant under clause (a), -

- (i) grant a certificate of recognition as an insolvency professional entity; or
- (ii) reject the application by an order, after recording reasons thereof.

(c) The Board shall grant a certificate of recognition as an insolvency professional entity under clause (a) or (b) in Form D of the Second Schedule.]

(2) The recognition shall be subject to the conditions that the insolvency professional entity shall-

(a) at all times continue to satisfy the requirements under Regulation 12;

<sup>40</sup>[(b) inform the Board, within <sup>41</sup>[thirty] days, when an individual ceases to be its director or partner, as the case may be, in Form F of the Second Schedule along with a fee of two thousand rupees;

<sup>42</sup>[Provided that when an individual ceases to be its director or partner, as the case may be, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2020 and ending on the 31st December 2020, the insolvency professional entity shall inform the Board, within thirty days of such cessation;]

<sup>43</sup>[Provided further that when an individual ceases to be its director or partner, as the case may be, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2021 and ending on the 31<sup>st</sup> December

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<sup>40</sup> Substituted by Notification No. IBBI/2018-19/GN/REG036, dated 11th October, 2018 (w.e.f.11.10.2018). Clauses (b) & (c) of sub -regulation (2), before substitution, stood as under:

(a) inform the Board, within seven days, when an insolvency professional ceases to be its director or partner, as the case may be,  
(b) inform the Board, within seven days, when an insolvency professional joins as its director or partner, as the case may be, and”

<sup>41</sup> Substituted by Notification No IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22.07.2021). The word, before substitution stood as under:  
“seven”

<sup>42</sup> Inserted by Notification No. IBBI/2020-21/GN/REG057, dated 20th April, 2020 (w.e.f. 28.03.2020).

<sup>43</sup> Inserted by Notification No. IBBI/2021-22/GN/REG073 dated 27th April, 2021 (w.e.f. 27.04.2021).

2021, the insolvency professional entity shall inform the Board, within thirty days of such cessation.]

<sup>44</sup>[Provided further that in case the insolvency professional entity is enrolled with an insolvency professional agency, the intimation under this clause shall also be made to such insolvency professional agency to update its register of professional members.]

(c) inform the Board, within <sup>45</sup>[thirty] days, when an individual joins as its director or partner, as the case may be, in Form F of the Second Schedule along with a fee of two thousand rupees;

<sup>46</sup>[Provided that when an individual joins as its director or partner, as the case may be, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2020 and ending on the 31st December 2020, the insolvency professional entity shall inform the Board, within thirty days of such joining;]

<sup>47</sup>[Provided further that when an individual joins as its director or partner, as the case may be, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) (Amendment) Regulations, 2021 and ending on the 31<sup>st</sup> December 2021, the insolvency professional entity shall inform the Board, within thirty days of such joining.]

<sup>48</sup>[Provided further that in case the insolvency professional entity is enrolled with an insolvency professional agency, the intimation under this clause shall also be made to such insolvency professional agency to update its register of professional members.]

(ca) pay to the Board, a fee calculated at the rate of <sup>49</sup>[one per cent] of the turnover from the services rendered by it in the preceding financial year, on or before the 30<sup>th</sup> of April every year, along with a statement in Form G of the <sup>50</sup>[Second Schedule:

Provided that for the financial year 2019-2020, an insolvency professional entity shall pay the fee under this clause on or before the 30<sup>th</sup> June, 2020; and]

<sup>51</sup>[Provided further that for the financial year 2020-2021, an insolvency professional entity shall pay the fee under this clause on or before the 30<sup>th</sup> June, 2021; and]

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<sup>44</sup> Inserted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022).

<sup>45</sup> Substituted by Notification No IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22.07.2021). The word, before substitution stood as under:  
“seven”

<sup>46</sup> Inserted by Notification No. IBBI/2020-21/GN/REG057, dated 20<sup>th</sup> April, 2020 (w.e.f. 28.03.2020).

<sup>47</sup> Inserted by Notification No. IBBI/2021-22/GN/REG073 dated 27<sup>th</sup> April, 2021 (w.e.f. 27.04.2021).

<sup>48</sup> Inserted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022).

<sup>49</sup> Substituted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022). Words before substitution, stood as: “0.25”.

<sup>50</sup> Substituted by Notification No. IBBI/2020-21/GN/REG057, dated 20<sup>th</sup> April, 2020 (w.e.f. 28.03.2020). Before Substitution, it stood as “Second Schedule and;”.

<sup>51</sup> Inserted by Notification No. IBBI/2021-22/GN/REG073 dated 27<sup>th</sup> April, 2021 (w.e.f. 27.04.2021).

<sup>52</sup>[Provided further that in case the insolvency professional entity is registered as an insolvency professional, the services for the purpose of this sub-regulation shall not include the services rendered as an insolvency professional provided under third proviso to clause (ca) of sub-regulation (2) of regulation 7.]

<sup>53</sup>[(cb) submit to the Board, by 15<sup>th</sup> day of October every year, a compliance certificate in Form H, for the preceding financial year:

Provided that an insolvency professional entity recognised as on 31st March, 2019 shall submit to the Board, by 31st December 2019, a compliance certificate in Form H for the financial year 2018-19.]

(d) abide by such other conditions as may be specified.

(3) An insolvency professional entity shall be jointly and severally liable for all acts or omissions of its partners or directors as insolvency professionals committed during such partnership or directorship.

14. Where the Board is of the opinion that sufficient cause exists for de-recognition of an insolvency professional entity, it may do so by passing a reasoned order.

<sup>54</sup>[15. **Interest.**- Without prejudice to any other action which the Board may take as deemed fit under the Code or any regulations made thereunder, any delay in payment of fee by an insolvency professional or an insolvency professional entity, a simple interest at the rate of 12% per annum on the amount of fee unpaid shall be paid to the Board after the last date of payment of fee under these regulations.]

## **FIRST SCHEDULE**

*[<sup>55</sup>Under Regulation 7(2)(h)]*

### **CODE OF CONDUCT FOR INSOLVENCY PROFESSIONALS**

#### **Integrity and objectivity.**

1. An insolvency professional must maintain integrity by being honest, straightforward, and forthright in all professional relationships.

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<sup>52</sup> Inserted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022).

<sup>53</sup> Inserted by Notification No. IBBI/2019-20/GN/REG049, dated 25th October, 2019 (w.e.f. 25.10.2019).

<sup>54</sup> Inserted by Notification No. IBBI/2018-19/GN/REG036, dated 11th October, 2018 (w.e.f.11.10.2018).

<sup>55</sup> Substituted by Notification No. IBBI/2017-18/GN/REG027, dated 27th March, 2018 (w.e.f. 01.04.2018). Before substitution, it stood as under:

“[Under regulation 7(2) (g)]”

2. An insolvency professional must not misrepresent any facts or situations and should refrain from being involved in any action that would bring disrepute to the profession.
3. An insolvency professional must act with objectivity in <sup>56</sup>[its] professional dealings by ensuring that his decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the insolvency proceedings or not.  
  
<sup>57</sup>[3A. An insolvency professional must disclose the details of any conflict of interests to the stakeholders, whenever he comes across such conflict of interest during an assignment.]
4. An insolvency professional appointed as an interim resolution professional, resolution professional, liquidator, or bankruptcy trustee should not <sup>58</sup>[itself] acquire, directly or indirectly, any of the assets of the debtor, nor knowingly permit any relative to do so.

### **Independence and impartiality.**

5. An insolvency professional must maintain complete independence in <sup>59</sup>[its] professional relationships and should conduct the insolvency resolution, liquidation or bankruptcy process, as the case may be, independent of external influences.
6. In cases where the insolvency professional is dealing with assets of a debtor during liquidation or bankruptcy process, he must ensure that he or his relatives do not knowingly acquire any such assets, whether directly or indirectly unless it is shown that there was no impairment of objectivity, independence or impartiality in the liquidation or bankruptcy process and the approval of the Board has been obtained in the matter.
7. An insolvency professional shall not take up an assignment under the Code if he, any of his relatives, any of the partners or directors of the insolvency professional entity of which he is a partner or director, or the insolvency professional entity of which he is a partner or director is not independent, in terms of the Regulations related to the processes under the Code, in relation to the corporate person/ debtor and its related parties.
8. An insolvency professional shall disclose the existence of any pecuniary or personal relationship with any of the stakeholders entitled to distribution under sections 53 or 178 of the Code, and the

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<sup>56</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”

<sup>57</sup> Inserted by Notification No. IBBI/2019-20/GN/REG045, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23.07.2019).

<sup>58</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“himself”.

<sup>59</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”.

concerned corporate person/ debtor as soon as he becomes aware of it, by making a declaration of the same to the applicant, committee of creditors, and the person proposing appointment, as applicable.

<sup>60</sup>[8A. An insolvency professional shall disclose as to whether he was an employee of or has been in the panel of any financial creditor of the corporate debtor, to the committee of creditors and to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website.]

<sup>61</sup>[8B. An insolvency professional shall disclose <sup>62</sup>[its] relationship, if any, with the corporate debtor, other professionals engaged by <sup>63</sup>[it], financial creditors, interim finance providers, and prospective resolution applicants to the insolvency professional agency of which he is a member, within the time specified hereunder:

<b>Relationship of the insolvency professional with</b>	<b>Disclosure to be made within three days of</b>
(1)	(2)
Corporate debtor	his appointment.
Registered valuers / accountants/ legal professionals/ other professionals appointed by him	appointment of the professionals.
Financial creditors	the constitution of committee of creditors.
Interim finance providers	the agreement with the interim finance provider.
Prospective resolution applicants	the supply of information memorandum to the prospective resolution applicant.
If relationship with any of the above, comes to notice or arises subsequently	of such notice or arising.

8C. An insolvency professional shall ensure disclosure of the relationship, if any, of the other professionals engaged by <sup>64</sup>[it] with <sup>65</sup>[itself], the corporate debtor, the financial creditor, the

<sup>60</sup> Inserted by Notification No. IBBI/2017-18/GN/REG027, dated 27th March, 2018 (w.e.f. 01.04.2018).

<sup>61</sup> Inserted by Notification No. IBBI/2022-23/GN/REG088, dated 4<sup>th</sup> July, 2022 (w.e.f. 04.07.2022).

<sup>62</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”.

<sup>63</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“him”.

<sup>64</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“him”.

<sup>65</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:



interim finance provider, if any, and the prospective resolution applicant, to the insolvency professional agency of which he is a member, within the time specified as under:

<b>Relationship of the other professional with</b>	<b>Disclosure to be made within three days of</b>
(1)	(2)
Insolvency professional	the appointment of the other professional.
Corporate debtor	the appointment of the other professional.
Financial creditors	constitution of committee of creditors.
Interim finance providers	the agreement with the interim finance provider or three days of the appointment of the other professional, whichever is later.
Prospective resolution applicants	the supply of information memorandum to the prospective resolution applicant or three days of the appointment of the other professional, whichever is later.
If relationship with any of the above, comes to notice or arises subsequently	of such notice or arising.

Explanation: For the purposes of clause 8B and 8C above, ‘relationship’ shall mean any one or more of the following four kinds of relationships at any time or during the three years preceding the appointment of other professionals:

<b>Kind of relationship</b>	<b>Nature of relationship</b>
(1)	(2)
A	Where the insolvency professional or the other professional, as the case may be, has derived 5% or more of his / its gross revenue in a year from professional services to the related party.
B	Where the insolvency professional or the other professional, as the case may be, is a shareholder, director, key managerial personnel or partner of the related party.
C	Where a relative (spouse, parents, parents of spouse, sibling of self and spouse, and children) of the insolvency professional or the other professional, as the case may be, has a relationship of kind A or B with the related party.
D	Where the insolvency professional or the other professional, as the case may be, is a partner or director of a company, firm or LLP, such as, an insolvency professional entity or registered valuer, the relationship of kind A, B or C of every partner or director of such company, firm or LLP with the related party.

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“himself”.

8D. An insolvency professional shall ensure timely and correct disclosures by <sup>66</sup>[it], and other professionals appointed by <sup>67</sup>[it] and shall provide a confirmation to the insolvency professional agency of which he is a professional member to the effect that the appointment, if any, of every other professional has been made at arms' length relationship.]

9. An insolvency professional shall not influence the decision or the work of the committee of creditors or debtor, or other stakeholders under the Code, so as to make any undue or unlawful gains for <sup>68</sup>[itself] or <sup>69</sup>[its] related parties, or cause any undue preference for any other persons for undue or unlawful gains and shall not adopt any illegal or improper means to achieve any *mala fide* objectives.

### **Professional competence.**

10. An insolvency professional must maintain and upgrade his professional knowledge and skills to render competent professional service.

### **Representation of correct facts and correcting misapprehensions.**

11. An insolvency professional must inform such persons under the Code as may be required, of a misapprehension or wrongful consideration of a fact of which he becomes aware, as soon as may be practicable.
12. An insolvency professional must not conceal any material information or knowingly make a misleading statement to the Board, the Adjudicating Authority or any stakeholder, as applicable.

### **Timeliness.**

13. An insolvency professional must adhere to the time limits prescribed in the Code and the rules, regulations and guidelines thereunder for insolvency resolution, liquidation or bankruptcy

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<sup>66</sup>Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
"him".

<sup>67</sup>Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
"him".

<sup>68</sup>Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
"himself".

<sup>69</sup>Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
"his"

process, as the case may be, and must carefully plan <sup>70</sup>[its] actions, and promptly communicate with all stakeholders involved for the timely discharge of <sup>71</sup>[its] duties.

14. An insolvency professional must not act with *mala fide* or be negligent while performing <sup>72</sup>[its] functions and duties under the Code.

#### **Information management.**

15. An insolvency professional must make efforts to ensure that all communication to the stakeholders, whether in the form of notices, reports, updates, directions, or clarifications, is made well in advance and in a manner which is simple, clear, and easily understood by the recipients.

<sup>73</sup>[15A. An insolvency professional shall prominently state in all <sup>74</sup>[its] communications to a stakeholder, <sup>75</sup>[its] name, address, e-mail, registration number and validity of authorisation for assignment, if any, issued by the insolvency professional agency of which he is a member.]

16. An insolvency professional must ensure that he maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of <sup>76</sup>[its] decisions and actions.

17. An insolvency professional must not make any private communication with any of the stakeholders unless required by the Code, rules, regulations and guidelines thereunder, or orders of the Adjudicating Authority.

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<sup>70</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”

<sup>71</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”

<sup>72</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”

<sup>73</sup> Inserted by Notification No. IBBI/2022-23/GN/REG088, dated 4<sup>th</sup> July, 2022 (w.e.f. 04.07.2022)

<sup>74</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”

<sup>75</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”

<sup>76</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”

18. An insolvency professional must appear, co-operate and be available for inspections and investigations carried out by the Board, any person authorised by the Board or the insolvency professional agency with which he is enrolled.
19. An insolvency professional must provide all information and records as may be required by the Board or the insolvency professional agency with which he is enrolled.
20. An insolvency professional must be available and provide information for any periodic study, research and audit conducted by the Board.

### **Confidentiality.**

21. An insolvency professional must ensure that confidentiality of the information relating to the insolvency resolution process, liquidation or bankruptcy process, as the case may be, is maintained at all times. However, this shall not prevent <sup>77</sup>[it] from disclosing any information with the consent of the relevant parties or required by law.

### **Occupation, employability and restrictions.**

22. An insolvency professional must refrain from accepting too many assignments, if he is unlikely to be able to devote adequate time to each of his assignments.

<sup>78</sup>[**Clarification:** An insolvency professional may, at any point of time, not have more than ten assignments as resolution professional in corporate insolvency resolution process, of which not more than three shall have admitted claims exceeding one thousand crore rupees each.]

<sup>79</sup>[23. An insolvency professional must not engage in any employment when he holds a valid authorisation for assignment or when he is undertaking an assignment.

23A. Where an insolvency professional has conducted a corporate insolvency resolution process, he and his relatives shall not accept any employment, other than an employment secured through open competitive recruitment, with, or render professional services, other than services under the Code, to a creditor having more than ten percent voting power, the successful resolution applicant, the corporate debtor or any of their related parties, until a period of one year has elapsed from the date of his cessation from such process.

23B. An insolvency professional shall not engage or appoint any of his relatives or related parties, for or in connection with any work relating to any of his assignment.

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<sup>77</sup>Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“him”.

<sup>78</sup> Inserted by Notification No. IBBI/2021-22/GN/REG077, dated 22<sup>nd</sup> July, 2021 (w.e.f. 21.07.2021).

<sup>79</sup> Substituted by Notification No. IBBI/2019-20/GN/REG045, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23.07.2019). Before substitution, clause 23, stood as under:

“An insolvency professional must not engage in any employment, except when he has temporarily surrendered his certificate of membership with the insolvency professional agency with which he is registered.”

23C. An insolvency professional shall not provide any service for or in connection with the assignment which is being undertaken by any of his relatives or related parties.

Explanation.- For the purpose of clauses 23A to 23C, “related party” shall have the same meaning as assigned to it in clause (24A) of section 5, but does not include an insolvency professional entity of which the insolvency professional is a partner or director.]

24. An insolvency professional must not conduct business which in the opinion of the Board is inconsistent with the reputation of the profession.

### **Remuneration and costs.**

25. An insolvency professional must provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable regulations.

<sup>80</sup>[25A. An insolvency professional shall disclose the fee payable to <sup>81</sup> [it], the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by <sup>82</sup>[it] to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website.]

<sup>83</sup>[25B. An insolvency professional shall raise bills or invoices in <sup>84</sup>[its] name towards <sup>85</sup>[its] fees, and such fees shall be paid to <sup>86</sup>[it] through banking channel.

25C. An insolvency professional shall ensure that the insolvency professional entity or the professional engaged by <sup>87</sup>[it] raises bills or invoices in their own name towards their fees, and such fees shall be paid to them through banking channel.]

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<sup>80</sup> Inserted by Notification No. IBBI/2017-18/GN/REG027, dated 27<sup>th</sup> March, 2018 (w.e.f. 01.04.2018).

<sup>81</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“him”.

<sup>82</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“him”.

<sup>83</sup> Inserted by Notification No. IBBI/2022-23/GN/REG088, dated 4<sup>th</sup> July, 2022 (w.e.f. 04.07.2022).

<sup>84</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“his”

<sup>85</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“his”

<sup>86</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“him”.

<sup>87</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:  
“him”.

26. An insolvency professional shall not accept any fees or charges other than those which are disclosed to and approved by the persons fixing <sup>88</sup>[its] remuneration.

<sup>89</sup>[26A. An insolvency professional shall not accept /share any fees or charges from any professional and/or support service provider who are appointed under the processes.]

27. An insolvency professional shall disclose all costs towards the insolvency resolution process costs, liquidation costs, or costs of the bankruptcy process, as applicable, to all relevant stakeholders, and must endeavour to ensure that such costs are not unreasonable.

<sup>90</sup>[27A. An insolvency professional shall, while undertaking assignment or conducting processes, exercise reasonable care and diligence and take all necessary steps to ensure that the corporate person complies with the applicable laws.

27B. An insolvency professional shall not include any amount towards any loss, including penalty, if any, in the insolvency resolution process cost or liquidation cost, incurred on account of non-compliance of any provision of the laws applicable on the corporate person while conducting the insolvency resolution process, fast track insolvency resolution process, liquidation process or voluntary liquidation process, under the Code.]

### **Gifts and hospitality.**

28. An insolvency professional, or his relative must not accept gifts or hospitality which undermines or affects his independence as an insolvency professional.

29. An insolvency professional shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person, intending to obtain or retain work for himself, or to obtain or retain an advantage in the conduct of profession for himself.

## **SECOND SCHEDULE**

### **<sup>91</sup>[FORM A**

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<sup>88</sup> Substituted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022). The words before substitution, stood as under:

“his”

<sup>89</sup> Inserted by Notification No. IBBI/2022-23/GN/REG092, dated 13<sup>th</sup> September, 2022 (w.e.f. 13.09.2022).

<sup>90</sup> Inserted by Notification No. IBBI/2022-23/GN/REG088, dated 4<sup>th</sup> July, 2022 (w.e.f. 04.07.2022).

<sup>91</sup> Substituted by Notification No. IBBI/2019-20/GN/REG049, dated 25<sup>th</sup> October, 2019 (w.e.f. 25.10.2019).

[Under regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]

To  
The Executive Director (IP Division)  
Insolvency and Bankruptcy Board of India

Please affix a  
recent  
passport size  
photo

**Subject: Application for registration as an insolvency professional.**

Sir / Madam,

I, having been enrolled as a professional member with the [name of the insolvency professional agency] on [date of enrolment] with [professional membership number], hereby apply for registration as an insolvency professional under section 207 of the Insolvency and Bankruptcy Code, 2016 read with regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 [IP Regulations]. My details are as under:

**A. PERSONAL DETAILS**

1. Title (Mr. / Mrs. / Ms. / Other):
2. Name (as per PAN / Aadhaar):
3. Father's Name:
4. Mother's Name:
5. Date of Birth:
6. Place of Birth:
7. PAN:
8. AADHAAR No. (if available):
9. Passport No. (if available):
10. GSTIN (if available):
11. DIN / DPIN (if available):
12. Address for Correspondence (Note: This shall be recorded as the registered address):
13. Permanent Address:
14. E-mail Address (Note: This shall be recorded as the registered e-mail address):
15. Mobile No. (Note: This shall be recorded as the registered mobile number):
16. Residential Status: *Person resident in India/ Person resident outside India (strike off whichever is not applicable)* [in terms of section 3 (24) or 3 (25) of Insolvency and Bankruptcy Code, 2016]

**B. QUALIFICATIONS: EDUCATIONAL, PROFESSIONAL, INSOLVENCY EXAMINATION AND PRE-REGISTRATION EDUCATIONAL COURSE**

**(i) Educational Qualifications**

[Please provide educational qualifications from bachelor's degree onwards]

Sl. No.	Educational qualification	University /College	Year of Passing	Marks Secured (%)	Grade/ Class	Remarks, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)

**(ii) Professional Qualifications** [in terms of regulation 5(c)(iv) of IP Regulations]

Sl. No.	Professional qualification	Institute/ professional body	Membership No. / Enrolment No. (as applicable)	Date of registration/ enrolment	Remarks, if any
(1)	(2)	(3)	(4)	(5)	(6)

**(iii) Insolvency Examination**

Sl. No.	Name of the examination /programme	Whether passed (Yes / No)	Name of the institute /organisation	Marks (%) / Grade/ Class	Date of passing	Remarks, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Limited Insolvency Examination		IBBI			
2	Graduate Insolvency Programme					
3	National Insolvency Programme					

**(iv) Pre-Registration Educational Course:**

Have you completed the Pre-Registration Educational Course? (Yes/No)

If Yes, date of completion of Pre-Registration Educational Course: dd/mm/yyyy

**(v) Are you a registered valuer?** (Yes/No) If yes,

(a) IBBI Registration No. \_\_\_\_\_,

(b) Name of Registered Valuer Organisation (RVO) \_\_\_\_\_ and,

(c) RVO enrollment No. \_\_\_\_\_.

**C. WORK EXPERIENCE**

(i) Are you presently in practice / employment? (*Practice / Employment*)

(ii) Total period in practice (years and completed months): yy / mm

(iii) Total period in employment (years and completed months): yy / mm

(iv) Details of experience (from the date of enrolment as an Advocate / Chartered Accountant / Company Secretary / Cost Accountant /after Bachelors' Degree)

Sl. No.	From (dd-mm- yyyy)	To (dd-mm-yyyy)	Employment		Practice		Area of work
			Name and Address of Employer	Designation	Advocate /CA /CS / CMA	Name of Firm and Firm Registration Number, if applicable	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)




**D. ADDITIONAL INFORMATION**

1. Have you ever been convicted of an offence? (Yes / No)  
If yes, please give complete details along with current status.
2. Is any criminal proceeding pending against you? (Yes / No)  
If yes, please give complete details along with current status.
3. Have you ever been adjudged as a bankrupt? (Yes / No)  
If yes, please give complete details along with current status.
4. Is there any disciplinary proceeding pending against you or has been taken against you at any time in the preceding three years by the ICAI, ICSI, ICAI (Cost), Bar Council or RVO? (Yes / No) If yes, please give complete details along with current status.
5. Please provide any additional information that may be relevant for determining if you are fit and proper person.

**AFFIRMATION**

I affirm that I am eligible to be registered as an insolvency professional under the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 read with section 207 of the Insolvency and Bankruptcy Code, 2016.

2. I affirm that the information furnished by me in this application is correct and complete to the best of my knowledge and belief.
3. I undertake to comply with the requirements of the Insolvency and Bankruptcy Code, 2016, rules, regulations, guidelines and circulars issued thereunder, the bye-laws of the insolvency professional agency with which I am enrolled and directions given by the Board and the Governing Board of such insolvency professional agency and to furnish any additional information as and when called for by the Board or Insolvency Professional Agency.

Name and signature of applicant

Place:

Date:

**ATTACHMENTS**

1. Copy of proof of residence
2. Copy of PAN card, Aadhaar card and Passport
3. Copy of GST Registration Certificate

4. Copy of DIN/DPIN allotment letter
5. Copies of documents in support of educational qualification, professional qualification and insolvency examination and completion of Pre-Registration Education Course
6. Copies of documents demonstrating practice as -
  - (i) a chartered accountant registered with the Institute of Chartered Accountants of India;
  - (ii) a company secretary registered with the Institute of Company Secretaries of India;
  - (iii) a cost accountant registered with the Institute of Cost Accountants of India; or
  - (iv) an advocate enrolled with the Bar Council.
7. Copies of certificate of employment from the employer(s), specifying the period of such employment
8. Financial statements / Income-tax Returns for the last three years.
9. Copy of certificate of professional membership with an insolvency professional agency and /or Registered Valuer Organisation
10. Evidence of deposit / payment of fee, along with GST, as required under regulation 6(1) of IP Regulations
11. Details of information with respect to conviction, criminal proceedings, insolvency/bankruptcy order, disciplinary proceedings/actions and any other additional information relevant for the application, as may be applicable (including brief facts, copy of relevant orders and present status thereof) as separate enclosures.

#### **VERIFICATION BY THE INSOLVENCY PROFESSIONAL AGENCY**

We have verified as under:

Sl. No.	Verification	Finding
1	Whether any disciplinary proceeding is pending, or any disciplinary action has been taken at any time in the preceding three years against the professional member by the ICAI, ICSI, ICAI(Cost), Bar Council or RVO of which he is a Member?	Yes / No If Yes, give details and supporting document
2	Whether any criminal proceeding has been initiated by ICAI, ICAI (Cost), ICSI, Bar Council, or RVO against the professional member and is pending for disposal?	Yes / No If Yes, give details and supporting document.
3	Whether any other criminal proceeding is pending against the professional member?	Yes/ No If Yes, give details and supporting document
4	Whether the professional member had an unblemished service records with the last employer if he was in employment?	Yes / No If Yes, give details and supporting document

5	Whether the name of the professional member appears in the database of Ministry of Corporate Affairs regarding: (i) Directors disqualified under section 164 of the Companies Act, 2013; or (ii) Proclaimed Offenders under section 82 of the Code of Criminal Procedure, 1973?	Yes / No  If Yes, give details and attach additional papers
6	Whether the professional member has been penalised by SEBI or CCI in the last three years?	Yes / No  If Yes, give details and supporting document
7	Whether the name of professional member appears in the list of defaulters of RBI / Credit Information Company?	Yes / No  If Yes, give details and supporting document
8	Whether the professional member has been convicted of any offence?	Yes/No  If Yes, give details and supporting document

We have verified the details submitted by (*name of the applicant*) who is our professional member with (*membership no.*) and confirm that these are correct and complete to the best of our knowledge and belief. We recommend registration of (*name of the applicant*) as an insolvency professional with IBBI.

(Name and Signature)  
Authorised Officer of the Insolvency Professional Agency  
(Seal of the Insolvency Professional Agency)

Place:

Date:]

<sup>92</sup>**[FORM AA**

*[Under Regulation 6 (1A) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]*

To  
The Executive Director (IP Division)  
Insolvency and Bankruptcy Board of India

**Sub.: Application for registration as an insolvency professional.**

**Sir/Madam,**

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<sup>92</sup> Inserted by Notification No. IBBI/2022-23/GN/REG099, dated 28<sup>th</sup> September, 2022 (w.e.f. 28.09.2022).

1. I, being duly authorised for the purpose, hereby apply on behalf of [*name of the applicant entity*], recognised by the Board as an insolvency professional entity with recognition number [*recognition number*], having registered address at [*registered address of the applicant entity*] for registration as an insolvency professional under section 207 of the Insolvency and Bankruptcy Code, 2016 read with regulation 6 (1A) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 (IP Regulations). I hereby enclose proof (certified copy of Board/ Partner's Resolution) that I am authorised to make this application and correspond with the Board in this respect.

#### **ADDITIONAL INFORMATION**

2. Whether the applicant entity is a subsidiary, joint venture or associate of another company or body corporate? (Yes/ No)

If yes, please give complete details of such company or body corporate.

3. Whether the applicant entity and/ or any of its partner or director, as the case may be, is a fit and proper person in terms of regulation 4 of IP Regulations? (Yes/ No)

If yes, please give complete details along with current status.

4. Please provide any additional information that may be relevant for grant of certificate of registration.

#### **AFFIRMATION**

5. I, on behalf of [*name of the applicant entity*], affirm that the applicant entity has at all times complied with regulations 12 and 13 of the IP Regulations.

6. I, on behalf of [*name of the applicant entity*], affirm that the applicant is eligible to be registered as an insolvency professional.

7. I, on behalf of [*name of the applicant entity*], hereby affirm that –

- i. all information contained in this application is true and correct in all material respects,
- ii. no material information relevant for the purpose of this application has been suppressed, and
- iii. registration granted in pursuance of this application may be cancelled summarily if any information submitted herein is found to be false or misleading in material respects at any stage.
- iv. the applicant entity may be derecognised if any information submitted herein is found to be false or misleading in material respects at any stage.

8. I, hereby confirm that the applicable fee has been paid to the Board vide [*please enter the payment details along with date of making the payment*] and enclose proof thereof.

9. If granted registration, I, on behalf of [*name of the applicant entity*], undertake to comply with the requirements of the Code, the rules, regulations or circulars or guidelines issued thereunder, and such other terms and conditions as may be imposed by the Board while granting the certificate of registration or subsequently.

Yours faithfully,

Authorised Signatory  
(Name)  
(Designation)

(Insolvency Professional Registration Number of Authorised Signatory -----)  
(Name of the Insolvency Professional Entity-----)

(Recognition Number of the Insolvency Professional Entity----)

Place:

Date :

### ATTACHMENTS

1. Certified copy of Board / Partners' Resolution authorising the person to make this application and correspond with the Board in this respect.
2. Copy of Certificate of Recognition.
3. Copy of Certificate of Professional Membership issued by the Insolvency Professional Agency

Yours faithfully,

Authorised Signatory

(Name)

(Designation)

(Insolvency Professional Registration No. of Authorised Signatory-----)

(Name of the Insolvency Professional Entity-----)

(Recognition Number of the Insolvency Professional Entity----)

Place :

Date :...]

### SECOND SCHEDULE

#### FORM B

### INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

#### CERTIFICATE OF REGISTRATION

**IP REGISTRATION NO. \_\_**

*[Under Regulation 7 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]*

1. In exercise of the powers conferred by Regulation 7 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 the Board hereby grants a certificate of registration to *[insert name]*, to act as an insolvency professional in accordance with these Regulations.
2. This certificate shall be valid from *[insert start date]*.

Sd/-

(Name and Designation)

For and on behalf of Insolvency and Bankruptcy Board of India

Place:

Date:

## SECOND SCHEDULE

### <sup>93</sup>[ FORM C

[Under regulation 12 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]

To

The Executive Director (IPE Division)

Insolvency and Bankruptcy Board of India (IBBI)

**Subject: Application for recognition as an insolvency professional entity.**

Sir/Madam,

I, having been duly authorised for the purpose, hereby apply, on behalf of [*name of the applicant entity*], having registered address at [*registered address of the applicant*], for recognition as an insolvency professional entity under sub-regulation (2) of regulation 12 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016. The details of the applicant and its directors / partners are as under:

#### A. DETAILS OF APPLICANT

1. Name:

2. Address:

i. registered office:

ii. principal place(s) of business, if any:

iii. Address for Correspondence with the Applicant

iv. E-mail address for correspondence with the Applicant:

v. Telephone number for correspondence with the Applicant:

3. Nature of constitution: Company /Limited Liability Partnership/ Registered Partnership  
(*strike off whichever is not applicable*)

4. Corporate Identification Number (CIN)/ LLP Identification Number (LLPIN)/ Certificate of Registration:

5. PAN:

6. GSTIN (if available):

7. Name, designation and contact details of the person authorised to make this application and correspond with the Board on behalf of applicant:

i. Name:

ii. Designation:

iii. Address for correspondence:

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<sup>93</sup> Substituted by Notification No. IBBI/2019-20/GN/REG049, dated 25<sup>th</sup> October, 2019 (w.e.f. 25.10.2019).

iv. Mobile No. / Landline No:

v. E-mail address:

**B. DETAILS OF THE DIRECTORS / PARTNERS OF THE APPLICANT AS ON DATE OF APPLICATION**

Sl. No.	Name of the director/partner	Address of the director/partner	DIN/DPIN (if available)	PAN	Registration No. as an insolvency professional	Professional membership No. (if applicable)	% share in shares / capital contributed	Whether Whole Time Director (Yes / No)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

**C. ELIGIBILITY [in terms of Regulation 12 (1) of IP Regulations]**

1. Sole objective of the applicant as per its constitutional document [*Description of the sole objective*]:

2. Net worth of the applicant as on ..... (Date should not be earlier than more 90 days from the date of application):

- (i) Amount:
- (ii) Date of net worth:
- (iii) Unique Document Identification Number of the net worth certificate issued by the Chartered Accountant, if any:
- (iv) Date of the net worth certificate issued by the Chartered Accountant, if any:

3. Details of shareholding or partner's contribution in the applicant:

(i) In case of Partnership

Sl. No.	Name of Partner	Amount (Rs.) of capital contribution	% share in total capital contribution	Whether partner is an insolvency professional (Yes / No)	Registration No. as an insolvency professional, if applicable
(1)	(2)	(3)	(4)	(5)	(6)


(ii) In case of Company

Sl. No.	Name of Shareholder	Number of shares held	% of shares held	Whether shareholder is a director (Yes / No)	Whether shareholder is an insolvency professional (Yes / No)	Registration no. as an insolvency professional, if applicable
(1)	(2)	(3)	(4)	(5)	(6)	(7)

5. Whether the applicant was at any time in the past derecognised as an insolvency professional entity. (Yes/No)

If yes, please furnish the date of derecognition and ground for derecognition.

6. Whether any disciplinary proceeding has been initiated by the Board (IBBI) or the Insolvency Professional Agency against any director(s) / partner(s), who was/is/are insolvency professional(s). (Yes/No) If yes, please provide details.

#### AFFIRMATION

I, on behalf of [*name of the applicant entity*], affirm that -

(i) the applicant is eligible to be recognised as an insolvency professional entity;

(ii) none of the directors or partners of the applicant, as the case may be, is a director or partner of another insolvency professional entity.

2. I affirm that the information furnished in this application is correct and complete to the best of my knowledge and belief.

3. I, on behalf of [*name of the applicant entity*], undertake to comply with the requirements of the Insolvency and Bankruptcy Code, 2016, rules, regulations, guidelines and circulars issued thereunder, and such other terms and conditions as may be imposed by the Board while granting the certificate of recognition.

Yours faithfully,

Authorised Signatory

(Name)

(Designation)

Place:

Date:



## **ATTACHMENTS**

1. Copy of Board / Partners' Resolution authorising the person to make this application and make correspondence with the Board
2. Copy of CIN/LLPIN/Certificate of Registration of the applicant
3. Copy of PAN of the applicant
4. Copy of GST Registration Certificate of the applicant
5. Copy of Memorandum of Association/LLP Agreement/Registered Partnership Deed of the applicant
6. Copy of certificate of net worth issued by the Chartered Accountant, if any
7. Copy of Financial Statements of the applicant (including Provisional Financial Statements, as on same date on which net worth of applicant has been submitted)
8. Copy of Certificate of Registration issued by the Board to IPs who are directors or partners, as the case may be, of applicant
9. Evidence of deposit / payment of fee, along with GST, as required under regulation 12(2) of IP Regulations.]

## **SECOND SCHEDULE FORM D**

### **INSOLVENCY AND BANKRUPTCY BOARD OF INDIA CERTIFICATE OF RECOGNITION**

**INSOLVENCY PROFESSIONAL ENTITY RECOGNITION NO. \_\_**

*[Under Regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]*

1. In exercise of the powers conferred by Regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 the Board hereby grants a certificate recognising *[insert name]*, as an insolvency professional entity.
2. This certificate of recognition shall be valid from *[insert start date]*.

Sd/-

(Name and Designation)

For and on behalf of Insolvency and Bankruptcy Board of India

Place:

Date:.

**<sup>94</sup>[ FORM E**

*[Under Regulation 7(2)(ca) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]*

To

The General Manager (IP Division)

Insolvency and Bankruptcy Board of India

*Subject: Annual statement of professional fee of insolvency professional.*

Sir / Madam,

1. I, [Insert name] hereby submit the annual statement of professional fee earned (whether received or not) by me from my services as an insolvency professional in the financial year [insert financial year], as under:

Sl. No.	Name of Debtor	Services rendered as (IRP / RP / Liquidator / Trustee / Other, if any)	Professional fee as an insolvency professional for the year (Rs.)
1			
2			
3			
Total			

2. The following amounts are payable to the Board:

Sl. No.	Under regulation	Amount Payable (Rs.)
1	Regulation 7(2)(ca)	
2	Regulation 15, being interest from ... to .....	
Total		

3. A sum of Rs. ..., as worked out in Para 2 above, has been deposited into the account of the Board, vide..... ..
4. I, [insert name], hereby affirm that –
- all information contained in this statement is true and correct in all material respects and
  - no material information relevant for the purpose of this statement has been suppressed.

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<sup>94</sup>Inserted by Notification No. IBBI/2018-19/GN/REG036 dated 11<sup>th</sup> October, 2018 (w.e.f. 11.10.2018).

Yours faithfully,

-----

Place:

(Name)

Date: -----

(Registration Number)]

<sup>95</sup>**[FORM EA**

[Under Regulation 7(2)(cb) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]

To  
The General Manager (IP Division)  
Insolvency and Bankruptcy Board of India

*Subject: Statement of Fee*

Sir / Madam,

1. I, *[Insert name]* hereby submit the corporate debtor-wise details of fee, as under:-

- (a) Name of Corporate Debtor: \_\_\_\_\_  
(b) Corporate Identification Number / LLP IN of Corporate Debtor: \_\_\_\_\_  
(c) For quarter ended on *[Insert Details]* or date *[Insert Date]* of closure of process.

Sl. No.	Services rendered in the capacity of IRP / RP	Details of expense incurred (name of payee and nature of service)	Amount paid towards the expense (Rs.)
1			
2			
3			
...			
Total			

*(Note – Separate table to be inserted for each corporate debtor)*

2. The following amounts are payable to the Board:

Sl. No.	Under regulation	Amount Payable (Rs.)
1	Regulation 7(2)(cb)	
2	Regulation 15, being interest from ... to .....	
Total		

3. A sum of Rs. ..., as worked out in Para 2 above, has been deposited into the account of the Board, vide.....

4. I, *[insert name]*, hereby affirm that –

- (i) all information contained in this statement is true and correct in all material respects, and

<sup>95</sup> Inserted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022).

- (ii) no material information relevant for the purpose of this statement has been suppressed.  
 (iii) I, *[Insert Name]*, am duly authorised to submit this form on behalf of the insolvency professional entity *[Insert name of the insolvency professional entity]*.

Yours faithfully,

Place: (Name of IP / Authorised Signatory of IPE registered as IP)  
 Date: (IP Registration Number)  
 ]

<sup>96</sup>[ **FORM F**

*[Under regulation 13 (2) (b) and 13 (2) (c) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]*

To  
 The Executive Director (IPE Division)  
 Insolvency and Bankruptcy Board of India

**Subject: Information of cessation/joining of a Director / Partner in an insolvency professional entity.**

Sir / Madam,

I, *[Insert name]*, being duly authorised for the purpose, submit the following information in compliance with sub-regulation (2)(b) and/or (2)(c) of regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016:-

**A. Details of the IPE**

- (a) Name of the IPE:  
 (b) Date of Recognition by the Board:  
 (c) Recognition Number:  
 (c) E-mail address registered with the Board:  
 (d) Name and Designation of Authorised Signatory:

**B. Details of director/partner who ceased to be a director/partner of the IPE**

Description	Particulars
Details of director/partner	
a. Name	
b. Registration No. as IP (if applicable)	
c. Date of registration (if applicable)	
d. E-mail address registered with the Board as IP (if applicable)	

<sup>96</sup> Substituted by Notification No. IBBI/2019-20/GN/REG049, dated 25<sup>th</sup> October, 2019 (w.e.f. 25.10.2019).

Details of cessation a. Date of cessation as director/partner b. Whether ceased as Whole Time Director c. Reason of cessation (Resignation/Removal/any other) d. Date of filing of cessation with the concerned authority	
---	--

**C. Details of director/partner who joined the IPE**

Description	Particulars
Details of director / partner a. Name b. Registration No. as IP (if applicable) c. Date of Registration (if applicable) d. E-mail address registered with the Board as IP (If applicable)	
Details of joining a. Date of Joining as director/partner b. Whether Joined as Whole Time Director c. Date of filing of joining with the concerned authority	

**D. Composition of the Board / Partnership of the IPE before and after cessation/joining of the Director / Partner**

Sl. No.	Composition (before cessation/joining)				Composition (after cessation/joining)			
	Name of the director/partner	Designation (whole time director / director / partner, as the case may be)	Status as an IP		Name of the director/partner, as the case may be	Designation (whole time director / director / partner, as the case may be)	Status as an IP	
			Yes / No	If yes, IP Registration Number			Yes / No	If yes, IP Registration Number
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

**AFFIRMATION**

I, on behalf of [name of the IPE], hereby affirm that-

(i) I am submitting the above information within seven days of the cessation or joining of partner or director, as the case may be, in IPE;

(ii) None of the directors or partners, as the case may be, of the IPE is a partner or director of

another IPE; and

2. I, on behalf of [*name of the insolvency professional entity*], hereby declare that all information contained in this form are complete and correct to the best of my knowledge and belief.

Yours faithfully,

(Authorised Signatory)  
(Name)(Designation) (Name of the  
IPE)  
(Recognition Number of the IPE)

Place:

Date:

### **ATTACHMENTS**

1. Affirmation of the director / partner (In Annexure I / II) ceasing or joining as director / partner of the IPE
2. Evidence of deposit / payment of fee, along with GST, as required under the regulation 13(2)(b), 13(2)(c) and 15, as the case may be. (Please note that a fee of rupees two thousand, plus GST as applicable, is payable in respect of cessation / joining of each director / partner).

### **Annexure 1 To Form F**

[Under regulation 13 (2) (b) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]

To

The Executive Director (IPE Division)  
Insolvency and Bankruptcy Board of India

**Subject: Declaration on cessation of a Director / Partner of (Name of the IPE).**

Sir / Madam,

I \_\_\_\_\_ (*name*), hereby affirm that I have ceased to be a director / partner of the \_\_\_\_\_ (*name of IPE*) bearing IPE recognition No. \_\_\_\_\_ with effect from \_\_\_\_\_ (*dd-mm-yyyy*). I shall, however, remain liable for every act of omission or commission by the IPE when I was its director / partner.

Yours faithfully,

(Name of ex-Director / ex-Partner)

**Annexure 2 To Form F**

[Under regulation 13 (2) (c) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]

To  
The Executive Director (IPE Division)  
Insolvency and Bankruptcy Board of India

**Subject: Affidavit on joining as Director / Partner of (Name of IPE)**

Sir / Madam,

I \_\_\_\_\_ (name) hereby affirm that I have joined as a director  
/ partner \_\_\_\_\_ (name of an IPE) bearing IPE  
recognition no. \_\_\_\_\_ with effect from \_\_\_\_\_ (dd-mm-yyyy).

I am not a director / partner in any other IPE.

Yours faithfully,

(Name of Director / Partner).]

**<sup>97</sup>[Form G**

[Under Regulation 7(2)(ca) and 13(2)(ca) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]

To  
The General Manager (IPE Division)  
Insolvency and Bankruptcy Board of India

*Subject: Annual statement of services rendered by an insolvency professional entity*

Sir / Madam,

**Part A – For services under regulation 7(2)(ca)**

1. I, [Insert name], being duly authorised for the purpose, hereby submit the annual statement for the insolvency professional entity [Insert name of the insolvency professional entity] in the financial year [Insert financial year], as under:

Sl. No.	Name of Corporate Debtor / Guarantor	Corporate Identification Number / LLPIN of Corporate Debtor / Identification Number of Guarantor	Services rendered as (IRP / RP in a Corporate Insolvency Resolution Process / Authorised Representative in a Corporate Insolvency Resolution Process/ Liquidator / RP in Insolvency Resolution for Individuals/ Bankruptcy Trustee / Other, if any)	Amount towards services rendered in the year (In Rs.)
1				
2				
3				
...				
Total				

**Part B – For services under regulation 13(2)(ca)**

2. I, [Insert name], having been duly authorised for the purpose, hereby submit the annual statement for the insolvency professional entity [Insert name of the insolvency professional entity] in the financial year [Insert financial year], as under:

Sl. No.	Name of Corporate Debtor / Guarantor	Corporate Identification Number / LLPIN of Corporate Debtor / Identification Number of Guarantor	Name of IP who rendered services as IRP / RP / Liquidator / Bankruptcy Trustee / Other, if any	Broad description of kind of service rendered	Amount towards services rendered in the year (In Rs.)
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<sup>97</sup> Substituted by Notification No. IBBI/2022-23/GN/REG097, dated 20<sup>th</sup> September, 2022 (w.e.f. 01.10.2022).



1					
2					
3					
...					
Total					

3. The following amounts are payable to the Board:

Sl. No.	Under regulation	Amount Payable (Rs.)
1	Regulation 7(2)(ca)	
2	Regulation 13(2)(ca)	
3	Regulation 15, being interest from ... to .....	
Total		

4. A sum of Rs...., as worked out in Para 3 above, has been deposited into the account of the Board, vide.....

5. I, [*insert name*], hereby affirm that –

- (i) all information contained in this statement is true and correct in all material respects and
- (ii) no material information relevant for the purpose of this statement has been suppressed.
- (iii) I, [*Insert Name*], am duly authorised to submit this form on behalf of the insolvency professional entity [*Insert name of the insolvency professional entity*].

Authorised Signatory

(Name)

(Designation)

(Name of the Insolvency Professional Entity-----)

(Recognition Number of the Insolvency Professional Entity----)

(Insolvency Professional Registration Number -----)

Place:

Date :....]

<sup>98</sup>**[FORM H**

*[Under regulation 13(2) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016]*

To

The Executive Director (IPE Division)  
Insolvency and Bankruptcy Board of India

**Subject: Compliance Certificate under sub-regulation 2(cb) of regulation 13 of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.**

Sir / Madam,

<sup>98</sup> Inserted by Notification No. IBBI/2019-20/GN/REG049, dated 25<sup>th</sup> October, 2019 (w.e.f. 25.10.2019).

I, [name of the authorised signatory], having been authorised for the purpose, on behalf of [name of insolvency professional entity] with [recognition number of the insolvency professional entity], hereby affirm that the insolvency professional entity has

- (a) at all times complied with clauses (a) to (g) of sub-regulation (1) of regulation 12; and
- (b) complied with clauses (b) to (ca) of sub-regulation (2) of regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 during the financial year .....

2. I, on behalf of [name of the insolvency professional entity], hereby submit the following information, reflecting the status as on 31<sup>st</sup> March \_\_\_\_\_(Year):

(i) Sole objective/nature of business of the IPE [*Description of the sole objective*].

(ii) Net worth of the IPE:

(iii) Director / Partners:

Sl. No.	Name of the director/partner	Address of the director/partner	DIN/DPIN (if available)	PAN	Registration No. as an insolvency professional	Professional membership No. (if applicable)	% share in shares / capital contributed	Whether Whole Time Director (Yes / No)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

(iv) None of the directors / partners, as the case may be, is a director of or partner of another insolvency professional entity.

3. I, on behalf of [name of the insolvency professional entity], hereby affirm that all information contained in this form is complete and correct to the best of my knowledge and belief.

Yours faithfully,

Authorised Signatory  
 (Name)  
 (Designation)  
 (Name of IPE)  
 (IPE Recognition Number)

Place:

Date:

**ATTACHMENTS**

Certificate of net worth, (as at the end of last financial year) of IPE, issued by a Chartered Accountant along with copy of audited financial statements of the IPE, at the end of last financial year.]

(Dr. M. S. Sahoo)

Chairperson

Insolvency and Bankruptcy Board of India

**Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies)  
Regulations, 2016**

**[Amended upto 04.07.2022]**

IBBI/2016-17/GN/REG002.- In exercise of the powers conferred by sections 196, 201, 202, 219, and 220 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Board hereby makes the following Regulations to provide a framework for regulation of insolvency professional agencies in terms hereof, namely-

**CHAPTER I**  
**PRELIMINARY**

**Short title and commencement.**

1. (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016.

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

**Definitions.**

2. (1) In these Regulations, unless the context otherwise requires -

(a) “Code” means the Insolvency and Bankruptcy Code, 2016;

(b) “control” shall have the same meaning as assigned to it in section 2(27) of the Companies Act, 2013;

(c) “certificate of registration” means a certificate of registration granted or renewed by the Board under these Regulations;

(d) “net worth” shall have the same meaning as assigned to it under section 2(57) of the Companies Act, 2013.

(2) Unless the context otherwise requires, words and expressions used and not defined in these Regulations, shall have the meanings assigned to them in the Code.

**CHAPTER II**  
**REGISTRATION**

**<sup>1</sup>[ Eligibility for registration.**

3. (1) No person shall be eligible for registration as an insolvency professional agency unless it is a company registered under section 8 of the Companies Act, 2013, and –

(a) its sole object is to carry on the functions of an insolvency professional agency under the Code;

(b) it has bye-laws and governance structure in accordance with the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016;

(c) it has a minimum net worth of ten crore rupees;

(d) it has a paid-up share capital of five crore rupees;

(e) it is not under the control of any person resident outside India;

(f) not more than forty-nine per cent. of its share capital is held, directly or indirectly, by persons resident outside India;

(g) it is not a subsidiary of a body corporate through more than one layer; and

(h) the applicant, its promoters, its directors and its shareholders are fit and proper persons.

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<sup>1</sup> Substituted vide Notification no. IBBI/2018-19/GN/REG33 dated 11.10.2018 (w.e.f. 11.10.2018). Prior to substitution, it stood as –

3. No person shall be eligible to be registered as an insolvency professional agency unless it is a company registered under section 8 of the Companies Act, 2013, and -

(a) its sole object is to carry on the functions of an insolvency professional agency under the Code;

(b) it has bye-laws and governance structure in accordance with the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies), 2016;

(c) it has a minimum net worth of ten crore rupees;

(d) it has a paid-up share capital of five crore rupees,

(e) it is not under the control of person(s) resident outside India,

(f) not more than 49% of its share capital is held, directly or indirectly, by persons resident outside India; and

(g) it is not a subsidiary of a body corporate through more than one layer:

*Explanation:* “layer” in relation to a body corporate means its subsidiary;

(h) itself, its promoters, its directors and persons holding more than 10% of its share capital are fit and proper persons.

*Explanation:* For determining whether a person is fit and proper under these Regulations, the Board may take account of any consideration as it deems fit, including but not limited to the following criteria-

(i) integrity, reputation and character,

(ii) absence of convictions and restraint orders, and

(iii) competence including financial solvency and net worth.

*Explanation 1.*- For the purposes of clause (g), “layer” in relation to a body corporate means its subsidiary.

*Explanation 2.*- For determining whether a person is fit and proper under clause (h), the Board may take into account any consideration as it deems fit, including but not limited to the following criteria, namely: -

- (i) integrity, reputation and character,
- (ii) absence of conviction and restraint orders,
- (iii) competence including financial solvency and net worth.

(2) No person shall at any time, directly or indirectly, either individually or together with persons acting in concert, acquire or hold more than five per cent. of the paid-up equity share capital in an insolvency professional agency:

Provided that-

- (i) a stock exchange;
- (ii) a depository;
- (iii) a banking company;
- (iv) an insurance company;
- (v) a public financial institution; and
- (vi) a multilateral financial institution,

may, acquire or hold, directly or indirectly, either individually or together with persons acting in concert, up to fifteen per cent. of the paid-up equity share capital of an insolvency professional agency:

Provided further that-

- (i) the Central Government;
- (ii) a State Government; and
- (iii) a statutory regulator,

may, acquire or hold, directly or indirectly, up to hundred per cent. of the paid-up equity share capital of an insolvency professional agency.]

**Application for registration or renewal thereof.**

4. (1) A company eligible for registration as an insolvency professional agency, may make an application to the Board in Form A of the Schedule to these Regulations, along with a non-refundable application fee of ten lakh rupees.  
  
(2) An insolvency professional agency who has been granted registration under Regulation 5, may six months before the expiry of such registration, make an application for renewal in Form A of the Schedule to these Regulations, along with a non-refundable application fee of five lakh rupees.  
  
(3) The Board shall acknowledge an application made under this Regulation within seven days of its receipt.  
  
(4) The Board shall examine the application, and give an opportunity to the applicant to remove the deficiencies, if any, in the application.  
  
(5) The Board may require the applicant to submit, within reasonable time, additional documents, information or clarification that it deems fit.  
  
(6) The Board may require the applicant to appear, within reasonable time, before the Board in person, or through its authorised representative for clarifications required for processing the application.

**Grant of certificate of registration.**

5. (1) If the Board is satisfied, after such inspection or inquiry as it deems necessary and having regard to the principles specified in section 200 of the Code, that the applicant-
  - (a) is eligible under Regulation 3;
  - (b) has adequate infrastructure to perform its functions under the Code;
  - (c) has in its employment, persons having adequate professional and other relevant experience, to enable it to perform its functions under the Code; and
  - (d) has complied with the conditions of the certificate of registration, if he has submitted an application for renewal under Regulation 4(2)

it may grant or renew a certificate of registration to the applicant to carry on the activities of an insolvency professional agency in Form B of the Schedule to these Regulations, within sixty days of receipt of the application, excluding the time given by the Board for removing the deficiencies, or presenting additional documents, information or clarification, or appearing in person, as the case may be.

(2) The registration shall be subject to the conditions that the insolvency professional agency shall -

- (a) abide by the Code, rules, regulations, and guidelines thereunder and its bye-laws;
- (b) at all times after the grant of the certificate continue to satisfy the requirements under sub-regulation (1);
- <sup>2</sup>[ (c) pay an annual fee of five lakh rupees to the Board, within fifteen days from the date of commencement of the financial year:

Provided that no annual fee shall be payable in the financial year in which an insolvency professional agency is granted registration or renewal, as the case may be:

Provided further that without prejudice to any other action which the Board may take as permissible under the Code, any delay in payment of fee by an insolvency professional agency shall attract simple interest at the rate of twelve percent per annum until paid.

#### **Illustration**

*(a) Where an insolvency professional agency is registered on 1st December, 2016 upon receipt of an application fee of ten lakh rupees along with the application for registration, no further fee is required to be paid for the financial year 2016-17. The annual fee of five lakh rupees becomes due on 1st April, 2017 and shall be paid by 15th April, 2017 for the financial year 2017-18. It becomes similarly due on 1st April, 2018 to be paid by 15th April, 2018, on 1st April, 2019 to be paid by 15th April, 2019, on 1st April, 2020 to be paid by 15th April, 2020 and on 1st April, 2021 to be paid by 15th April, 2021. Thereafter, the insolvency professional agency may apply for renewal of registration along with an application fee of five lakh rupees. If renewal is granted, there will be no annual fee for 2021-22.*

*(b) Where the annual fee is paid on 20th April, 2017, interest at the rate of twelve percent per annum shall be paid for the delay of five days.]*

- (d) seek approval of the Board when a person, other than a statutory body, seeks to hold more than ten per cent, directly or indirectly, of the share capital of the insolvency professional agency;

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<sup>2</sup> Substituted vide Notification no. IBBI/2019-20/GN/REG044 dated 23.07.2019 (w.e.f. 23.07.2019). Prior to substitution, it stood as – (c) Pay a fee of five lakh rupees to the Board, payable every year after the year in which the certificate is granted or renewed.



(e) take adequate steps for redressal of grievances; and

(f) abide by such other conditions as may be specified.

(3) The certificate of registration shall be valid for a period of five years from the date of issue.

**Procedure for rejecting application.**

6. (1) If, after considering an application made under Regulation 4, the Board is of the *prima facie* opinion the registration ought not be granted or renewed, or be granted or renewed with additional conditions, it shall communicate the reasons for forming such an opinion and give the applicant an opportunity to explain why its application should be accepted, within fifteen days of the receipt of the communication from the Board, to enable it to form a final opinion.

(2) The communication under sub-regulation (1) shall be made to the applicant within forty five days of receipt of the application, excluding the time given by the Board for removing the deficiencies, presenting additional documents, information or clarifications, or appearing in person, as the case may be.

(3) After considering the explanation, if any, given by the applicant under sub-regulation (1), the Board shall communicate its decision to-

(a) accept the application, along with the certificate of registration, or

(b) reject the application by an order, giving reasons thereof

within thirty days of receipt of explanation.

(4) The order rejecting an application for renewal of registration shall require the insolvency professional agency to-

(a) discharge pending obligations;

(b) continue its functions till such time as may be specified, to enable the enrolment of its members with another insolvency professional agency; and

(c) comply with any other directions as considered appropriate.

**CHAPTER III**  
**SURRENDER OR CANCELLATION OF REGISTRATION**

**Surrender of registration.**

7. (1) An insolvency professional agency may submit an application for surrender of a certificate of registration to the Board, providing -
- (a) the reasons for such surrender;
  - (b) the details of all the pending or on-going engagements under the Code of the insolvency professionals enrolled with it;
  - (c) details of its pending or on-going activities; and
  - (d) the manner in which it seeks to wind-up its affairs as an insolvency professional agency.
- (2) The Board shall within seven days of receipt of the application, publish a notice of receipt of such application on its website and invite objections to the surrender of registration, to be submitted within fourteen days of the publication of the notice.
- (3) After considering the application and the objections submitted under sub-regulation (2), if any, the Board may within thirty days from the last date of submission of objections, approve the application for surrender of registration subject to such conditions as it deems fit.
- (4) The approval under sub-regulation (3) may require the insolvency professional agency to-
- (a) discharge any pending obligations; or
  - (b) continue its functions till such time as may be specified, to enable the enrolment of its members with another insolvency professional agency.
- (5) The Board, after being satisfied that the requirements of sub-regulation (4) have been complied with, shall publish a notice on its website stating that the surrender of registration by the insolvency professional agency has taken effect.

### <sup>3</sup>[ **Disciplinary proceedings.**

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<sup>3</sup> Substituted vide Notification no. IBBI/2021-22/GN/REG089 dated 04.07.2022 (w.e.f. 04.07.2022). Prior to substitution, it stood as –

#### **Disciplinary proceedings.**

- (1) Based on the findings of an inspection or investigation, or on material otherwise available on record, if the Board is of the *prima facie* opinion that sufficient cause exists to take actions permissible under section 220, it shall issue a show-cause notice to the insolvency professional agency.
- (2) The show-cause notice shall be in writing, and shall state-
  - (i) the provisions of the Code under which it has been issued;
  - (j) the details of the alleged facts;

8. The disciplinary proceedings shall be conducted in accordance with the provisions of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.]

### **Appeal.**

- 
- (k) the details of the evidence in support of the alleged facts;
  - (l) the provisions of the Code, rules, regulations or guidelines thereunder allegedly violated, or the manner in which the public interest is allegedly affected;
  - (m) the actions or directions that the Board proposes to take or issue if the allegations are established;
  - (n) the manner in which the insolvency professional agency is required to respond to the show-cause notice;
  - (o) consequences of failure to respond to the show-cause notice; and
  - (p) procedure to be followed for disposal of the show-cause notice.
- (3) The show- cause notice shall enclose copies of relevant documents and extracts of relevant portions from the report of investigation or inspection, or other records.
- (4) A show-cause notice issued shall be served on the insolvency professional agency in the following manner-
- (a) by sending it to the insolvency professional agency at its the registered office, by registered post with acknowledgement due; or
  - (b) by an appropriate electronic means to the email address provided by the insolvency professional agency to the Board.
- (5) The Board shall constitute a Disciplinary Committee for disposal of the show- cause notice.
- (6) The Disciplinary Committee shall dispose of the show-cause notice assigned under (5) by a reasoned order in adherence to principles of natural justice.
- (7) The Disciplinary Committee shall endeavour to dispose of the show-cause notice within a period of six months of the assignment.
- (8) The Disciplinary Committee shall consider the submissions, if any, made by the insolvency professional agency.
- (9) After considering the relevant material facts and circumstances and material on record, the Disciplinary Committee shall dispose of the show-cause notice by a reasoned order.
- (10) The order in disposal of as how-cause notice may provide for-
- (a) no action;
  - (b) warning;
  - (c) any of the actions under section 220(2) to (4); or
  - (d) a reference to the Board to take any action under section 220(5).
- (11) The order passed under sub-regulation (10) shall not become effective until thirty days have elapsed from the date of issue of the order unless the Disciplinary Committee states otherwise in the order along with the reason for the same.
- (12) The order passed under sub-regulation (10) shall be issued to the insolvency professional agency immediately, and published on the website of the Board.
- (13) If the order passed under sub-regulation (10) suspends or cancels the registration of the insolvency professional agency, the Disciplinary Committee shall require the insolvency professional agency to-
- (a) discharge pending obligations;
  - (b) continue its functions till such time as may be specified, to enable the enrolment of its members with another insolvency professional agency; and
  - (c) comply with any other directions as considered appropriate.

9. An appeal may be preferred under section 202 of the Code, within a period of thirty days of receipt the impugned order in the manner prescribed in Part III of the National Company Law Tribunal Rules, 2016.

**CHAPTER IV**  
**IN-PRINCIPLE APPROVAL**

**Grant of in-principle approval.**

10. (1) Any person who seeks to establish an insolvency professional agency may make an application for an in-principle approval, demonstrating that the conditions in sub-regulation (2) are satisfied, along with a non-refundable application fee of ten lakh rupees.

(2) If the Board is satisfied, after such inspection or inquiry as it deems necessary, that

—

- (a) the applicant is a fit and proper person; and
- (b) the proposed or existing company which may receive registration would be able to meet the requirements for grant of registration under Regulation 5(1),

it may grant in-principle approval which shall be valid for a period not exceeding one year and be subject to such conditions as it deems fit.

(3) During the validity of in-principle approval, the company referred to sub-regulation 2(b) may make an application for a certificate of registration as an insolvency professional agency to the Board in accordance with Regulation 4(1), but shall not be required to pay the application fees for registration.

## SCHEDULE

### FORM A

#### APPLICATION FOR CERTIFICATE OF REGISTRATION

*(Under Regulation 4 of the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016)*

To

*The Chairperson*

*The Insolvency and Bankruptcy Board of India*

*[Insert address]*

From

*[Name and address]*

Subject: Application for grant or renewal of certificate of registration as insolvency professional agency

Madam/Sir,

1. I, being duly authorized for the purpose, hereby apply on behalf of *[name and address of the applicant]* for
  - (a) grant of certificate of registration as insolvency professional agency, or
  - (b) renewal of certificate of registration as insolvency professional agency,and enclose a copy of the board resolution authorizing me to make this application and correspond with the Board in this respect.
2. Copies of the memorandum of association, articles of association and the bye-laws, as applicable, of the applicant are enclosed.
3. I, on behalf of *[insert name]*, affirm that the applicant is eligible to be registered as an insolvency professional agency.
4. I, on behalf of *[insert name]*, hereby affirm that –
  - (a) all information contained in this application is true and correct in all material respects,

- (b) no material information relevant for the purpose of this application has been suppressed, and
  - (c) registration granted or renewed in pursuance of this application may be cancelled summarily if any information submitted is found to be false or misleading in material respects at any stage.
5. If granted registration, I, on behalf of [*insert name*], undertake to comply with the requirements of the Code, the rules, regulations or guidelines issued thereunder, and such other conditions and terms as may be contained in the certificate of registration or be specified or imposed by the Board subsequently.

Yours faithfully,

Sd/-  
Authorized Signatory  
(Name)  
(Designation)

Date :  
Place :

## ANNEXURE TO FORM A

### PART I GENERAL

1. Name of the applicant.
2. Address of registered office and principal place of business of the applicant.
3. Corporate Identification Number (CIN).
4. PAN.
5. Name, designation and contact details of the person authorized to make this application and correspond with the Board in this respect.

### PART II MEMORANDUM OF ASSOCIATION, ARTICLES OF ASSOCIATION AND BYE-LAWS

6. Please state if the memorandum of association, articles of association and bye-laws provide for all matters as required in, and are consistent with the Insolvency and

Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016, and the Insolvency and Bankruptcy Board of India (Insolvency Professional Agencies) Regulations, 2016.

(Yes/ No)

7. Please specify the clause number of the provisions of the bye-laws which are in addition to the provisions of the model bye-laws specified in the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016 (if any).

### **PART III SHAREHOLDING AND FINANCIAL STRENGTH**

8. Please provide details of the persons holding more than <sup>4</sup>[5%], directly or indirectly, of the share capital of the applicant.

Sl. No.	Name and address of the shareholder	PAN / Passport No and country of issue/ company registration number	Percentage of shareholding in the applicant company and/ or holding company

9. Do persons resident outside India in aggregate hold more than 49% of the share capital of the applicant? Please provide details.
10. Who exercises control over the applicant? Please provide details.
11. Do persons resident outside India exercise control over the management or policy decisions of the applicant? If so, please provide details.
12. Please provide audited financial statements of:
- (a) a company holding more than 10% of the share capital of the applicant (if any),
  - (b) a company who is in control of the applicant (if any),
  - (c) promoter company (if any),
  - (d) the applicant,
- of the last three years or from the date of incorporation of the company, whichever is less.

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<sup>4</sup> Substituted vide Notification no. IBBI/2018-19/GN/REG33 dated 11.10.2018 (w.e.f. 11.10.2018). Prior to substitution, it stood as – 10%.

13. Please provide any other information to demonstrate that the persons holding more than <sup>5</sup>[5%] of the share capital of the company, and the promoters of the company are fit and proper persons.

**PART IV  
DIRECTORS AND EMPLOYEES**

14. Please state the details of the applicant's Board of Directors:

Sl. No.	Name and address of the director	DIN and PAN	Details of any pending or concluded criminal proceedings against the directors

15. Please provide any other information to demonstrate that the directors are fit and proper persons.
16. Please provide number of employees, category-wise.

**PART V  
INFRASTRUCTURE**

17. Please state the infrastructure the applicant currently has and proposes to have to enable it to discharge its functions as an insolvency professional agency, including:
- (a) the number and locations of offices,
  - (b) infrastructure in respect of enrolment, monitoring, grievance redressal and disciplinary proceedings,
  - (c) IT and other computer facilities, and
  - (d) library and training facilities.

**PART VI  
COMPLIANCE**

*[For applications for renewal of registration]*

18. Please provide details of the insolvency professional agency's compliance with the conditions of its certificate of registration.

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<sup>5</sup> Substituted vide Notification no. IBBI/2018-19/GN/REG33 dated 11.10.2018 (w.e.f. 11.10.2018). Prior to substitution, it stood as – 10%.



19. Please provide details of the insolvency professional agency's compliance with the Board's requirements in respect of reporting.
20. Please provide details of any grievance redressal proceedings instituted against the insolvency professional agency or by it under its bye-laws, any regulations of the Board or the Code.

Please provide any other details you consider relevant in support of the application.

Sd/-  
Authorized Signatory  
(Name)  
(Designation)

Date :  
Place :

**SCHEDULE**

**FORM B**

**THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**

**CERTIFICATE OF REGISTRATION NO. \_**

The Insolvency and Bankruptcy Board of India hereby grants/ renews this certificate of registration to/of \_\_\_\_\_ [*insert name and address*] to act as an insolvency professional agency in accordance with the Insolvency and Bankruptcy Code, 2016.

The certificate of registration shall be valid from [*insert start date*]to [*insert end date*]and may be renewed.

Sd/-

(Name and Designation)

(For and on behalf of Insolvency and Bankruptcy Board of India)

Place :  
Date :

Dr. M. S. Sahoo  
Chairperson  
Insolvency and Bankruptcy Board of India

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (MODEL BYE- LAWS  
AND GOVERNING BOARD OF INSOLVENCY PROFESSIONAL AGENCIES)  
REGULATIONS, 2016<sup>1</sup>**

**[Amended upto 31-10-2022]**

**IBBI/2016-17/GN/REG001.**- In exercise of the powers conferred by sections 196, 203 and 205 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, namely -

**CHAPTER I**  
**PRELIMINARY**

**Short title and commencement.**

1. (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.  
  
(2) These Regulations shall come into force on the date of their publication in the Official Gazette.

**Definitions.**

2. (1) In these Regulations, unless the context otherwise requires-

<sup>2</sup>[(a) “Board” means the Insolvency and Bankruptcy Board of India established under section 188 of the Code;]

<sup>3</sup>[(aa) “Code” means the Insolvency and Bankruptcy Code, 2016 (31 of 2016);]

(b) “Governing Board” means the Board of Directors, as defined under section 2(10) of Companies Act, 2013 (18 of 2013), of the company registered as an insolvency professional agency;

(c) “model bye-laws” means the model bye-laws as contained in the Schedule to these Regulations.

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<sup>1</sup>Vide Notification No. IBBI/2016-17/GN/REG001, dated 21<sup>st</sup> November, 2016, published in Gazette of India, Extraordinary, Part III, Sec.4, vide No. 421, dated 22<sup>nd</sup> November, 2016 (w.e.f. 22.11.2016).

<sup>2</sup> Inserted by Notification No. IBBI/2018-19/GN/REG35, dated 11<sup>th</sup> October, 2018 (w.e.f. 11-10-2018).

<sup>3</sup> Renumbered by Notification No. IBBI/2018-19/GN/REG35, dated 11<sup>th</sup> October, 2018 (w.e.f. 11-10-2018). Before renumbered, it stood as under:

“(a) “Code” means the Insolvency and Bankruptcy Code, 2016 (31 of 2016).”

(2) Unless the context otherwise requires, words and expressions used and not defined in these Regulations shall have the meanings assigned to them in the Code.

## **CHAPTER II** **BYE LAWS**

### **Insolvency professional agencies to have Bye-Laws.**

3. (1) A company shall submit to the Board its bye-laws along with the application for its registration as an insolvency professional agency.
- (2) The bye-laws shall provide for all matters specified in the model bye-laws.
- (3) The bye-laws shall at all times be consistent with the model bye-laws.
- (4) The insolvency professional agency shall publish its bye-laws, the composition of all committees formed, and all policies created under the bye-laws on its website.

### **Amendment of Bye-Laws.**

4. (1) The Governing Board may amend the bye-laws by a resolution passed by votes in favour being not less than three times the number of the votes, if any, cast against the resolution, by the directors.
- (2) A resolution passed in accordance with sub-regulation(1) shall be filed with the Board within seven days from the date of its passing, for its approval.
- (3) The amendments to the bye-laws shall come into effect on the seventh day of the receipt of the approval, unless otherwise specified by the Board.
- (4) The insolvency professional agency shall file a printed copy of the amended bye-laws with the Board within fifteen days from the date when such amendment is made effective.

**CHAPTER III**  
**GOVERNING BOARD**

**Composition of the Governing Board.**

- <sup>4</sup>[5. Composition of the Governing Board.-**(1) The Governing Board shall consist of-
- (a) managing director;
  - (b) independent directors; and
  - (c) shareholder directors:

Provided that the Governing Board shall have minimum seven directors.

- (2) The managing director shall not be considered either an independent director or a shareholder director.
- (3) Any employee of an insolvency professional agency may be appointed as a director on its Governing Board in addition to the managing director, but such director shall be deemed to be a shareholder director.
- (4) More than half of the directors shall be persons resident in India at the time of their appointment, and at all times during their tenure as directors.

<sup>5</sup>[(4A) A shareholder director shall be an individual, who satisfies the eligibility norms, including experience and qualification, as decided by the Governing Board.]

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<sup>4</sup>Substituted by Notification No. IBBI/2018-19/GN/REG35, dated 11<sup>th</sup> October, 2018 (w.e.f. 11-10-2018). Regulation 5, before substitution stood as under:

“5.(1) The Governing Board shall have a minimum of seven directors.

(2) More than half of the directors shall be persons resident in India at the time of their appointment, and at all times during their tenure as directors.

(3) Not more than one fourth of the directors shall be insolvency professionals.

(4) More than half of the directors shall be independent directors at the time of their appointment, and at all times during their tenure as directors:

*Provided* that no meeting of the Governing Board shall be held without the presence of at least one independent director.

(5) An independent director shall be an individual-

(a) who is a person of ability and integrity;

(b) who has expertise in the field of finance, law, management or insolvency.

(c) who is not an insolvency professional;

(d) who is not a relative of the directors of the Governing Board;

(e) who had or has no pecuniary relationship with the insolvency professional agency, or any of its directors, or any of its shareholders holding more than ten percent of its share capital, during the two immediately preceding financial years or during the current financial year;

(f) who is not a shareholder of the insolvency professional agency;

(g) who is not a member of a governing council of any of the shareholders holding more than ten percent of the share capital of the insolvency professional agency; and

(6) The directors shall elect an independent director as the Chairperson of the Governing Board.

*Explanation* - For the purposes of this Regulation, any fraction contained in ‘more than half’ shall be rounded off to the next higher number; and

(a) ‘not more than one- fourth’ shall be rounded down to the next lower number.”

<sup>5</sup>Inserted by Notification No. IBBI/2020-2021/GN/REG068 dated 14<sup>th</sup> January, 2021 (w.e.f. 14-01-2021).

- (5) The number of independent directors shall not be less than the number of shareholder directors:  
Provided that no meeting of the Governing Board shall be held without the presence of at least one independent director.
- (6) An independent director shall be an individual-
- (a) who is a person of ability and integrity;
  - <sup>6</sup>[(b) who has expertise in the field of finance, law, economics, accountancy, valuation, management or insolvency;]
  - (c) who is not an insolvency professional;
  - (d) who is not a relative of the directors of the Governing Board;
  - (e) who had or has no pecuniary relationship with the insolvency professional agency, or any of its directors, or any of its shareholders holding more than ten per cent. of its share capital, during the immediately preceding two financial years or during the current financial year;
  - (f) who is not a shareholder of the insolvency professional agency;
  - (g) who is not a member of the Board of Directors of any of the shareholders holding more than ten percent. of the share capital of the insolvency professional agency.
- (7) An independent director shall be nominated by the Board from amongst the list of names proposed by the insolvency professional agency.
- (8) An individual may serve as an independent director for a maximum of two terms of three years each or part thereof, or up to the age of <sup>7</sup>**[seventy-five years]**, whichever is earlier.
- (9) The second term referred to in sub-regulation (8) may be subject to a satisfactory performance review of the first term by the Governing Board.
- (10) A cooling off period of three years shall be applicable for an independent director to become a shareholder director in the same or another insolvency professional agency.
- (11) Not more than one fourth of the directors shall be insolvency professionals.
- (12) The directors shall elect an independent director as the Chairperson of the Governing Board.
- (13) A director, who has, any interest, direct or indirect, pecuniary or otherwise, in any matter coming up for consideration at a meeting of the Governing Board or any of its Committees, shall as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and such disclosure shall be recorded in the proceedings of the Governing Board or the Committee, as the case may be, and the director shall not take part in any deliberation or decision of the Governing Board or the Committee with respect to that matter.

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<sup>6</sup>Substituted by Notification No. IBBI/2020-2021/GN/REG068 dated 14<sup>th</sup> January, 2021 (w.e.f. 14-01-2021). The words before substitution stood as “who has expertise in the field of finance, law, management or insolvency;”

<sup>7</sup>Substituted by Notification No. IBBI/2019-20/GN/REG043 dated 23<sup>rd</sup> July, 2019 (w.e.f. 23-07-2019). The words before substitution stood as “seventy years”.

<sup>8</sup>[(14) A director shall disclose any order of any authority that affects his character or reputation, to the insolvency professional agency, within one week of issue of such order: Provided that a copy of the order shall be placed forthwith on the website of the insolvency professional agency; Provided further that such director shall forthwith cease to be a director of the insolvency professional agency where the order disqualifies him to be a director of a company.]

**5A. Managing director.**-(1) An insolvency professional agency shall, subject to the guidelines issued by the Board from time to time, determine the qualification and experience, manner of appointment, terms and conditions of appointment and other procedural formalities associated with the selection and appointment of the managing director, subject to the condition that-

- (a) an individual shall be selected as managing director through an open advertisement in all editions of at least one national daily newspaper;
- (b) an individual at the time joining as managing director shall not be above the age of fifty-five years, which may be relaxed by the Governing Board up to sixty years, after recording reasons therefor; and
- (c) an individual shall not serve as managing director after he attains the age of sixty-five years.

(2) The appointment of an individual as the managing director shall be for a tenure of not less than three years but not exceeding five years.

(3) An individual may serve as managing director for a maximum of two terms.

(4) The process of appointment for the second term of an individual as managing director shall be conducted afresh.

(5) The appointment and remuneration payable to the managing director shall be approved by a compensation committee constituted by the Governing Board.

(6) The appointment, renewal of appointment and termination of service of the managing director shall be subject to prior approval of the Board.

(7) The managing director shall be liable for removal or termination of services by the Governing Board, with the prior approval of the Board, for failure to give effect to the directions, guidelines and other orders issued by the Governing Board or the Board, or the rules, the articles of association or bye-laws of the insolvency professional agency or on the ground of misconduct or incapacity to continue in office.

(8) The Board may *suo motu* remove or terminate the services of the managing director, if it deems fit, in the interest of stakeholders of the insolvency resolution process or in the public interest, after giving a reasonable opportunity of being heard.

(9) The managing director shall be an *ex-officio* member of Membership Committee, Monitoring Committee, Grievance Redressal Committee and Disciplinary Committee.

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<sup>8</sup>Inserted by Notification No. IBBI/2020-2021/GN/REG068 dated 14<sup>th</sup> January, 2021 (w.e.f. 14-01-2021).

**5B. Compliance.** -Every insolvency professional agency registered as on the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2018, shall comply with regulations 5 and 5A within one year from the date of such commencement.]

**<sup>9</sup>[6.Self-evaluation.**

- (1) The Governing Board shall evaluate its performance in a financial year within three months of the closure of the year, in the manner decided by it.
- (2) The insolvency professional agency shall publish a report on self-evaluation referred to in sub-regulation (1) on its website.

**7.Compliance Officer.**

(1) An insolvency professional agency shall designate or appoint a compliance officer who shall be responsible for ensuring compliance with the provisions of the Code and regulations, circulars, guidelines, and directions issued thereunder.

(2) The compliance officer shall, immediately and independently, report to the Board any non-compliance of the provisions referred to in sub-regulation (1).

<sup>10</sup>[(3) The compliance officer shall submit to the Board, a compliance certificate annually in the format issued by the Board, verifying that the insolvency professional agency has complied with the provisions referred to in sub-regulation (1):

Provided that the annual compliance certificate shall also be signed by the managing director of the insolvency professional agency.]

(4) The Governing Board shall appoint or remove the compliance officer only by means of a resolution passed in its meeting.]

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<sup>9</sup> Inserted by Notification No. IBBI/Notification No. IBBI/2020-2021/GN/REG068 dated 14<sup>th</sup> January, 2021 (w.e.f. 14-01-2021).

<sup>10</sup> Substituted by Notification No. IBBI/2022-23/GN/REG101 dated 31<sup>st</sup> October, 2022 (w.e.f. 31-10-2022). The words before substitution stood as “(3) The compliance officer shall submit a compliance certificate to the Board annually, verifying that the insolvency professional agency has complied with the provisions referred to in sub-regulation (1):

Provided that the annual compliance certificate shall also be signed by the managing director of the insolvency professional agency.”.



**SCHEDULE**  
**MODEL BYE-LAWS OF AN INSOLVENCY PROFESSIONAL AGENCY**  
**[Under Regulation 3 read with Regulation 2(1)(c)]**

**I. GENERAL**

1. The name of the Insolvency Professional Agency is “ \_\_\_\_ ” (hereinafter referred to as the ‘Agency’).
2. The Agency is registered as a company under section 8 of the Companies Act, 2013 with its registered office situated at \_\_\_\_\_ [*provide full address*].
3. These bye-laws may not be amended, except in accordance with the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) Regulations, 2016.

**II. DEFINITIONS**

4. (1) In these bye-laws, unless the context otherwise requires -

<sup>11</sup>[(a) “assignment” means any assignment of an insolvency professional as interim resolution professional, resolution professional, liquidator, bankruptcy trustee, authorised representative or in any other role under the Code;

(aa) “authorisation for assignment” means an authorisation to undertake an assignment, issued by an insolvency professional agency to an insolvency professional, who is its professional member, in accordance with its bye-laws;

(ab) “certificate of membership” means the certificate of membership of the Agency granted under bye-law 10;]

(b) “Code” means the Insolvency and Bankruptcy Code, 2016 (31 of 2016);

(c) “Governing Board” means the Board of Directors of the Agency as defined under section 2(10) of Companies Act, 2013 (18 of 2013);

(d) “professional member” means an insolvency professional who has been enrolled as such, in accordance with Part VI of these bye-laws;

(e) “relative” shall have the same meaning as assigned to it in section 2(77) of the Companies Act, 2013.

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<sup>11</sup>Substituted by Notification No. IBBI/2019-20/GN/REG043, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23-07-2019). Item (a), before substitution stood as under:

‘(a) “certificate of membership” means the certificate of membership of the Agency granted under bye-law 10;’

(2) Unless the context otherwise requires, words and expressions used and not defined in these bye-laws shall have the meanings assigned to them in the Code.

### **III. OBJECTIVES**

5. (1) The Agency shall carry on the functions of the insolvency professional agency under the Code, and functions incidental thereto.

(2) The Agency shall not carry on any function other than those specified in sub-clause (1), or which is inconsistent with the discharge of its functions as an insolvency professional agency.

### **IV. DUTIES OF THE AGENCY**

6. (1) The Agency shall maintain high ethical and professional standards in the regulation of its professional members.

(2) The Agency shall -

(a) ensure compliance with the Code and rules, regulations and guidelines issued thereunder governing the conduct of insolvency professional agencies and insolvency professionals;

(b) employ fair, reasonable, just, and non-discriminatory practices for the enrolment and regulation of its professional members;

(c) be accountable to the Board in relation to all bye-laws and directions issued to its professional members;

(d) develop the profession of insolvency professionals;

(e) promote continuous professional development of its professional members;

(f) continuously improve upon its internal regulations and guidelines to ensure that high standards of professional and ethical conduct are maintained by its professional members; and

(g) provide information about its activities to the Board.

<sup>12</sup>[(3) The Agency shall-

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<sup>12</sup> Inserted by Notification No. IBBI/2022-23/GN/REG101 dated 31<sup>st</sup> October, 2022 (w.e.f. 31-10-2022).

(a) facilitate receipt of relationship disclosures from its professional members in accordance with the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016;

(b) disseminate the disclosures on its website in the following format, within three working days of the receipt of the disclosures from its professional member:

### DISCLOSURE OF RELATIONSHIP BY AN INSOLVENCY PROFESSIONAL

Disclosures by the insolvency professionals and other professionals appointed by the insolvency professionals conducting resolution processes of ..... (*name of the corporate debtor*)

Insolvency professional / other professional engaged by the insolvency professional	Name of professional	Professional membership number	Permanent account number (PAN)	Relationship with					
				Interim resolution professional / resolution professional	Other professional (registered valuer / accountant / advocate / any other professional)	Corporate debtor	Name of financial creditor (s)	Interim finance provider(s)	Name of prospective resolution applicant(s)
Interim resolution professional / resolution professional				NA					
Registered valuer					NA				
Accountant					NA		A		
Advocate					NA				
Any other professional (write kind of profession)					NA				

**Notes:**

(i) NA: Not Applicable.

(ii) Additional rows and columns to be inserted, as required, where there are more than one professional, financial creditor, interim finance provider or prospective resolution applicant.

(iii) Where an accountant has relationship of kind A with a financial creditor, relevant cell will display 'A', as indicated in the above table. One may click on 'A' to find details of relationship.

(c) ensure receipt of confirmation from its professional member to the effect that the appointment of every other professional has been made at arm's length relationship.]

## **V. COMMITTEES OF THE AGENCY**

### **Advisory Committee of Professional Members.**

7. (1) The Governing Board may form an Advisory Committee of professional members of the Agency to advise it on any matters pertaining to-

- (h) the development of the profession;
- (i) standards of professional and ethical conduct; and
- (j) best practices in respect of insolvency resolution, liquidation and bankruptcy.

(2) The Advisory Committee may meet at such places and times as the Governing Board may provide.

### **Other Committees of the Agency.**

8. (1) The Governing Board shall constitute-

- (a) one or more Membership Committee(s) consisting of such members as it deems fit;
- (b) a Monitoring Committee consisting of such members as it deems fit;
- (c) one or more Grievance Redressal Committee(s), with not less than three members, at least one of whom shall be a professional member of the Agency;
- (d) one or more Disciplinary Committee(s) consisting of at least one member nominated by the Board.

(2) The Chairperson of each of these Committees shall be an independent director of the Agency.

## **VI. PROFESSIONAL MEMBERSHIP**

### **Eligibility for Enrolment.**

9. (1) No individual shall be enrolled as a professional member if he is not eligible to be registered as an insolvency professional with the Board:

*Provided* that the Governing Board may provide additional eligibility requirements for enrolment:

*Provided* further that such additional requirements shall not discriminate on the grounds of religion, race, caste, gender, place of birth or professional affiliation.

<sup>13</sup>[(2) No insolvency professional entity, recognised by the Board under regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, shall be enrolled as a professional member if it is not eligible to be registered as an insolvency professional with the Board.]

### **Process of Enrolment as Professional Member.**

10. (1) <sup>14</sup>[An individual or an insolvency professional entity recognised by the Board under regulation 13 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016] may apply for enrolment as a professional member by submitting an application in such form, in such manner and with such fees as may be specified by the Agency.

(2) The Agency shall examine the application in accordance with the applicable provisions of the Code, and rules, regulations and guidelines thereunder.

(3) On examination of the application, the Agency shall give an opportunity to the applicant to remove the deficiencies, if any, in the application.

(4) The Agency may require an applicant to submit additional documents, information or clarification that it deems fit, within reasonable time.

(5) The Agency may reject an application if the applicant does not satisfy the criteria for enrolment or does not remove the deficiencies or submit additional documents or information to its satisfaction, for reasons recorded in writing.

(6) The rejection of the application shall be communicated to the applicant stating the reasons for such rejection, within thirty days of the receipt of the application, excluding the time given for removing the deficiencies or presenting additional documents or clarification by the Agency, as the case may be.

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<sup>13</sup> Inserted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022).

<sup>14</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as “an individual”.

(7) The acceptance of the application shall be communicated to the applicant, along with a certificate of membership in Form A of the Annexure to these bye-laws.

(8) An applicant aggrieved of a decision rejecting <sup>15</sup>[its]application may appeal to the Membership Committee of the Agency within thirty days from the receipt of such decision.

(9) The Membership Committee shall pass an order disposing of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal.

### **Professional Membership Fee.**

11. The Agency may require the professional members to pay a fixed sum of money as its annual membership fee.

### **Register of Professional Members.**

12. (1) The Agency shall maintain a register of its professional members, containing their-

(a) name;

(b) proof of identity;

(c) contact details;

(d) address;

(e) date of enrolment and professional membership number;

(f) date of registration with the Board and registration number;

<sup>16</sup>[(fa) date of issue, renewal, suspension, revocation of suspension, cancellation and acceptance of surrender of authorisation for assignment and authorisation number;]

<sup>17</sup>[(fb) details of the partners or directors, as the case may be, where the professional member is an insolvency professional entity,]

(g) details of grievances pending against <sup>18</sup>[it] with the Agency;

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<sup>15</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>16</sup> Inserted by Notification No. IBBI/2019-20/GN/REG043, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23-07-2019).

<sup>17</sup> Inserted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022).

<sup>18</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "him".

- (h) details of disciplinary proceedings pending against <sup>19</sup>[it] with the Agency; and
- (i) details of orders passed against <sup>20</sup>[it] by the Board or Disciplinary Committee of the Agency.

(2) The records relating to a professional member shall be made available for inspection to-

- (a) the Board,
- (b) the Adjudicating Authority,
- (c) the committee of creditors in a corporate insolvency resolution process where the professional member has been appointed as an interim resolution professional, or
- (d) any other person who has obtained the consent of the member for such inspection.

**<sup>21</sup>[12A. Authorisation for Assignment.**

- (1) The Agency, on an application by its professional member, may issue or renew an authorisation for assignment.
- (2) A professional member shall be eligible to obtain an authorisation for assignment, if <sup>22</sup>[the professional member]-
  - (a) is registered with the Board as an insolvency professional;
  - (b) is a fit and proper person in terms of the *Explanation* to clause (g) of regulation 4 of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016;
  - (c) is not in employment;
  - (d) is not debarred by any direction or order of the Agency or the Board;
  - (e) has not attained the age of seventy years;
  - (f) has no disciplinary proceeding pending against <sup>23</sup>[it] before the Agency or the Board;
  - (g) complies with requirements, as on the date of application, with respect to-
    - (i) payment of fee to the Agency and the Board;
    - (ii) filings and disclosures to the Agency and the Board;
    - (iii) continuous professional education; and

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<sup>19</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "him".

<sup>20</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "him".

<sup>21</sup> Inserted by Notification No. IBBI/2019-20/GN/REG043, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23-07-2019).

<sup>22</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "he".

<sup>23</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "him".

(iv) other requirements, as stipulated under the Code, regulations, circulars, directions or guidelines issued by the Agency and the Board, from time to time.

<sup>24</sup>[Provided that the item (c), item (e) and item (g)(iii) shall not be applicable for a professional member, which is an insolvency professional entity registered as an insolvency professional.]

(3) An application for issue or renewal of an authorisation for assignment, shall be in such form, manner and with such fee, as may be provided by the Agency:

Provided that an application for renewal of an authorisation for assignment shall be made any time before the date of expiry of the authorisation, but not earlier than forty-five days before the date of expiry of the authorisation.

(4) The Agency shall consider the application in accordance with the bye-laws and either issue or renew, as the case may be, an authorisation for assignment to the professional member in Form B or reject the application with a reasoned order.

(5) If the authorisation for assignment is not issued, renewed or rejected by the Agency within fifteen days of the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.

<sup>25</sup>[Provided that, for an application received on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye- Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020 and ending on the 30th September 2020, if the authorisation for assignment is not issued, renewed or rejected by the Agency within thirty days of the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.]

<sup>26</sup> [Provided further that, for an application received on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Second Amendment) Regulations, 2021 and ending on the 31<sup>st</sup> October 2021, if the authorisation for assignment is not issued, renewed or rejected by the Agency within thirty days of the date of receipt of application, the authorisation shall be deemed to have been issued or renewed, as the case may be, by the Agency.]

(6) An authorisation for assignment issued or renewed by the Agency shall be valid for a period of one year from the date of its issuance or renewal, as the case may be, or till the date on which the professional member attains the age of seventy years, whichever is earlier.

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<sup>24</sup> Inserted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022).

<sup>25</sup> Inserted by Notification No. IBBI/2020-21/GN/REG058, dated 20<sup>th</sup> April, 2020 (w.e.f. 28.03.2020).

<sup>26</sup> Inserted by Notification No. IBBI/2021-22/GN/REG074, dated 27<sup>th</sup> April, 2021 (w.e.f. 27.04.2021).



(7) An applicant aggrieved of an order of rejection of <sup>27</sup>[its] application by the Agency may appeal to the Membership Committee within <sup>28</sup>[fifteen days] from the date of receipt of the order.

<sup>29</sup>[Provided that, where an application for issue of authorisation for assignment has been rejected by an insolvency professional agency, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye- Laws and Governing Board of Insolvency Professional Agencies) (Amendment) Regulations, 2020 and ending on the 30th September, 2020, the applicant aggrieved of an order of rejection may appeal to the Membership Committee within thirty days from the date of receipt of order.]

<sup>30</sup>[Provided further that, where an application for issue of authorisation for assignment has been rejected by an insolvency professional agency, on and from the date of commencement of the Insolvency and Bankruptcy Board of India (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Second Amendment) Regulations, 2021 and ending on the 31<sup>st</sup> October, 2021, the applicant aggrieved of an order of rejection may appeal to the Membership Committee within thirty days from the date of receipt of order.]

(8) The Membership Committee shall pass an order disposing of the appeal by a reasoned order, within fifteen days of the date of receipt of the appeal.]

## **VII. DUTIES OF MEMBERS**

13. (1) In the performance of <sup>31</sup>[its] functions, a professional member shall-

- (a) act in good faith in discharge of <sup>32</sup>[its] duties as an insolvency professional;
- (b) endeavour to maximize the value of assets of the debtor;
- (c) discharge <sup>33</sup>[its] functions with utmost integrity and objectivity;
- (d) be independent and impartial;

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<sup>27</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>28</sup> Substituted by Notification No. IBBI/2021-22/GN/REG074, dated 27<sup>th</sup> April, 2021 (w.e.f. 27.04.2021). The words before substitution stood as "seven days".

<sup>29</sup> Inserted by Notification No. IBBI/2020-21/GN/REG058, dated 20<sup>th</sup> April, 2020 (w.e.f. 28.03.2020).

<sup>30</sup> Inserted by Notification No. IBBI/2021-22/GN/REG074, dated 27<sup>th</sup> April, 2021 (w.e.f. 27.04.2021).

<sup>31</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>32</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>33</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

- (e) discharge <sup>34</sup>[its] functions with the highest standards of professional competence and professional ethics;
- (f) continuously upgrade <sup>35</sup>[its] professional expertise;
- (g) perform duties as quickly and efficiently as reasonable, subject to the timelines under the Code;
- (h) comply with applicable laws in the performance of <sup>36</sup>[its] functions; and
- (i) maintain confidentiality of information obtained in the course of <sup>37</sup>[its] professional activities unless required to disclose such information by law.

14. The Agency shall have a Code of Conduct that shall be consistent with, and that shall provide for all matters in the Code of Conduct as specified in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

## **VIII. MONITORING OF MEMBERS**

15. The Agency shall have a Monitoring Policy to monitor the professional activities and conduct of professional members for their adherence to the provisions of the Code, rules, regulations and guidelines issued thereunder, these bye-laws, the Code of Conduct and directions given by the Governing Board.
16. A professional member shall submit information, including records of ongoing and concluded engagements as an insolvency professional, in the manner and format specified by the Agency, at least twice a year.
17. The Monitoring Committee shall review the information and records submitted by the professional members in accordance with the Monitoring Policy.
18. The Monitoring Policy shall provide for the following -
- (a) the frequency of monitoring;
  - (b) the manner and format of submission or collection of information and records of the professional members, including by way of inspection;

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<sup>34</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>35</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>36</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>37</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

- (c) the obligations of professional members to comply with the Monitoring Policy;
- (d) the use, analysis and storage of information and records;
- (e) evaluation of performance of members; and
- (f) any other matters that may be specified by the Governing Board.

19. The Monitoring Policy shall –

- (a) have due regard for the privacy of members,
- (b) provide for confidentiality of information received, except when disclosure of information is required by the Board or by law, and
- (c) be non-discriminatory.

20. The Agency shall submit a report to the Board in the manner specified by the Board with information collected during monitoring, including information pertaining to -

- (a) the details of the appointments made under the Code,
- (b) the transactions conducted with stakeholders during the period of <sup>38</sup>[its]appointment;
- (c) the transactions conducted with third parties during the period of <sup>39</sup> [its] appointment; and
- (d) the outcome of each appointment.

## **IX. GRIEVANCE REDRESSAL MECHANISM**

21. (1) The Agency shall have a Grievance Redressal Policy providing the procedure for receiving, processing, redressing and disclosing grievances against the Agency or any professional member of the Agency by-

- (a) any professional member of the Agency;
- (b) any person who has engaged the services of the concerned professional members of the Agency; or

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<sup>38</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as “his”.

<sup>39</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as “his”.

(c) any other person or class of persons as may be provided by the Governing Board.

(2) The Grievance Redressal Committee, after examining the grievance, may-

(a) dismiss the grievance if it is devoid of merit; or

(b) initiate a mediation between parties for redressal of grievance.

(3) The Grievance Redressal Committee shall refer the matter to the Disciplinary Committee, wherever the grievance warrants disciplinary action.

22. The Grievance Redressal Policy shall provide for-

(a) the format and manner for filing grievances;

(b) maximum time and format for acknowledging receipt of a grievance;

(c) maximum time for the disposal of the grievance by way of dismissal, reference to the Disciplinary Committee or the initiation of mediation;

(d) details of the mediation mechanism

(e) provision of a report of the grievance and mediation proceedings to the parties to the grievance upon dismissal or resolution of the grievance;

(f) action to be taken in case of malicious or false complaints;

(g) maintenance of a register of grievances made and resolutions arrived at; and

(h) periodic review of the Grievance Redressal Mechanism.

## **X. DISCIPLINARY PROCEEDINGS**

23. The Agency may initiate disciplinary proceedings by issuing a show-cause notice against professional members-

(a) based on a reference made by the Grievances Redressal Committee;

(b) based on monitoring of professional members;

(c) following the directions given by the Board or any court of law; or

(d) *suo moto*, based on any information received by it.

<sup>40</sup>[23A. The authorisation for assignment shall stand suspended upon initiation of disciplinary proceedings by the Agency or by the Board, as the case may be.]

<sup>41</sup> [Explanation.- A disciplinary proceeding shall be considered as pending against the professional member from the date he has been issued a show cause notice by the Agency or the Board, as the case may be, till its disposal by the Disciplinary Committee of the Agency or the Board, as the case may be.]

24. (1) The Agency shall have a Disciplinary Policy, which shall provide for the following-

- (a) the manner in which the Disciplinary Committee may ascertain facts;
- (b) the issue of show-cause notice based on the facts;
- (c) disposal of show-cause notice by a reasoned order, following principles of natural justice;
- (d) timelines for different stages of disposal of show cause notice; and
- (e) rights and obligations of the parties to the proceedings.

(2) The orders that may be passed by the Disciplinary Committee shall include-

- (a) expulsion of the professional member;
- (b) suspension of the professional member for a certain period of time;
- <sup>42</sup>[(ba) cancellation of authorisation for assignment;]
- (c) admonishment of the professional member;

<sup>43</sup>[

- (d) imposition of monetary penalty as per Table below:

<b>Sl. No.</b>	<b>Contravention</b>	<b>Monetary Penalty</b>
1.	Fails to submit disclosures, returns, etc. to Agency or submits inadequate or incorrect disclosures, returns, etc., relating to any	Up to ₹ 1,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 50,000.

<sup>40</sup> Inserted by Notification No. IBBI/2019-20/GN/REG043, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23-07-2019).

<sup>41</sup> Inserted by Notification No. IBBI/2022-23/GN/REG101 dated 31<sup>st</sup> October, 2022 (w.e.f. 31-10-2022).

<sup>42</sup> Inserted by Notification No. IBBI/2019-20/GN/REG043, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23-07-2019).

<sup>43</sup> Substituted by Notification No. IBBI/2022-23/GN/REG101 dated 31<sup>st</sup> October, 2022 (w.e.f. 31-10-2022).

Prior to substitution, it stood as “(d) imposition of monetary penalty;”

	assignment, as required under the Code and Regulations made thereunder or bye-laws of the Agency or called upon by the Board or the Agency.	
2.	Accepts an assignment having conflict of interests with the stakeholders.	Up to ₹ 2,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 1,00,000.
3.	Fails to maintain records properly relating to any of his assignments.	Up to ₹ 1,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 50,000.
4.	Rejects a claim(s) without giving any proper reason while undertaking an assignment or fails to exercise due diligence in claim verification.	Up to ₹ 2,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 1,00,000.
5.	Fails to comply with directions issued by Adjudicating Authority or the Appellate Authority.	Up to ₹ 2,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 1,00,000.
6.	Outsources his duties and obligations.	Up to ₹ 2,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 1,00,000.
7.	Fails to appoint registered valuers, wherever required, under the Code or Regulations made thereunder, for conducting valuation.	Up to ₹ 2,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 1,00,000.
8.	Fails to supply the information called for or to comply with the requirements of information sought by the Agency, Board, Adjudicating Authority or the Appellate Authority or does not cooperate with the inspection or investigating authority.	Up to ₹ 1,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 50,000.
9.	Fails to make public announcement in the manner provided for in the relevant Regulations.	Up to ₹ 2,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 1,00,000.
10.	Fails to provide notice regarding meetings of creditors.	Up to ₹ 1,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 50,000.
11.	Fails to reject resolution plan from ineligible resolution applicants.	Up to ₹ 2,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 1,00,000.
12.	Fails to take action in respect of preferential, undervalued, fraudulent or extortionate credit transactions.	Up to ₹ 2,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 1,00,000.
13.	Enters into contract or agreement with professionals in an incomplete and improper manner.	Up to ₹ 1,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 50,000.
14.	Contravenes any provision of the bye-laws, or regulations for which no specific penalty has been provided.	Up to ₹ 1,00,000 or 25% of fee, whichever is higher, subject to a minimum ₹ 50,000.

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- (e) reference of the matter to the Board, which may include, in appropriate cases, recommendation of the amount of restitution or compensation that may be enforced by the Board; and
- (f) directions relating to costs.

(3) The Disciplinary Committee may pass an order for expulsion of a professional member if it has found that the professional member has committed-

- (a) an offence under any law for the time being in force, punishable with imprisonment for a term exceeding six months, or an offence involving moral turpitude;
- (b) a gross violation of the Code, rules, regulations and guidelines issued thereunder, bye-laws or directions given by the Governing Board which renders him not a fit and proper person to continue acting as an insolvency professional.

*Explanation:* The violations referred to in sub-clause (b) include-

- (i) making a false representation or indulging in fraud for the purpose of obtaining creditors' approval under sections 28, 31, 111 or 153 of the Code;
- (ii) contravening provisions of the Code in a manner which is actionable in accordance with sections 70(2) or 185 of the Code;
- (iii) knowingly or wilfully committing or authorizing or permitting contravention of sections 14, 96, 101 or 124 of the Code;
- (iv) contravening provisions of the Code inviting action in accordance with sections 71 or 187 of the Code;
- (v) aiding or abetting any activity which is actionable in accordance with Chapter VII of Part II or Chapter VII of Part III of the Code,
- (vi) providing unequal or differential treatment to the disadvantage of a party which cannot be justified with reference to the interests of the insolvency resolution, liquidation or bankruptcy process; or
- (vii) in any other case it deems fit.

(4) Any order passed by the Disciplinary Committee shall be placed on the website of the Agency within seven days from passing of the said order, and a copy of the order shall be provided to each of the parties to the proceeding.

<sup>44</sup> [(5) The Agency shall promptly realise the monetary penalty imposed by the Disciplinary Committee and credit the same to the Fund constituted under section 222 of the Code.]

25. (1) The Governing Board shall constitute an Appellate Panel consisting of one independent director of the Agency, one member from amongst the persons of eminence having experience in the field of law, and one member nominated by the Board.

(2) Any person aggrieved of an order of the Disciplinary Committee may prefer an appeal before the Appellate Panel within thirty days from the receipt of a copy of the final order.

(3) The Appellate Panel shall dispose of the appeal in the manner it deems expedient, within thirty days of the receipt of the appeal.

## **XI. SURRENDER OF PROFESSIONAL MEMBERSHIP AND EXPULSION FROM PROFESSIONAL MEMBERSHIP**

### **<sup>45</sup>[Surrender of Authorisation for Assignment.**

26. (1) A professional member shall make an application to surrender <sup>46</sup>[its] authorisation for assignment to the Agency at least thirty days before he-

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<sup>44</sup> Substituted by Notification No. IBBI/2021-22/GN/REG076, dated 22<sup>nd</sup> July, 2021 (w.e.f. 22-07-2021). Clause 24(5), before substitution, stood as under:

“(5) Monetary penalty received by the Agency under the orders of the Disciplinary Committee shall be credited to the Insolvency and Bankruptcy Fund constituted under section 224 of the Code.”

<sup>45</sup>Substituted by Notification No. IBBI/2019-20/GN/REG043, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23-07-2019). Clause 26, before substitution, stood as under:

“Temporary Surrender of Professional Membership.

26 (1) A professional member shall make an application for temporary surrender of his membership of the Agency at least thirty days before he-

- (a) becomes a person not resident in India;
- (b) takes up employment; or
- (c) starts any business, except as specifically permitted under the Code of Conduct;

and upon acceptance of such temporary surrender and on completion of thirty days from the date of application for temporary surrender, the name of the professional member shall be temporarily struck from the registers of the Agency, and the same shall be intimated to the Board.

(2) No application for temporary surrender of professional membership of the Agency shall be accepted if -

- (a) there is a grievance or disciplinary proceeding pending against the professional member before the Agency or the Board, and he has not given an undertaking to cooperate in such proceeding; or
- (b) the professional member has been appointed as a resolution professional, liquidator or bankruptcy trustee for a process under the Code, and the appointment of another insolvency professional may be detrimental to such process.

(3) A professional member may make an application to revive his temporarily surrendered membership when the conditions for temporary surrender as provided in sub-clause (1) cease to be applicable, and upon acceptance of the application for revival, the name of the professional member shall be re-inserted in the register of the Agency, and the same shall be intimated to the Board.”

<sup>46</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as “his”.



- (a) becomes a person resident outside India;
  - (b) takes up an employment; or
  - (c) starts any business, except as specifically permitted under the Code of Conduct, and upon acceptance of such surrender, the same shall be intimated to the Board by the Agency within one working day of acceptance of surrender.
- (2) No application for surrender of authorisation for assignments shall be accepted by the Agency, if -
- (a) the authorisation for assignment has been suspended;
  - (b) an assignment is continuing; or
  - (c) name of the professional member is included in any panel prepared by the Board for undertaking assignment.]

## **27. Surrender of Professional Membership**

(1) A professional member who wishes to surrender <sup>47</sup>[its] membership of the Agency may do so by submitting an application for surrender of <sup>48</sup>[its] membership.

(2) Upon acceptance of such surrender of <sup>49</sup>[its] membership, and completion of thirty days from the date of such acceptance, the name of the professional member shall be struck from the registers of the Agency, and the same shall be intimated to the Board.

28. Any fee that is due to the Agency from a professional member surrendering <sup>50</sup>[its] membership shall be cleared prior to <sup>51</sup>[its] name being struck from the registers of the Agency.

29. The Agency may refuse to accept the surrender of membership by any professional member if-

- (a) there is any grievance or disciplinary proceeding pending against the professional member before the Agency or the Board; or

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<sup>47</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>48</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>49</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>50</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>51</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

- (b) the professional member has been appointed as a resolution professional, liquidator or bankruptcy trustee for a process under the Code, and the appointment of another insolvency professional may be detrimental to such process.

### **Expulsion from Professional Membership.**

30. A professional member shall be expelled by the Agency –

- (a) if he becomes ineligible to be enrolled under bye-law<sup>9</sup>;
- (b) on expiry of thirty days from the order of the Disciplinary Committee, unless set aside or stayed by the Appellate Panel;
- (c) upon non-payment of professional membership fee despite at least two notices served in writing;
- (d) upon the cancellation of <sup>52</sup>[its] certificate of registration by the Board;
- (e) upon the order of any court of law.

## **ANNEXURE**

### **FORM A**

#### **CERTIFICATE OF PROFESSIONAL MEMBERSHIP**

*(Under bye-law 10 of the Agency's bye-laws)*

No. ....

1. This is to certify that *[insert name]* residing at *[insert address]* is enrolled as a professional member of *[insert name of insolvency professional agency]* with professional membership no. *[insert number]*.
2. This certificate shall be valid from *[insert date]*.

Sd/-

For and on behalf of *[name of insolvency professional agency]*

Place:

Date:

### <sup>53</sup>**FORM B**

#### **AUTHORISATION FOR ASSIGNMENT**

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<sup>52</sup> Substituted by Notification No. IBBI/2022-23/GN/REG100 dated 3<sup>rd</sup> October, 2022 (w.e.f. 03-10-2022). The words before substitution stood as "his".

<sup>53</sup> Inserted by Notification No. IBBI/2019-20/GN/REG043, dated 23<sup>rd</sup> July, 2019 (w.e.f. 23-07-2019).

(Under bye-law 12A of the Agency's Bye-laws)

No. ....

Date .....

This authorisation for assignment is issued to [insert name], who is enrolled as a professional member of the [insert name of insolvency professional agency] with professional membership no. [insert number] and registered with the Insolvency and Bankruptcy Board of India as an insolvency professional with registration no. [insert number] under the Insolvency and Bankruptcy Code, 2016.

2. This authorisation is valid from [insert date] to [insert date]. / This authorisation is renewed on [insert date] and is valid till [insert date]. (Strike off if not applicable).

Sd/-

For and on behalf of [name of insolvency professional agency]

Place:.....

Date:.....]

Dr. M. S. Sahoo

Chairperson

Insolvency and Bankruptcy Board of India

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (INFORMATION UTILITIES) REGULATIONS, 2017<sup>1</sup>**

[AMENDED UPTO 20.09.2022]

**IBBI/2016-17/GN/REG009.**- In exercise of the powers conferred by sections 196, 209, 210, 211, 212, 213, 214, 215, 216 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Board hereby makes the following Regulations to provide a framework for registration and regulation of information utilities in terms hereof, namely-

**CHAPTER I  
PRELIMINARY**

**1. Short title and commencement.**

- (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
- (2) These Regulations shall come into force on 1<sup>st</sup> April, 2017.

**2. Definitions.**

- (1) In these Regulations, unless the context otherwise requires-
  - (a) “Application Programming Interface” means a mechanism that allows a system or service to access data or functionality provided by another system or service;
  - <sup>2</sup>[(aa) “Board” means the Insolvency and Bankruptcy Board of India established under section 188 of the Code;]
  - (b) “certificate of registration” means a certificate of registration granted or renewed by the Board under section 210 read with these Regulations and the terms “registration” and “renewal” shall be construed accordingly;
  - (c) “Code” means the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and includes the rules, regulations, guidelines and directions issued thereunder;
  - (d) “control” shall have the meaning assigned to it under section 2(27) of the Companies Act, 2013 (18 of 2013);
  - <sup>3</sup>[(da) “financial information” means any public announcement made under the Code, for the purposes of sub-clause (f) of clause (13) of section 3;]

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<sup>1</sup>Vide Notification No. IBBI/2016-17/GN/REG009, dated 31<sup>st</sup> March, 2017, published in the Gazette of India, Extraordinary, Part III, Sec.4, vide No. 452, dated 31<sup>st</sup> March, 2017 (w.e.f. 01.04.2017).

<sup>2</sup> Inserted by Notification No. IBBI/2018-18/GN/REG034, dated 11<sup>th</sup> October, 2018 (w.e.f. 11-10-2018).

<sup>3</sup> Inserted by Notification No. IBBI/2020-21/GN/REG065, dated 13<sup>th</sup> November, 2020 (w.e.f. 13-11-2020).

- (e) “Governing Board” means the Board of Directors, as defined under section 2(10) of the Companies Act, 2013 (18 of 2013), of the company registered as an information utility;
- (f) “host bank” means the financial institution hosting the repayment account;
- (g) “independent director” shall have the meaning assigned to it under section 149(6) of the Companies Act, 2013 (18 of 2013);
- (h) “information” means financial information as defined in section 3(13);
- (i) “key managerial personnel” shall have the meaning assigned to it under section 2(51) of the Companies Act, 2013 (18 of 2013);
- (j) “net worth” shall have the meaning assigned to it under section 2(57) of the Companies Act, 2013 (18 of 2013);
- (k) “outsourcing” means contracting out services to a third party;
- (l) “public company” shall have the meaning assigned to it under section 2(71) of the Companies Act, 2013 (18 of 2013);
- <sup>4</sup>[(la) “record of default” means the status of authentication of default issued in Form D of the Schedule.]
- (m) “repayment account” means the bank account to which a debtor is obliged to repay its debt, as recorded in an information utility;
- (n) “section” means a section of the Code;
- (o) “secure systems” shall have the meaning assigned to it in section 2(1)(ze) of the Information Technology Act, 2000 (21 of 2000);
- (p) “Schedule” means schedule attached to these Regulations;
- (q) “submission of information” includes updating of information, as the context may require;
- (r) “Technical Standards” means the standards laid down by the Board through guidelines issued under Regulation 13, from time to time; and

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<sup>4</sup> Inserted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

- (s) “user” means a person who avails of the services of an information utility.
- (2) Unless the context otherwise requires, words and expressions used and not defined in these Regulations, shall have the meanings assigned to them in the Code.

## **CHAPTER II REGISTRATION**

### **3. Eligibility for registration.**

No person shall be eligible to be registered as an information utility unless it is a public company and -

- (a) its sole object is to provide core services and other services under these Regulations, and discharge such functions as may be necessary for providing these services;
- (b) its shareholding and governance is in accordance with Chapter III;
- (c) its bye-laws are in accordance with Chapter IV;
- (d) it has a minimum net worth of fifty crore rupees;

<sup>5</sup>[(e)\*\*\*]

<sup>6</sup>[(f)\*\*\*]

- (g) the person itself, its promoters, its directors, its key managerial personnel, and persons holding more than 5%, directly or indirectly, of its paid-up equity share capital or its total voting power, are fit and proper persons:

*Explanation:* For determining whether a person is fit and proper under these Regulations, the Board may take account of relevant considerations, including-

- (i) integrity, reputation and character,
- (ii) absence of conviction by a court for an offence:

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<sup>5</sup>Clause (e) omitted by Notification No. IBBI/2017-18/ GN/REG016 dated 29<sup>th</sup> September, 2017 (w.e.f. 29-09-2017). Clause (e), prior to omission, stood as “(e) it is not under control of person(s) resident outside India;”.

<sup>6</sup>Clause (f) omitted by Notification No. IBBI/2017-18/ GN/REG016 dated 29<sup>th</sup> September, 2017 (w.e.f. 29-09-2017). Clause (f), prior to omission, stood as “(f) not more than 49% of its total voting power or its paid -up equity share capital is held, directly or indirectly, by persons resident outside India;”.

Provided that a person may be considered 'fit and proper' if he has been sentenced to imprisonment for a period of less than six months;

Provided that a person shall not be considered 'fit and proper' if he has been sentenced to imprisonment for a period (a) of not less than six months, but less than seven years and a period of five years has not elapsed from the date of expiry of the sentence, or (b) of seven years or more.

- (iii) absence of restraint order, in force, issued by a financial sector regulator or the Adjudicating Authority, and
- (iv) financial solvency.

#### **4. Application for registration or renewal thereof.**

- (1) A person eligible for registration as an information utility may make an application to the Board in Form A of the Schedule, along with a non-refundable application fee of <sup>7</sup>[ten lakh] rupees.
- (2) An information utility seeking renewal of registration shall, at least six months before the expiry of its registration, make an application for renewal in Form A of the Schedule, along with a non-refundable application fee of <sup>8</sup>[ten lakh] rupees.
- (3) The Board shall acknowledge an application made under this Regulation within seven days of its receipt.

#### **5. Disposal of application.**

- (1) The Board shall examine the application, and give an opportunity to the applicant to remove the deficiencies, if any, in the application.
- (2) The Board may require the applicant to submit, within reasonable time, additional documents or clarification that it deems fit.
- (3) The Board may require the applicant to appear, within reasonable time, before the Board in person, or through its authorised representative for clarifications required for processing the application.
- (4) If the Board is satisfied, after such inspection or inquiry as it deems necessary, that the applicant-

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<sup>7</sup> Substituted by Notification No. No. IBBI/2022-23/GN/REG/098 dated 20<sup>th</sup> September, 2022 (w.e.f. 20-09-2022). Prior to substitution, it stood as "five lakh".

<sup>8</sup> Substituted by Notification No. No. IBBI/2022-23/GN/REG/098 dated 20<sup>th</sup> September, 2022 (w.e.f. 20-09-2022). Prior to substitution, it stood as "five lakh".

- (a) is eligible under Regulation 3;
- (b) has the technical competence and financial capacity required to function as an information utility;
- (c) has adequate infrastructure to provide services in accordance with the Code;
- (d) has in its employment, persons having adequate professional and other relevant experience, to provide services in accordance with the Code; and
- (e) has complied with the conditions of the certificate of registration, if he has submitted an application for renewal under Regulation 4(2)

it may grant or renew a certificate of registration to the applicant as an information utility in Form B of the Schedule, within sixty days of receipt of the application, excluding the time given by the Board for removing the deficiencies, or presenting additional documents or clarifications, or appearing in person, as the case may be.

- (5) If, after considering an application made under Regulation 4, the Board is of the *prima facie* opinion that the registration ought not to be granted or ought not to be renewed, or be granted or renewed with additional conditions, it shall communicate the reasons for forming such an opinion within forty-five days of receipt of the application, excluding the time given by the Board for removing the deficiencies, presenting additional documents or clarifications, or appearing in person, as the case may be.
- (6) The applicant shall submit an explanation as to why its application should be accepted within fifteen days of the receipt of the communication under sub-regulation (5), to enable the Board to form a final opinion.
- (7) After considering the explanation, if any, given by the applicant under sub-regulation (6), the Board shall communicate its decision to-
  - (a) accept the application, along with the certificate of registration; or
  - (b) reject the application by an order, giving reasons thereof within thirty days of receipt of explanation.
- (8) The order rejecting an application for renewal of registration shall require the information utility to-
  - (a) discharge any pending obligations;



- (b) continue its functions till such time as may be directed, to enable its users to transfer information stored with it to another information utility; and
- (c) comply with any other directions as considered appropriate.

## 6. Conditions of registration.

- (1) The certificate of registration shall be valid for a period of five years from the date of issue.
- (2) The certificate of registration shall be subject to the conditions that the information utility shall–
  - (a) abide by the Code;
  - (b) abide by its bye-laws;
  - (c) at all times after the grant of the certificate continue to satisfy the requirements under Regulation 5(4);
  - (d) pay a fee of <sup>9</sup>[one crore] rupees to the Board, within fifteen days of receipt of intimation of registration or renewal from the Board, as applicable;

<sup>10</sup> [

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<sup>9</sup> Substituted by Notification No. No. IBBI/2022-23/GN/REG/098 dated 20<sup>th</sup> September, 2022 (w.e.f. 20-09-2022). Prior to substitution, it stood as “fifty lakh”.

<sup>10</sup> Substituted by Notification No. No. IBBI/2022-23/GN/REG/098 dated 20<sup>th</sup> September, 2022 (w.e.f. 20-09-2022). Prior to substitution, it stood as under: -

“(e) pay an annual fee of fifty lakh rupees to the Board, within fifteen days from the date of commencement of the financial year:

Provided that no annual fee shall be payable in the financial year in which an information utility is granted registration or renewal, as the case may be:

Provided further that without prejudice to any other action which the Board may take as it deems fit, any delay in payment of fee by an information utility shall attract simple interest at the rate of twelve percent per annum until paid.

### *Illustration*

(a) Where an information utility is registered on 1<sup>st</sup> December, 2016, it shall pay a fee of fifty lakh rupees within fifteen days of receipt of intimation of registration. No further payment is required to be made for the financial year 2016-17. The annual fee of fifty lakh rupees for the financial year 2017-18 becomes due on 1<sup>st</sup> April, 2017 and the same shall be paid on or before 15<sup>th</sup> April, 2017 and so on.

(b) Where the annual fee is paid on 20<sup>th</sup> April, 2017, interest at the rate of twelve percent per annum shall be paid for the delay of five days.”

- (e) pay to the Board, a fee calculated at the rate of ten per cent. of the turnover from the services as an information utility rendered in the preceding financial year, on or before 30<sup>th</sup> April every year:

Provided that without prejudice to any other action which the Board may take as it deems fit, any delay in payment of fee by an information utility shall attract simple interest at the rate of twelve percent per annum.

#### **Illustration**

Where an information utility generates turnover amounting to Rs. 75 crore in the financial year 2022-23, it is liable to pay fee of Rs. 7.50 crore to the Board on or before 30<sup>th</sup> April 2023.]

- (f) seek prior approval of the Board for-
  - (i) the acquisition of shares or voting power by a person, which taken together with paid-up equity shares or voting power, if any, held by such person, entitles him to hold more than five per cent, directly or indirectly, of the paid-up equity share capital or total voting power;
  - (ii) a change of control;
  - (iii) a merger, amalgamation or restructuring;
  - (iv) sale, disposal, or acquisition of the whole, or substantially the whole, of its undertaking;
  - (v) voluntary liquidation, dissolution, or any similar action involving the discontinuation of its business.
- (g) intimate the Board if a person holding more than five per cent, directly or indirectly, of its paid-up equity share capital or total voting power ceases to hold at least five per cent, directly or indirectly, of its paid-up equity share capital or total voting power, within fifteen days from such cessation;
- (h) take adequate steps for redressal of grievances;
- (i) take over information stored with other information utilities on the directions of and in the manner directed by the Board, and provide core services to their users; and
- (j) abide by such other conditions as may be stipulated by the Board.

## **7. In-principle approval.**

- (1) Any person who seeks to establish an information utility may make an application for an in-principle approval, demonstrating that the conditions in sub-regulation (2) are satisfied, along with a non-refundable application fee of five lakh rupees.
- (2) If the Board is satisfied, after such inspection or inquiry as it deems necessary, that-
  - (a) the applicant is a fit and proper person; and
  - (b) the proposed or existing company which may receive registration would be able to meet the eligibility criteria under Regulation 3,it may grant in-principle approval which shall be valid for a period not exceeding one year and be subject to such conditions as it deems fit.
- (3) During the validity of in-principle approval, the company referred to in sub-regulation 2(b) may make an application for a certificate of registration as an information utility to the Board in accordance with Regulation 4, but shall not be required to pay the application fee for registration.

### **CHAPTER III**

#### **SHAREHOLDING AND GOVERNANCE**

##### **8. Shareholding.**

- (1) No person shall at any time, directly or indirectly, either by itself or together with persons acting in concert, acquire or hold more than ten per cent of the paid-up equity share capital or total voting power of an information utility:

*Provided* that the following persons may, directly or indirectly, either by themselves or together in concert, acquire or hold up to twenty-five percent of the paid-up equity share capital or total voting power of an information utility :-

- (a) government company;
- (b) stock exchange;
- (c) depository;
- (d) bank;
- (e) insurance company; and
- (f) public financial institution.

(2) <sup>11</sup>[Notwithstanding anything to the contrary contained in sub-regulation (1) –

- (a) a person may, directly or indirectly, either by itself or together with persons acting in concert, hold up to fifty-one percent of the paid-up equity share capital or total voting power of an information utility up to three years from the date of its registration; or
- (b) an Indian company, (i) which is listed on a recognised Stock Exchange in India, or (ii) where no individual, directly or indirectly, either by himself or together with persons acting in concert, holds more than ten percent of the paid-up equity share capital, may hold up to hundred percent of the paid-up equity share capital or total voting power of an information utility up to three years from the date of its registration.

Provided that the information utility is registered before 30th September, 2018.]

(3) The provisions of this Regulation shall not apply to the holding of shares or voting power by the Central Government or a State Government.

#### <sup>12</sup>[9. **Composition of the Governing Board.**

- (1) The Governing Board shall consist of -
  - (a) managing director;
  - (b) independent directors; and

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<sup>11</sup>Substituted by Notification No. IBBI/2017-18/GN/REG016 dated 29<sup>th</sup> September, 2017 (w.e.f. 29-9-2017). Prior to this substitution, Regulation 8(2) stood as under: -

“8(2). Notwithstanding anything to the contrary contained in sub-regulation (1), a person resident in India may, directly or indirectly, either by itself or together with persons acting in concert, hold up to fifty-one percent of the paid-up equity share capital or total voting power of an information utility till the expiry of three years from the date of its registration, or such period as may be extended by the Board.”

<sup>12</sup> Substituted by Notification No. IBBI/2018-19/GN/REG034 dated 11<sup>th</sup> October, 2018 (w.e.f. 11-10-2018). Regulation 9, before substitution stood as under :

“9. Composition of the Governing Board.

- (1) More than half of the directors of an information utility shall be independent directors at the time of their appointment, and at all times during their tenure as directors:  
*Provided* that no meeting of the Governing Board shall be held without the presence of at least one independent director.

<sup>12</sup>[(1A) More than half of the directors of an information utility shall be Indian nationals and resident in India]

- (2) The directors shall elect an independent director as the Chairperson of the Governing Board:

*Explanation-* For the purposes of this Regulation, any fraction contained in ‘more than half’ shall be rounded off to the next higher number.”

(c) shareholder directors:

Provided that more than half of the directors shall be citizens of India and shall be residents in India.

- (2) The managing director shall not be considered either an independent director or a shareholder director.
- (3) Any employee of an information utility may be appointed as a director on its Governing Board in addition to the managing director, but such director shall be deemed to be a shareholder director.
- (4) The number of independent directors shall not be less than the number of shareholder directors:

Provided that no meeting of the Governing Board shall be held without the presence of at least one independent director.

- (5) An independent director shall be an individual-
  - (a) who is a person of ability and integrity;
  - (b) who has expertise in the field of finance, law, management or insolvency;
  - (c) who is not a relative of the directors of the Governing Board;
  - (d) who has or had no pecuniary relationship with the information utility, or any of its directors, or any of its shareholders holding more than ten per cent. of its share capital, during the immediately preceding two financial years or during the current financial year;
  - (e) who is not a shareholder of the information utility; and
  - (f) who is not a member of the Board of Directors of any of the shareholders holding more than ten per cent. of the share capital of the information utility.
- (6) An independent director shall be nominated by the Board from amongst the list of names proposed by the information utility.
- (7) An individual may serve as an independent director for a maximum of two terms of three years each or part thereof, or up to the age of <sup>13</sup>[**seventy-five years**], whichever is earlier.
- (8) The second term referred to in sub-regulation (7) may be subject to a satisfactory performance review of the first term by the Governing Board.
- (9) A cooling off period of three years shall be applicable for an independent director to become a shareholder director in the same or another information utility.
- (10) The directors shall elect an independent director as the Chairperson of the Governing Board.
- (11) A director, who has any interest, direct or indirect, pecuniary or otherwise, in any matter coming up for consideration at a meeting of the Governing Board or any of its Committees, shall as soon as possible after relevant circumstances have come to his knowledge, disclose the nature of his interest at such meeting and such disclosure shall be recorded in the

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<sup>13</sup> Substituted by Notification No. IBBI/2019-20/GN/REG046 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-01-2019). Prior to substitution it stood as: “seventy years”.

proceedings of the Governing Board or the Committee, as the case may be, and the director shall not take part in any deliberation or decision of the Governing Board or the Committee with respect to that matter.

#### **9A. Managing director.**

(1) An information utility shall, subject to the guidelines issued by the Board from time to time, determine the qualification and experience, manner of appointment, terms and conditions of appointment and other procedural formalities associated with the selection and appointment of the managing director, subject to the condition that-

(a) an individual shall be selected as managing director through an open advertisement in all editions of at least one national daily newspaper;

(b) an individual at the time joining as managing director shall not be above the age of fifty-five years, which may be relaxed by the Governing Board up to sixty years, after recording reasons therefor; and

(c) an individual shall not serve as managing director after he has attained the age of sixty-five years.

(2) The appointment of an individual as the managing director shall be for a tenure of not less than three years but not exceeding five years.

(3) An individual may serve as managing director for a maximum of two terms.

(4) The process of appointment for the second term as managing director shall be conducted afresh.

(5) The appointment and remuneration payable to the managing director shall be approved by a compensation committee constituted by the Governing Board.

(6) The appointment, renewal of appointment and termination of service of the managing director shall be subject to prior approval of the Board.

(7) The managing director shall be liable for removal or termination of services by the Governing Board, with the prior approval of the Board, for failure to give effect to the directions, guidelines and other orders issued by the Governing Board or the Board, or the rules, the articles of association or bye-laws of the information utility or on the ground of misconduct or incapacity to continue in office.

(8) The Board may *suo motu* remove or terminate the services of the managing director, if it deems fit, in the interest of stakeholders of the insolvency resolution process or in the public interest, after giving a reasonable opportunity of being heard.

**9B. Compliance.** - Every information utility registered as on the date of commencement of the Insolvency and Bankruptcy Board of India (Information Utilities) (Second Amendment) Regulations, 2018, shall comply with regulations 9 and 9A, within one year from the date of such commencement.]

#### **10. Regulatory Committee.**

- (1) An information utility may constitute a Regulatory Committee from amongst the independent directors.
- (2) The Regulatory Committee, if constituted, shall oversee the information utility's compliance with the Code.
- (3) The compliance officer shall report to the Regulatory Committee, wherever constituted.

#### **11. Compliance officer.**

- (1) An information utility shall designate or appoint a compliance officer who shall be responsible for ensuring compliance with the provisions of the Code applicable to the information utility, in letter and spirit.
- (2) The compliance officer shall, immediately and independently, report to the Board any non-compliance of any provision of the Code observed by him.
- (3) The compliance officer shall submit a compliance certificate to the Board annually, verifying that the information utility has complied with the requirements of the Code, and has redressed customer grievances.
- (4) The Governing Board shall appoint or remove a compliance officer only by means of a resolution passed at its meeting.

#### **12. Grievance Redressal Policy.**

- (1) An information utility shall have a Grievance Redressal Policy to deal with any grievance from -
  - i. any user; or
  - ii. any other person or class of persons as may be provided by the Governing Boardin respect of its services.
- b. The Grievance Redressal Policy shall provide for-
  - i. the constitution of a Grievance Redressal Committee;
  - ii. the functions of the Grievance Redressal Committee;
  - iii. the format and manner for filing grievances;

- iv. maximum time and format for acknowledging receipt of a grievance;
- v. maximum time for the disposal of the grievance by way of dismissal, resolution or the initiation of mediation;
- vi. details of the mediation mechanism;
- vii. provision of a report of the grievance and mediation proceedings to the parties to the grievance upon dismissal or resolution of the grievance;
- viii. action to be taken in case of malicious or false complaints;
- ix. maintenance of a register of grievances received and resolutions arrived at;
- x. disclosure of receipt and disposal of grievances to the public in the form and manner directed by the Board;
- xi. periodic reporting of the receipt and disposal of grievances to the Governing Board; and
- xii. periodic review of the Grievance Redressal Mechanism by the Governing Board.

#### **CHAPTER IV TECHNICAL STANDARDS AND BYE-LAWS**

### **13. Technical Standards.**

- (1) The Board may lay down Technical Standards, through guidelines, for the performance of core services and other services under these Regulations.
- (2) Without prejudice to the generality of sub-regulation (1), the Board may lay down Technical Standards for all or any of the following matters, namely :-
  - (a) the Application Programming Interface;
  - (b) standard terms of service;
  - (c) registration of users;
  - (d) unique identifier for each record and each user;
  - (e) submission of information;



- (f) identification and verification of persons;
- (g) authentication of information;
- (h) verification of information;
- (i) data integrity;
- (j) consent framework for providing access to information to third parties;
- (k) security of the system;
- (l) security of information;
- (m) risk management framework;
- (n) porting of information;
- (o) exchange or transfer of information between information utilities;
- (p) inter-operability among information utilities;
- (q) preservation of information; and
- (r) purging of information.

#### **14. Technical Committee.**

The Board shall lay down the Technical Standards based on the recommendations of a Technical Committee constituted by it.

- (1) The Technical Committee shall comprise of at least three members who have special knowledge and experience in the field of law, finance, economics, information technology or data management.
- (2) The Board may invite the Chief Executive Officers or managing directors of information utilities to attend the meetings of the Technical Committee.

#### **15. Bye-laws of information utilities.**

- (1) An information utility, for the conduct of its operations, shall have bye-laws consistent with the Code.

- (2) The bye-laws shall be consistent with, and provide for all matters contained in the Technical Standards, if any.
- (3) Without prejudice to the generality of sub-regulation (1), the bye-laws shall provide for-
  - (a) the manner and process of providing core services and other services under these Regulations;
  - (b) risk management;
  - <sup>14</sup>[(ba) minimum service quality standards, including timelines for -
    - (i) registration of users,
    - (ii) issuance of record of default, and
    - (iii) issuance of annual statement to registered users.
  - (bb) adoption of quality standards and quality standards certifications.]
  - (c) rights of users; and
  - (d) grievance redressal.
- (4) The bye-laws of the information utility, as amended from time to time, shall be published on its website.

## **16. Amendment to bye-laws.**

- (1) The Governing Board may amend the bye-laws of the information utility by a resolution passed by votes in favour being not less than three times the number of the votes, if any, cast against the resolution, by the directors.
- (2) A resolution passed in accordance with sub-regulation (1) shall be filed with the Board within seven days from the date of its passing, for its approval.
- (3) The amendments to the bye-laws shall come into effect on the seventh day of the receipt of the approval under sub-regulation (2), unless otherwise directed by the Board.
- (4) The information utility shall file a printed copy of the amended bye-laws with the Board within fifteen days from the date when such amendment is made effective.
- (5) Notwithstanding anything to the contrary contained in this Regulation, the Board may direct an information utility to amend any provision in its bye-laws.

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<sup>14</sup> Inserted by Notification No. IBBI/2021-22/GN/REG072, dated 13<sup>th</sup> April 2021 (w.e.f. 13-04-2021).

**CHAPTER V**  
**CORE SERVICES**

**17. Provision of services.**

- (1) An information utility shall provide-
  - (a) core services;
  - (b) other services under these Regulations; in accordance with the Code.
- (2) An information utility may provide services incidental to the services under sub-regulation (1), with the permission of the Board.
- (3) An information utility shall comply with the applicable Technical Standards, while providing services.

**18. Registration of users.**

- (1) A person shall register itself with an information utility for-
  - (a) submitting information to; or
  - (b) accessing information stored with  
  
any of the information utilities.
- (2) The information utility shall verify the identity of the person under sub-regulation (1) and grant registration.
- (3) Upon registration of a person under sub-regulation (2), the information utility shall intimate it of its unique identifier.
- (4) A person registered once with an information utility shall not register itself with any information utility again.
- (5) An information utility shall provide a registered user a functionality to enable its authorised representatives to carry on the activities in sub-regulation (1) on its behalf.
- (6) An information utility shall-

- (a) maintain a list of the
  - (i) registered users;
  - (ii) the unique identifiers of the registered users; and
  - (iii) the unique identifiers assigned to the debts under Regulation 20.
- (b) make the list under clause (a) available to all information utilities and the Board.

**19. Use of different information utilities.**

- (1) A registered user may submit information to any information utility.
- (2) Different parties to the same transaction may use different information utilities to submit, or access information in respect of the same transaction:

*Illustration:* A debt transaction has creditor A and debtor B. A may submit information about the debt to information utility X, while B may submit information about the same debt to information utility Y.

- (3) A user may access information stored with an information utility through any information utility.

**20. Acceptance and receipt of information.**

- (1) An information utility shall accept information submitted by a user in Form C of the Schedule.

<sup>15</sup>[(1A) Before filing an application to initiate corporate insolvency resolution process under section 7 or 9, as the case may be, the creditor shall file the information of default, with the information utility and the information utility shall process the information for the purpose of issuing record of default in accordance with regulation 21.]

- (2) On receipt of the information submitted under sub-regulation (1) <sup>16</sup> [or sub-regulation (1A), as the case may be], the information utility shall-
  - (a) assign a unique identifier to the information, including records of debt;

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<sup>15</sup> Inserted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>16</sup> Inserted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

- (b) acknowledge its receipt, and notify the user of-
  - (i) the unique identifier of the information;
  - (ii) the terms and conditions of authentication and verification of information; and
  - (iii) the manner in which the information may be accessed by other parties.

**21. <sup>17</sup>[<sup>18</sup>Authentication of default].**

(1) An information utility shall expeditiously undertake the process of authentication and verification of information of default as soon as it is received.

(2) For the purpose of sub-regulation (1), the information utility shall-

- (a) deliver the information of default to the debtor seeking confirmation of the same within the time specified in the Technical Standards;
- (b) remind the debtor at least three times for confirmation of information of default, in case the debtor does not respond, allow three days each time for the debtor to respond;
- (c) deliver the information of default or the reminder, as the case may be, to the debtor either by hand, post or electronic means at the postal or e-mail address of the debtor-
  - (i) registered with the information utility by him, failing which,
  - (ii) <sup>19</sup> [recorded with MCA 21 and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) registry as repositories or any other statutory repository as approved by the Board, failing which,]
  - (iii) submitted in Form C of the Schedule.

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<sup>17</sup> Substituted by Notification No. IBBI/2019-20/GN/REG046 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-01-2019). Prior to substitution it stood as under:

**“17. Information of default.**

- (1) On receipt of information of default, an information utility shall expeditiously undertake the processes of authentication and verification of the information.
- (2) On completion of the processes of authentication and verification under sub-regulation (1), the information utility shall communicate the information of default, and the status of authentication to registered users who are-
  - (a) creditors of the debtor who has defaulted;
  - (b) parties and sureties, if any, to the debt in respect of which the information of default has been received.”

<sup>18</sup> Substituted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). Prior to substitution it stood as under: “Information of default”.

<sup>19</sup> Substituted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). Prior to substitution it stood as under: “(ii) recorded with any other statutory repository as approved by the Board, failing which”

<sup>20</sup>[(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 following Tables:

**TABLE-1**

<i>Sl. No.</i>	<i>Response of the Debtor</i>	<i>Status of Authentication</i>	<i>Colour of the Status</i>
(1)	(2)	(3)	(4)
1	Debtor confirms the information of default	Authenticated	Green
2	Debtor disputes the information of default	Disputed	Red
3	Debtor does not respond even after three reminders	Deemed to be Authenticated	Yellow

Provided that in case of financial creditors which are banks included in the second schedule of the Reserve Bank of India Act, 1934, the information utilities will record the status of authentication of information of default as indicated in the Table 2 below:

**TABLE-2**

<i>Sl. No.</i>	<i>Response of the debtor</i>	<i>Status of authentication</i>	<i>Colour of the status</i>
(1)	(2)	(3)	(4)
1	(a) Debtor confirms the information of default, or (b) Debtor does not respond even after three reminders	Authenticated	Green
2	Debtor disputes the information of default	Disputed	Red

(4) After recording the status of information of default under sub-regulation (3), the information utility shall communicate the status of authentication in physical or electronic

<sup>20</sup> Substituted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). Prior to substitution it stood as under: “(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**

<b>Sl. No.</b>	<b>Response of the Debtor</b>	<b>Status of Authentication</b>	<b>Colour of the Status</b>
(1)	(2)	(3)	(4)
1	Debtor confirms the information of default	Authenticated	Green
2	Debtor disputes the information of default	Disputed	Red
3	Debtor does not respond even after three reminders	Deemed to be Authenticated	Yellow

(4) After recording the status of information of default under sub-regulation (3), the information utility shall communicate the status of authentication in physical or electronic form of the relevant colour, as indicated in column (4) of the Table thereof, to the registered users who are-

(a) creditors of the debtor who has defaulted;

(b) parties and sureties, if any, to the debt in respect of which the information of default has been received.”

form of the relevant colour, as indicated in column (4) of the Tables 1 or 2, as the case may be, by issuing a record of default in Form D of the Schedule, to the registered users who are-

- (a) creditors of the debtor who has defaulted in payment of a debt;
- (b) parties and sureties, if any, to the debt in respect of which the information of default has been received.]

#### **<sup>21</sup>[21A. Dissemination of public announcement.**

An information utility shall disseminate every public announcement it receives or has access to, on the date of its receipt or access, as the case may be, to its registered users, who are creditors of the corporate debtor undergoing insolvency proceeding under the Code.]

#### **22. Storage of information.**

- (1) An information utility shall store all information in a facility located in India.
- (2) The facility under sub-regulation (1) shall be governed by the laws of India.

#### **23. Access to information.**

- (1) An information utility shall allow the following persons to access information stored with it-
  - (a) the user which has submitted the information;
  - (b) all the parties to the debt and the host bank, if any, if the information is of the categories in section 3(13)(a), (c) and (d);
  - (c) the corporate person and its auditor, if the information is of the categories in section 3(13)(b) and (e);
  - (d) the insolvency professional, to the extent provided in the Code;
  - (e) the Adjudicating Authority;
  - (f) the Board;

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<sup>21</sup> Inserted by Notification No. IBBI/2020-21/GN/REG065, dated 13<sup>th</sup> November, 2020 (w.e.f. 13-11-2020).

- (g) any person authorised to access the information under any other law; and
  - (h) any other person who the persons referred to in (a), (b) or (c) have consented to share the information with.
- (2) An information utility shall in all cases enable the user to view-
- (a) the date the information was last updated;
  - (b) the status of authentication; and
  - (c) the status of verification
- while providing access to the information.
- (3) An information utility shall provide information to the Adjudicating Authority and Board free of charge.

**24. Accessing information stored with other information utilities.**

- (1) An information utility shall provide a functionality to enable users to access information stored with any information utility, which they are entitled to access.
- (2) The functionality under sub-regulation (1) shall enable other information utilities to provide access to information to the user directly.
- (3) The functionality shall ensure privacy and confidentiality of information.

**25. Annual statement.**

- (1) An information utility shall provide every user an annual statement of all information pertaining to the user, free of charge.
- (2) An information utility shall provide the user a functionality to mark information as erroneous and correct it.

**26. Porting information from registries.**

- (1) An information utility may import information from such registries as may be notified by the Board from time to time.
- (2) An information utility shall render the core services under section 3 (9) (b), (c) and (d) in accordance with these Regulations for the information imported under sub-regulation (1).



## **27. Duties of the user.**

<sup>22</sup>[(1) A user, who has submitted information in Form C of the Schedule to an information utility, shall submit the information updated as on the last day of every month, in the first week of following month:

Provided that information of default shall be updated within seven days of occurrence of default.]

(2) A user shall expeditiously correct information as soon as it finds it erroneous, stating the reasons, if any.

## **CHAPTER VI DUTIES OF INFORMATION UTILITIES**

## **28. General duties.**

(1) An information utility shall provide services with due and reasonable care, skill and diligence.

(2) An information utility shall hold the information as a custodian.

## **29. Non-discrimination.**

An information utility shall provide services without discrimination in any manner.

*Explanation:* An information utility shall not deny its services to any person on the basis of-

- (a) place of residence or business; or
- (b) type of personality, whether natural or artificial.

## **30. Other duties.**

(1) An information utility shall-

- (a) provide services to a user based on its explicit consent;
- (b) guarantee protection of the rights of users;
- (c) establish adequate procedures and facilities to ensure that its records are protected against loss or destruction;

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<sup>22</sup> Substituted by Notification No. IBBI/2021-22/GN/REG072 dated 13<sup>th</sup> April, 2021 (w.e.f. 13-04-2021). Prior to substitution, it stood as under: -

“(1) A user shall expeditiously update the information submitted by it to an information utility.”

- (d) adopt secure systems for information flows;
  - (e) protect its data processing systems against unauthorised access, alteration, destruction, disclosure or dissemination of information; and
  - (f) transfer all the information submitted by a user, and stored with it to another information utility on the request of the user.
- (2) An information utility shall not-
- (a) outsource the provision of core services to a third-party service provider;
  - (b) use the information stored with it for any purpose other than providing services under these Regulations, without the prior approval of the Board;
  - (c) seek data or details of users except as required for the provision of the services under these Regulations.

### **31. Insurance.**

An information utility shall make adequate arrangements, including insurance, for indemnifying the users for losses that may be caused to them by any wrongful act, negligence or default of the information utility, its employees or any other person whose services are used for the provision of services under these Regulations.

### **32. Fee.**

- (1) The information utility shall-
- (a) charge uniform fee for providing the same service to different users;
  - (b) disclose the fee structure for provision of services on its website; and
  - (c) disclose any proposed increase in the fees for the provision of services on its website at least three months before the increase in fees is effected.
- (2) The fee charged for -
- (a) providing services shall be a reasonable reflection of the service provided; and
  - (b) providing access to information shall not exceed the fee charged for submission of information to the information utility.

### **33. Risk management.**

An information utility shall establish an appropriate risk management framework in accordance with the Technical Standards, if any, which provides for matters, including-

- (a) reliable, recoverable and secure systems;
- (b) provision of core services during disasters and emergencies; and
- (c) business continuity plans which shall include disaster recovery sites.

**34. Audit of information technology framework.**

- (1) An information utility shall appoint an external auditor having relevant qualifications to audit its information technology framework, interface and data processing systems every year.
- (2) The auditor appointed under sub-regulation (1) shall submit a report to the Governing Board.
- (3) The information utility shall submit the report received under sub-regulation (2), along with the comments of the Governing Board, if any, to the Board within one month from the receipt of the report from the external auditor.

**35. Preservation Policy.**

- (1) An information utility shall have a Preservation Policy providing for the form, manner and duration of preservation of—
  - (a) information stored with it; and
  - (b) details of the transactions of the information utility with each user in respect of the information stored with it.
- (2) The Preservation Policy shall be consistent with the Technical Standards, if any.

**36. Provision of information to the Board.**

- (1) An information utility shall provide such information as may be required by the Board.
- (2) Without prejudice to the provisions of sub-regulation (1), an information utility shall provide a report to the Board annually, in the manner directed by the Board, stating the-

- (a) number and types of records collected;
- (b) number and types of users registered;
- (c) number and types of unique debts recorded;
- (d) number and types of security interests recorded;
- (e) volume of debts recorded;
- (f) volume of secured debts recorded;
- (g) number of instances and types of defaults recorded;
- (h) number and types of disputes recorded;
- (i) number of times information was accessed by the Adjudicating Authority and Board; and
- (j) any other information as may be directed by the Board.

**<sup>23</sup>[36A. Publication of statistical information –**

- (1) An information utility shall publish statistics relating to debt related information in its possession, quarterly.
- (2) The statistics in sub-regulation (1) shall provide distribution of debts in terms of currency, geography, sector, size, tenor, type, lending arrangement, and incidence of default.]

**37. Inspection.**

- (1) Without prejudice to the provisions of sections 217-220, the Board shall inspect an information utility with such periodicity as may be considered necessary.
- (2) An information utility shall extend all assistance and co-operation to the Board to carry out an inspection under sub-regulation (1).

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<sup>23</sup> Inserted by Notification No. IBBI/2021-22/GN/REG072, dated 13<sup>th</sup> April 2021 (w.e.f. 13-04-2021).

**CHAPTER VII**  
**SERVICES TO INSOLVENCY PROFESSIONALS**

**38. Storing information submitted by insolvency professionals.**

- (1) An insolvency professional may submit reports, registers and minutes in respect of any insolvency resolution, liquidation or bankruptcy proceedings to an information utility for storage.
- (2) The information utility shall not provide access to the reports, registers and minutes submitted under sub-regulation (1) to any person other than the concerned insolvency professional, the Board or the Adjudicating Authority.
- (3) The information utility shall discharge the duties specified in Chapter VI in respect of the reports, registers and minutes submitted under sub-regulation (1).

**CHAPTER VIII**  
**SURRENDER OR CANCELLATION OF REGISTRATION**

**39. Exit management plan.**

- (1) An information utility shall, at all times, have an exit management plan which shall include-
  - (a) mechanisms to enable users to transfer information to other information utilities expeditiously;
  - (b) mechanisms for preservation and transfer of information; and
  - (c) timelines and cost estimates of implementing the exit management plan.
- (2) An information utility shall not amend its exit management plan without the prior approval of the Board.

**40. Surrender of registration.**

- (1) An information utility may submit an application for surrender of its certificate of registration to the Board, providing -
  - (a) the reasons for such surrender;
  - (b) details of its pending and on-going activities; and

- (c) details of how the exit management plan shall be implemented.
- (2) The Board shall within seven days of receipt of the application, publish a notice of receipt of such application on its website and invite objections to the surrender of registration to be submitted within fourteen days of the publication of the notice.
- (3) After considering the application and the objections received, if any, the Board may, within thirty days from the last date for submission of objections, approve the application for surrender of registration subject to such conditions as it deems fit.
- (4) The approval under sub-regulation (3) may require the information utility to-
  - (a) discharge any pending obligations; or
  - (b) continue such functions till such time as may be directed.
- (5) The Board, after being satisfied that the requirements of sub-regulation (4) have been complied with, shall publish a notice on its website stating that the surrender of registration by the information utility has taken effect.

#### **41. Disciplinary proceedings.**

- (1) Based on the findings of an inspection or investigation, or on material otherwise available on record, if the Board is of the *prima facie* opinion that sufficient cause exists to take actions permissible under section 220, it shall issue a show-cause notice to the information utility.
- (2) The show-cause notice shall be in writing and shall state-
  - (a) the provisions of the Code under which it has been issued;
  - (b) the details of the alleged facts;
  - (c) the details of the evidence in support of the alleged facts;
  - (d) the provisions of the Code allegedly violated, or the manner in which the public interest has allegedly been affected;
  - (e) the actions or directions that the Board proposes to take or issue if the allegations are established;
  - (f) the manner in which the information utility is required to respond to the show-cause notice;

- (g) consequences of failure to respond to the show-cause notice within the given time; and
  - (h) procedure to be followed for disposal of the show-cause notice.
- (3) The show-cause notice shall enclose copies of relevant documents and extracts of relevant portions from the report of investigation or inspection, or other records.
- (4) A show-cause notice issued shall be served on the information utility in the following manner-
- (a) by sending it to the information utility at its registered office, by registered post with acknowledgement due; and
  - (b) by an appropriate electronic means to the email address provided by the information utility to the Board.
- (5) The Disciplinary Committee shall dispose of the show-cause notice by a reasoned order in adherence to principles of natural justice.
- (6) The Disciplinary Committee shall endeavor to dispose of the show-cause notice within a period of six months of the issue of the show-cause notice.
- (7) The order in disposal of a show-cause notice may provide for-
- (a) no action;
  - (b) warning;
  - (c) any of the actions under section 220(2) to (4); or
  - (d) a reference to the Board to take any action under section 220(5).
- (8) <sup>24</sup> [The disciplinary proceedings shall be conducted in accordance with the provisions of the Insolvency and Bankruptcy Board of India (Inspection and Investigation) Regulations, 2017.]
- (9) The order passed under sub-regulation (7) shall be issued to the information utility immediately, and be published on the website of the Board.

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<sup>24</sup> Substituted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022). Prior to substitution it stood as under:“(8) The order passed under sub-regulation (7) shall not become effective until thirty days have elapsed from the date of issue of the order, unless the Disciplinary Committee states otherwise in the order along with the reasons for the same.”

- (10) If the order passed under sub-regulation (7) suspends or cancels the registration of the information utility, the Disciplinary Committee may require the information utility to-
- (a) discharge pending obligations;
  - (b) continue its functions till such time as may be directed, only to enable users to transfer information stored with it to another information utility; and
  - (c) comply with any other directions.

#### **42. Appeal.**

An appeal may be preferred under section 211, within a period of thirty days of receipt of the order, in the manner prescribed in Part III of the <sup>25</sup>[National Company Law Appellate Tribunal Rules, 2016].

### **SCHEDULE FORM A**

#### **APPLICATION FOR CERTIFICATE OF REGISTRATION**

*(Under Regulation 4 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017)*

To  
*The Chairperson  
The Insolvency and Bankruptcy Board of India  
[Insert address]*

From  
*[Name and address]*

Subject: Application for grant or renewal of certificate of registration as information utility

Madam/Sir,

1. I, being duly authorized for the purpose, hereby apply on behalf of *[name and address of the applicant]* for
  - (a) grant of certificate of registration as information utility, or

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<sup>25</sup>Substituted by Notification No. IBBI/2017-18/GN/REG029 dated 27<sup>th</sup> March, 2018 (w.e.f. 01-04-2018). The words and figures before substitution, stood as under:

“National Company Law Tribunal Rules, 2016”.



(b) renewal of certificate of registration as information utility,

and enclose a copy of the board resolution authorizing me to make this application to and correspond with the Board in this respect.

2. A copy of
  - (a) the memorandum of association,
  - (b) the articles of association,
  - (c) the bye-laws,
  - (d) the business plan and
  - (e) the exit management plan of the applicant is enclosed.
3. I, on behalf of [*insert name*], affirm that the applicant is eligible to be registered as an information utility.
4. I, on behalf of [*insert name*], hereby affirm that –
  - (a) all information contained in this application is true and correct in all material respects,
  - (b) no material information relevant for the purpose of this application has been suppressed, and
  - (c) registration granted or renewed in pursuance of this application may be cancelled summarily if any information submitted is found to be false or misleading in material respects at any stage.
5. If granted registration, I, on behalf of [*insert name*], undertake to comply with the requirements of the Code, the rules, regulations, guidelines or directions issued thereunder, and such other conditions and terms as may be contained in the certificate of registration or be specified or imposed by the Board subsequently.

Yours faithfully,

Sd/-  
Authorized Signatory  
(Name)  
(Designation)

Date :  
Place :

**ANNEXURE TO FORM A**  
**PART I**  
**GENERAL**

1. Name of the applicant.
2. Address of registered office and principal place of business of the applicant.
3. Corporate Identity Number (CIN).
4. PAN.
5. Name, designation and contact details of the person authorized to make this application and correspond with the Board in this respect.

<sup>26</sup>[PART II]

**MEMORANDUM OF ASSOCIATION, ARTICLES OF ASSOCIATION AND BYE-LAWS**

6. Please state if the memorandum of association, articles of association and bye-laws provide for all matters as required in, and are consistent with the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 and the Code.

**PART III**

**SHAREHOLDING AND FINANCIAL STRENGTH**

7. Please provide details of the persons holding more than 5%, directly or indirectly, of the paid-up equity share capital or total voting power of the applicant.

Sl. No.	Name and address of the shareholder	PAN / Passport No. and country of issue/ company registration number	Percentage of shareholding in the applicant company and/ or holding company

8. Do persons resident outside India in aggregate hold more than 49% of the paid-up equity share capital or total voting power of the applicant? Please provide details.

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<sup>26</sup>Inserted by Notification No. IBBI/2017-18/GN/REG029 dated 27<sup>th</sup> March, 2018 (w.e.f. 01-04-2018).

9. Who exercises control over the applicant? Please provide details.
10. Do persons resident outside India exercise control over the applicant? If so, please provide details.
11. Please provide audited financial statements of:
  - (a) a company holding more than 5% of the paid-up equity share capital or total voting power of the applicant (if any),
  - (b) a company who is in control of the applicant (if any),
  - (c) promoter company (if any),
  - (d) the applicant company itself, of the last three years or from the date of incorporation of the company, whichever is less.

**PART IV  
DIRECTORS AND EMPLOYEES**

12. Please provide the details of the applicant's Board of Directors, key managerial personnel and compliance officer, if any:

Sl. No.	Name and address of the director	DIN and PAN

13. Please provide number of employees, category-wise.

**PART V  
INFRASTRUCTURE**

14. Please provide the details of infrastructure the applicant currently has and proposes to have to enable it to discharge its functions as an information utility, including-
  - a. Technology
  - b. Data Security
  - c. Facilities for hosting the data center
  - d. Grievance redressal and disciplinary proceedings
  - e. Any further plan for additional/ improved infrastructure to be indicated.

**PART VI  
BUSINESS PLAN**

15. Please provide a summary of the applicant's Business Plan.
16. Please provide the time frame in which the applicant will be able to provide the services of an information utility from the date of registration.

**PART VII  
EXIT MANAGEMENT PLAN**

17. Please provide a summary of the applicant's Exit Management Plan, including the manner in which users will be enabled to transfer their information to other utilities.

**PART VIII  
FIT AND PROPER CRITERIA**

18. Please provide information to demonstrate that the persons holding more than 5% of the paid-up equity share capital or total voting power of the company, the promoters, the key managerial personnel, the directors of the applicant and the applicant are fit and proper persons.

Sl. No	Name	Relationship to the applicant	DIN/ CIN/ PAN	Details of conviction orders, if any, against the person	Details of restraining orders, if any, against the person	Is the person an undischarged insolvent or bankrupt? If yes, please provide details	Details pertaining to the character, reputation and integrity of the person	Any other information

**PART IX  
COMPLIANCE**

*[For applications for renewal of registration]*

19. Please provide details of the information utility's compliance with the conditions of its certificate of registration.
20. Please provide details of the information utility's compliance with the Code, rules, regulations, guidelines and directions thereunder, during the period of registration.

Please provide any other details you consider relevant in support of the application.

Sd/-  
Authorized Signatory  
(Name)  
(Designation)

Date :  
Place :

## FORM B

(Under Regulation 5 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017)

### THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

CERTIFICATE OF REGISTRATION NO. \_

The Insolvency and Bankruptcy Board of India hereby grants/ renews this /the certificate of registration to/of \_\_\_\_\_[insert name and address] to act as an information utility in accordance with the Insolvency and Bankruptcy Code, 2016.

The certificate of registration is valid from [insert start date] to [insert end date] and may be renewed.

Sd/-

(Name and Designation)

(For and on behalf of Insolvency and Bankruptcy Board of India)

Place :

Date :

## <sup>27</sup>[FORM C

Under regulation 20 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.

(Note: Information may be accepted in this Form with necessary modifications as the information utility deems fit.)

A. Details relating to Creation of Debt		
Sl. No.	Nature of information	Particulars
I	II	III
Details of the user submitting information		

<sup>27</sup> Substituted by Notification No. IBBI/2021-22/GN/REG072 dated 13<sup>th</sup> April, 2021 (w.e.f. 13-04-2021).

1	Business date (The information will be as on date. For example, data of 30 <sup>th</sup> April 2020 submitted even on a later date, say on 05 <sup>th</sup> May 2020, will be as on the business date – 30 <sup>th</sup> April 2020)	
2	UIN (PAN)	
3	Full Name (Please provide your First, Middle and Last name without salutations)	
4	Relationship (Debtor/Creditor/ Guarantor/ Co-obligant / Security Provider / Assignee)	
5	Date of Birth/ Date of incorporation	
6	Communication address	
7	PIN Code	
8	Telephone No.	
9	Mobile No.	
10	Email ID-1 (for Submission acknowledgment, other submission related messages or any other general purpose message)	
11	Email ID-2 (for Dispute alert sent to submitter)	
12	Email ID-3 (for Default alert sent to submitter)	
<b>Details of Other Parties to the Debt (Apart from the person submitting the debt)</b>		
<b>Details of Parties (please add as many parties as may be applicable)</b>		
13	Relationship (Debtor/Creditor/ Guarantor/ Co-obligant / Security Provider / Assignee)	
14	Party name (Please provide your First, Middle and Last name without salutations)	
15	Registered / Permanent Address	
16	Registered Address PIN Code	
17	Communication address	
18	Communication Address PIN Code	
19	Party Type (Indian Entity, Resident Individual, Foreign Entity, NRI/Foreign Individual)	
20	Legal Constitution (Public Ltd. company, Private Ltd. company, LLP, Proprietorship, Partnership, Entity Created by or under a Statute, Trust, HUF, Co-op Society, Association of Persons, Government, Self Help Group, Resident Individual, Non-Resident Foreign Company).	
21	MSME Flag (Y/N)	
22	MSME Sub-type (Micro, Small, Medium)	

23	Industry Category	
24	Date of Birth/ Date of incorporation	
25	Corporate Identification Number (CIN/LLPIN) for registered corporate entities.	
26	PAN	
27	Customer ID	
28	CKYC KIN	
29	Contact Person Name	
30	Contact Person's Mobile No.	
31	Alternative Number	
32	Email id	
33	Alternative Email ID	
<b>Details of the Debt</b>		
34	Debt Reference Number	
35	Old Debt Reference No. (Unique identifier of the debt, in case the debt has previously been recorded in any Information Utility)	
36	Creditor Location (Creditor's internal location code, where submitted by creditor)	
37	Creditor Business Unit (Creditor's internal business unit code, where submitted by creditor)	
38	Creditor RM Email (Email of Creditor's Relation Manager, for notification purpose)	
39	Debt Contract Date (date of sanction, last renewal, debt acknowledgements, etc.)	
40	Debt Start Date (Date of first disbursement or date of activation of the facility)	
41	Sanction Reference No.	
42	Sanction Currency	
43	Sanctioned Amount	
44	Drawing Power	
45	Type of Debt (Financial, Operational)	
46	Intermediary Status (Yes, No)	
47	Debt subtype	
48	Funded Type Indicator (Funded, Non-fund)	
49	Facility name	
50	Repayment frequency (Monthly, Quarterly, Half yearly, Annual, On demand, Bullet, Rolling, Others)	

51	Tenor of debt	
52	Instalment Amount	
53	Rate of interest	
54	Lending arrangement (Sole Banking, Consortium, Multiple Banking Arrangement, Outside Multiple Banking, Outside Consortium, Others)	
55	Currency of debt	
56	Total Outstanding Amount	
57	Principal Outstanding	
58	Interest Outstanding	
59	Other Charges Outstanding	
60	Amount Overdue	
61	Days Overdue (Number of days overdue as on business date of reporting. If no overdue, report zero value)	
62	Asset Classification (Standard, Sub-standard, Doubtful, Loss)	
63	SMA Category (0, 1, 2, N)	
64	Account Closed Flag (Yes, No, Assigned)	
65	Part-A Remarks (Any remarks that can be helpful for Other Parties during authentication)	
<b>B. Details relating to Creation of Security on Debt (If not applicable, please write NA)</b>		
66	Date of creation of Security Interest	
67	Type of Charge created (Mortgage, Hypothecation, Charge, Assignment, Pledge, Lien, Negative Lien, Guarantee, Asset Cover and such other charges )	
68	Assets type (Movable, Immovable, Intangible, Not Classified)	
69	Security type (Nature of asset used as security as per list of values)	
70	Security Category (Primary, Collateral)	
71	Asset ID (identification number of asset on which charge is created)	
72	Description of security	
73	Value of security	
74	Currency of Security	
75	Date of valuation	
76	ROC Charge ID (as registered with MCA, where applicable)	



77	CERSAI Security Interest ID	
78	Part-B Remarks (Any remarks that can be helpful for Other Parties during authentication)	
<b>C. Details relating to Default of Debt (If not applicable, please write NA)</b>		
79	Date of default	
80	Total Outstanding Amount	
81	Default amount	
82	Days past due	
83	Amount of last repayment	
84	Date of last repayment	
85	Date of filing of suit	
86	Part-C Remarks (Any remarks that can be helpful for Other Parties during authentication)	
87	Documents* uploaded as proof for Debt, Security and Default:- Debt: <ul style="list-style-type: none"> <li>a. Copy of Loan Agreement (as revised from time to time)</li> <li>b. Repayment schedule (If in possession of the submitter)</li> <li>c. Balance Confirmation</li> <li>d. Balance Sheet and Cash Flow Statements (If the submitter is the Debtor)</li> <li>e. Any other documents relating to creation of debt/change in the terms of the debt</li> <li><sup>28</sup>[f. document showing latest acknowledgment of debt by the debtor]</li> </ul> <b>Security:</b> <ul style="list-style-type: none"> <li>a. Copy of the Security Deed</li> <li>b. Copy of the Valuation Report</li> <li>c. Proof of Registration with CERSAI</li> <li>d. Copy of the Certificate of Registration of Charge</li> <li>e. Any other document relating to creation of security</li> </ul> <b>Default:</b> Any documents attached as a proof of default	

\* Documents can be submitted at any stage, not necessarily along with the data in Form C.”]

<p><sup>29</sup><b>[FORM D*</b></p> <p><b>RECORD OF DEFAULT</b></p> <p><i>(Issued By information utility under sub- regulation (4) of regulation 21 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017)</i></p>
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<sup>28</sup> Inserted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

<sup>29</sup> Inserted by Notification No. IBBI/2022-23/GN/REG085, dated 14<sup>th</sup> June, 2022 (w.e.f. 14-06-2022).

This record of default is issued to the Financial/Operational Creditor \_\_\_\_\_ in respect of the default of debt as per details given below-

- (a) **Name of Corporate Debtor:**
- (b) **Unique Debt Identifier Number:**
- (c) **Registered Address:**
- (d) **Total debt amount:**
- (e) **Default amount remaining:**
- (f) **Date of default:**
- (g) **Status of Authentication of default:**

Filing of Default (Submission ID No.)	Submitted on (DD/MM/YY)	Status of Authentication (Authenticated/Disputed/Deemed to be authenticated)  (Colour Code: Green or yellow or Red, as the case may be)	Authentication completed on (DD/MM/YY)

.....(name of the information utility) is authorized to issue this record of default and has accordingly affixed its digital signature, as per the provisions of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, Guidelines for Technical Standards for Performance of Core Services and Other Services and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2017.

**Date:**

**Digital Signature of the Authorized Signatory**

**Note:**

1. Technical details may be inserted by the respective Information Utility
2. List of supportive annexures may be enclosed by the respective Information Utility
3. Other details/documents, if any, may be enclosed by the Information Utility

*\*(Note: Information may be issued in this Form with necessary modifications as the information utility deems fit)*

(Dr. M. S. Sahoo)  
Chairperson Insolvency and Bankruptcy  
Board of India

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (LIQUIDATION  
PROCESS) REGULATIONS, 2016<sup>1</sup>**

[AMENDED UPTO 16-09-2022]

IBBI/2016-17/GN/REG005.-In exercise of the powers conferred by sections 5, 33, 34, 35, 37, 38, 39, 40, 41, 43, 45, 49, 50, 51, 52, 54, 196 and 208 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Board hereby makes the following Regulations, namely-

**CHAPTER I**  
**PRELIMINARY**

**1. Short title and commencement.**

- (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- (2) These Regulations shall come into force on the date of their publication in the Official Gazette.
- (3) These Regulations shall apply to the liquidation process under Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.

**2. Definitions.**

- (1) In these Regulations, unless the context otherwise requires-
  - (a) “books of the corporate debtor” means
    - (i) the books of account and the financial statements as defined in section 2(13) and 2(40) of the Companies Act, 2013,
    - (ii) the books of account as referred to in section 34 of the Limited Liability Partnership Act, 2008, or
    - (iii) the books of accounts as specified under the applicable law,  
as the case may be;
  - (b) “Code” means the Insolvency and Bankruptcy Code, 2016;
- <sup>2</sup> [(ba) “consultation committee” means the stakeholders’ consultation committee constituted under sub-regulation (1) of regulation 31A;]

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<sup>1</sup>Vide Notification No. IBBI/2016-17/GN/REG005, dated 15<sup>th</sup> December 2016, published in the Gazette of India, Extraordinary, Part III, Sec.4, dated 15<sup>th</sup> December, 2016 (w.e.f. 15.12.2016).

<sup>2</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

(c) “contributory” means a member of the company, a partner of the limited liability partnership, and any other person liable to contribute towards the assets of the corporate debtor in the event of its liquidation;

<sup>3</sup> [(ca) “Corporate Liquidation Account” means the Corporate Liquidation Account operated and maintained by the Board under regulation 46;]

(d) “electronic means” mean an authorized and secured computer programme which is capable of producing confirmation of sending communication to the participant entitled to receive such communication at the last electronic mail address provided by such participant and keeping record of such communication;

(e) “identification number” means the Limited Liability Partnership Identification Number or the Corporate Identity Number, as the case may be;

<sup>4</sup> [(ea) “liquidation cost” under clause (16) of section 5 means-

- (i) fee payable to the liquidator under regulation 4;
- (ii) remuneration payable by the liquidator under sub-regulation (1) of regulation 7;
- (iii) costs incurred by the liquidator under sub-regulation (2) of regulation 24;
- (iv) costs incurred by the liquidator for preserving and protecting the assets, properties, effects and actionable claims, including secured assets, of the corporate debtor;
- (v) costs incurred by the liquidator in carrying on the business of the corporate debtor as a going concern;
- (vi) interest on interim finance for a period of twelve months or for the period from the liquidation commencement date till repayment of interim finance, whichever is lower;
- (vii) the amount repayable <sup>5</sup>[\*\*\*] under sub-regulation (3) of regulation 2A;
- (viii) any other cost incurred by the liquidator which is essential for completing the liquidation process:

Provided that the cost, if any, incurred by the liquidator in relation to compromise or arrangement under section 230 of the Companies Act, 2013 (18 of 2013), if any, shall not form part of liquidation cost.]

(f) “Preliminary Report” means the report prepared in accordance with Regulation 13;

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<sup>3</sup> Inserted by Notification No. IBBI/2019-20/GN/REG053, dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020).

<sup>4</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-01-2019). Prior to substitution it stood as under:

“(ea) “liquidation cost” under sub-section (16) of section 5 means-

- (a) fee payable to the liquidator under regulation 4;
- (b) remuneration payable by the liquidator under regulation 7;
- (c) cost incurred by the liquidator under regulation 24; and
- (d) interest on interim finance for a period of twelve months or for the period from the liquidation commencement date till repayment of interim finance, whichever is lower;”

<sup>5</sup> Omitted by Notification No. IBBI/2021-22/GN/REG079, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021).

- (g) “Progress Report” means the quarterly report prepared in accordance with Regulation 15;
- (h) “registered valuer” means a person registered as such in accordance with the Companies Act, 2013 (18 of 2013) and rules made thereunder;
- (i) “Schedule” means a schedule to these Regulations;
- (j) “section” means section of the Code; and
- (k) “stakeholders” means the stakeholders entitled to distribution of proceeds under section 53.

(2) Unless the context otherwise requires, words and expressions used and not defined in these Regulations, but defined in the Code, shall have the meanings assigned to them in the Code.

**<sup>6</sup>[2A. Contributions to liquidation costs.**

(1) Where the committee of creditors did not approve a plan under sub-regulations (3) of regulation 39B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidator shall call upon the financial creditors, being financial institutions, to contribute the excess of the liquidation costs over the liquid assets of the corporate debtor, as estimated by him, in proportion to the financial debts owed to them by the corporate debtor.

*Illustration*

Assume that the excess of liquidation costs over liquid assets is Rs.10, as estimated by the liquidator. Financial creditors will be called upon to contribute, as under:

Sl. No.	Financial creditors	Amount of debt due to financial creditors (Rs.)	Amount to be contributed towards liquidation cost (Rs.)
(1)	(2)	(3)	(4)
1	Financial institution A	40	04
2	Financial institution B	60	06
3	Non-financial institution A	50	00
4	Non-financial institution B	50	00
Total		200	10

(2) The contributions made under the plan approved under sub-regulation (3) of regulation 39B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 or contributions made under sub-regulation (1), as the case may be, shall be deposited in a designated escrow account to be opened and maintained in a scheduled bank, within seven days of the passing of the liquidation order.

(3) The amount contributed under sub-regulation (2) shall be repayable with interest at bank rate referred to in section 49 of the Reserve Bank of India Act, 1934 (2 of 1934) as part of liquidation cost.

<sup>6</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047, dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

<sup>7</sup>[*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) (Amendment) Regulations, 2019.]

## **2B. Compromise or arrangement.**

(1) Where a compromise or arrangement is proposed under section 230 of the Companies Act, 2013 (18 of 2013), it shall be completed within ninety days of the order of liquidation under <sup>8</sup>[\*\*\*] section 33.

<sup>9</sup>[ Provided that a person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of the corporate debtor, shall not be a party in any manner to such compromise or arrangement.]

<sup>10</sup>[Provided further that where the recommendation to explore proposal of compromise or arrangement has been made by the committee under regulation 39BA of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidator shall file the proposal within thirty days of the order of liquidation.]

(2) The time taken on compromise or arrangement, not exceeding ninety days, shall not be included in the liquidation period.

(3) Any cost incurred by the liquidator in relation to compromise or arrangement shall be borne by the corporate debtor, where such compromise or arrangement is sanctioned by the Tribunal under sub-section (6) of section 230:

Provided that such cost shall be borne by the parties who proposed compromise or arrangement, where such compromise or arrangement is not sanctioned by the Tribunal under sub-section (6) of section 230.]

## **CHAPTER II** **APPOINTMENT AND REMUNERATION OF LIQUIDATOR**

### **3. Eligibility for appointment as liquidator.**

(1) An insolvency professional shall be eligible to be appointed as a liquidator if he, and every partner or director of the insolvency professional entity of which he is a partner or director, is independent of the corporate debtor.

*Explanation*– A person shall be considered independent of the corporate debtor, if he-

- (a) is eligible to be appointed as an independent director on the board of the corporate debtor under section 149 of the Companies Act, 2013 (18 of 2013), where the corporate debtor is a company;

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<sup>7</sup> Inserted by Notification No. IBBI/2022-23/GN/REG082, dated 28<sup>th</sup> April, 2022 (w.e.f. 28-04-2022).

<sup>8</sup> Omitted by Notification No. IBBI/2021-22/GN/REG079, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021).

<sup>9</sup> Inserted by Notification No. IBBI/2019-20/GN/REG053, dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020).

<sup>10</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

- (b) is not a related party of the corporate debtor; or
- (c) has not been an employee or proprietor or a partner:
- (i) of a firm of auditors or <sup>11</sup>[secretarial auditors] or cost auditors of the corporate debtor; or
- (ii) of a legal or a consulting firm, that has or had any transaction with the corporate debtor contributing ten per cent or more of the gross turnover of such firm, in the last three financial years.

- (2) A liquidator shall disclose the existence of any pecuniary or personal relationship with the concerned corporate debtor or any of its stakeholders as soon as he becomes aware of it, to the Board and the Adjudicating Authority.
- (3) An insolvency professional shall not continue as a liquidator if the insolvency professional entity of which he is a director or partner, or any other partner or director of such insolvency professional entity represents any other stakeholder in the same liquidation process.

#### 4. <sup>12</sup>[Liquidator's fee.

<sup>11</sup>Substituted by Notification No. IBBI/ 2017-18/GN/REG028, dated 27<sup>th</sup> March, 2018 (w.e.f. 01-04-2018). Clause 3 (1) (c) (i), prior to substitution it stood as under –

“(i) of a firm of auditors or company secretaries or cost auditors of the corporate debtor; or”.

<sup>12</sup>Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-01-2019). Prior to substitution it stood as under:

##### “4. Liquidator's fee.

- (1) The fee payable to the liquidator shall form part of the liquidation cost.
- (2) The liquidator shall be entitled to such fee and in such manner as has been decided by the committee of creditors before a liquidation order is passed under sections 33(1)(a) or 33(2).
- (3) In all cases other than those covered under sub-regulation (2), the liquidator shall be entitled to a fee as a percentage of the amount realized net of other liquidation costs, and of the amount distributed, as under:

Amount of Realisation / Distribution (In rupees)	Percentage of fee on the amount realized / distributed			
	in the first six months	in the next six months	in the next one year	Thereafter
<i>Amount of Realisation (exclusive of liquidation costs)</i>				
On the first 1 crore	5.00	3.75	2.50	1.88
On the next 9 crore	3.75	2.80	1.88	1.41
On the next 40 crore	2.50	1.88	1.25	0.94
On the next 50 crore	1.25	0.94	0.68	0.51
On further sums realized	0.25	0.19	0.13	0.10
<i>Amount Distributed to Stakeholders</i>				
On the first 1 crore	2.50	1.88	1.25	0.94
On the next 9 crore	1.88	1.40	0.94	0.71
On the next 40 crore	1.25	0.94	0.63	0.47
On the next 50 crore	0.63	0.48	0.34	0.25
On further sums distributed	0.13	0.10	0.06	0.05

(1) The fee payable to the liquidator shall be in accordance with the decision taken by the committee of creditors under regulation 39D of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

<sup>13</sup>[(1A) Where no fee has been fixed under sub-regulation (1), the consultation committee may fix the fee of the liquidator in its first meeting.]

(2) In cases other than those covered under sub-regulation (1) <sup>14</sup>[and (1A)], the liquidator shall be entitled to a fee-

(a) at the same rate as the resolution professional was entitled to during the corporate insolvency resolution process, for the period of compromise or arrangement under section 230 of the Companies Act, 2013 (18 of 2013); and

(b) as a percentage of the amount realised net of other liquidation costs, and of the amount distributed, for the balance period of liquidation, as under:

Amount of Realisation / Distribution (In rupees)	Percentage of fee on the amount realised / distributed		
	in the first six months	in the next six months	thereafter
Amount of Realisation (exclusive of liquidation costs)			
On the first 1 crore	5.00	3.75	1.88
On the next 9 crore	3.75	2.80	1.41
On the next 40 crore	2.50	1.88	0.94
On the next 50 crore	1.25	0.94	0.51
On further sums realized	0.25	0.19	0.10
Amount Distributed to Stakeholders			
On the first 1 crore	2.50	1.88	0.94
On the next 9 crore	1.88	1.40	0.71
On the next 40 crore	1.25	0.94	0.47
On the next 50 crore	0.63	0.48	0.25
On further sums distributed	0.13	0.10	0.05

<sup>15</sup>[Clarification: For the purposes of clause (b), it is hereby clarified that where a liquidator realises any amount, but does not distribute the same, he shall be entitled to a fee corresponding to the amount realised by him. Where a liquidator distributes any amount, which is not realised by him, he shall be entitled to a fee corresponding to the amount distributed by him.]

(3) Where the fee is payable under clause (b) of sub-regulation (2), the liquidator shall be entitled to receive half of the fee payable on realisation only after such realised amount is distributed.

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(4) The liquidator shall be entitled to receive half of the fee payable on realization under sub-regulation (3) only after such realized amount is distributed.”

<sup>13</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>14</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>15</sup> Inserted by Notification No. IBBI/2020-21/GN/REG062 dated 5<sup>th</sup> August, 2020 (w.e.f. 05-08-2020).



Clarification: Regulation 4 of these regulations, as it stood before the commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2019 shall continue to be applicable in relation to the liquidation processes already commenced before the coming into force of the said amendment Regulations.]

### **CHAPTER III** **POWERS AND FUNCTIONS OF LIQUIDATOR**

#### **5. Reporting.**

- (1) The liquidator shall prepare and submit:
  - (a) a preliminary report;
  - (b) an asset memorandum;
  - (c) progress report(s);
  - (d) sale report(s);
  - (e) minutes of consultation with stakeholders; and
  - (f) the final report prior to dissolution

to the Adjudicating Authority in the manner specified under these Regulations.

- (2) The liquidator shall preserve a physical as well as an electronic copy of the reports and minutes referred to in sub-regulation (1) for eight years after the dissolution of the corporate debtor.
- (3) Subject to other provisions of these Regulations, the liquidator shall make the reports and minutes referred to sub-regulation (1) available to a stakeholder in either electronic or physical form, on receipt of
  - (a) an application in writing;
  - (b) costs of making such reports and minutes available to it; and
  - (c) an undertaking from the stakeholder that it shall maintain confidentiality of such reports and minutes and shall not use these to cause an undue gain or undue loss to itself or any other person.

#### **6. Registers and books of account.**

- (1) Where the books of account of the corporate debtor are incomplete on the liquidation commencement date, the liquidator shall have them completed and brought up-to-date, with all convenient speed, as soon as the order for liquidation is passed.
- (2) The liquidator shall maintain the following registers and books, as may be applicable, in relation to the liquidation of the corporate debtor, and shall preserve them for a period of eight years after the dissolution of the corporate debtor-
  - (a) Cash Book;
  - (b) Ledger;
  - (c) Bank Ledger;
  - (d) Register of Fixed Assets and Inventories;
  - (e) Securities and Investment Register;
  - (f) Register of Book Debts and Outstanding Debts;
  - (g) Tenants Ledger;
  - (h) Suits Register;
  - (i) Decree Register;
  - (j) Register of Claims and Dividends;
  - (k) Contributories Ledger;
  - (l) Distributions Register;
  - (m) Fee Register;
  - (n) Suspense Register;
  - (o) Documents Register;
  - (p) Books Register;
  - (q) <sup>16</sup>[Register of unclaimed dividends and undistributed proceeds; and]
  - (r) such other books or registers as may be necessary to account for transactions entered into by him in relation to the corporate debtor.

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<sup>16</sup> Subs by Notification No. IBBI/2019-20/GN/REG053, dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020). Prior to substitution it stood as under:  
“Register of unclaimed dividends and undistributed properties deposited in accordance with Regulation 45; and”.

- (3) The registers and books under sub-regulation (2) may be maintained in the forms indicated in Schedule III, with such modifications as the liquidator may deem fit in the facts and circumstances of the liquidation process.
- (4) The liquidator shall keep receipts for all payments made or expenses incurred by him.

**7. Appointment of professionals.**

- (1) A liquidator may appoint professionals to assist him in the discharge of his duties, obligations and functions for a reasonable remuneration and such remuneration shall form part of the liquidation cost.
- (2) The liquidator shall not appoint a professional under sub-regulation (1) who is his relative, is a related party of the corporate debtor or has served as an auditor to the corporate debtor in the five years preceding the liquidation commencement date.
- (3) A professional appointed or proposed to be appointed under sub-regulation (1) shall disclose the existence of any pecuniary or personal relationship with any of the stakeholders, or the concerned corporate debtor as soon as he becomes aware of it, to the liquidator.

**8. Consultation with stakeholders.**

- (1) The stakeholders consulted under section 35(2) shall extend all assistance and cooperation to the liquidator to complete the liquidation of the corporate debtor.
- (2) The liquidator shall maintain the particulars of any consultation with the stakeholders made under this Regulation, as specified in Form A of Schedule II.

**9. Personnel to extend cooperation to liquidator.**

- (1) The liquidator may make an application to the Adjudicating Authority for a direction that a person who-
  - (a) is or has been an officer, auditor, employee, promoter or partner of the corporate debtor;
  - (b) was the interim resolution professional, resolution professional or the previous liquidator of the corporate debtor; or
  - (c) has possession of any of the properties of the corporate debtor;

shall cooperate with him in the collection of information necessary for the conduct of the liquidation.

- (2) An application may be made under this Regulation only after the liquidator has made reasonable efforts to obtain the information from such person and failed to obtain it.

**10. Disclaimer of onerous property.**

- (1) Where any part of the property of a corporate debtor consists of-
  - (a) land of any tenure, burdened with onerous covenants;
  - (b) shares or stocks in companies;
  - (c) any other property which is not saleable or is not readily saleable by reason of the possessor thereof being bound either to the performance of any onerous act or to the payment of any sum of money; or
  - (d) unprofitable contracts;

the liquidator may, notwithstanding that he has endeavored to sell or has taken possession of the property or exercised any act of ownership in relation thereto or done anything 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.

- (2) The liquidator shall not make an application under sub-regulation (1) if a person interested in the property or contract inquired in writing whether he will make an application to have such property disclaimed, and he did not communicate his intention to do so within one month from receipt of such inquiry.
- (3) The liquidator shall serve a notice to persons interested in the onerous property or contract at least seven days before making an application for disclaimer to the Adjudicating Authority:

*Explanation:* A person is interested in the onerous property or contract if he-

- (a) is entitled to the benefit or subject to the burden of the contract; or
  - (b) claims an interest in a disclaimed property or is under a liability not discharged in respect of a disclaimed property.
- (4) Subject to the order of the Adjudicating Authority approving such disclaimer, the disclaimer shall operate to determine, from the date of disclaimer, the rights, interest and liabilities of the corporate debtor in or in respect of the property or contract disclaimed, but shall not, except so far as is necessary for the purpose of releasing the

corporate debtor and the property of the corporate from liability, affect the rights, interest or liabilities of any other person.

- (5) A person affected by the disclaimer under this Regulation shall be deemed to be a creditor of the corporate debtor for the amount of the compensation or damages payable in respect of such effect, and may accordingly be payable as a debt in liquidation under section 53(1)(f).

**11. Extortionate credit transactions.**

A transaction shall be considered an extortionate credit transaction under section 50(2) where the terms-

- (1) require the corporate debtor to make exorbitant payments in respect of the credit provided; or
- (2) are unconscionable under the principles of law relating to contracts.

**CHAPTER IV**  
**GENERAL**

**12. Public announcement by liquidator.**

- (1) The liquidator shall make a public announcement in Form B of Schedule II within five days from his appointment.
- (2) <sup>17</sup>[The public announcement shall-
- (a) call upon stakeholders to submit their claims or update their claims submitted during the corporate insolvency resolution process, as on the liquidation commencement date; and
- (b) provide the last date for submission or updation of claims, which shall be thirty days from the liquidation commencement date.]

<sup>18</sup>[(c) provide that where a stakeholder does not submit its claims during the liquidation process, the claims submitted by such a stakeholder, and duly collated by the interim resolution professional or resolution professional, as the case may be, during the corporate insolvency resolution process under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be deemed to be submitted under section 38.]

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<sup>17</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as under:

“(2) The public announcement shall-

- (a) call upon stakeholders to submit their claims as on the liquidation commencement date; and
- (b) provide the last date for submission of claim, which shall be thirty days from the liquidation commencement date.”

<sup>18</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

- (3) The announcement shall be published-
- (a) in one English and one regional language newspaper with wide circulation at the location of the registered office and principal office, if any, of the corporate debtor and any other location where in the opinion of the liquidator, the corporate debtor conducts material business operations;
  - (b) on the website, if any, of the corporate debtor; and
  - (c) on the website, if any, designated by the Board for this purpose.

<sup>19</sup>[**12A. Process email ID.**

The liquidator shall operate the process email account handed over to him by the resolution professional in accordance with regulation 4C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and in the event of his replacement, the credentials of such email ID shall be handed over to the new liquidator.]

**13. Preliminary report.**

The liquidator shall submit a Preliminary Report to the Adjudicating Authority within seventy-five days from the liquidation commencement date, detailing-

- (a) the capital structure of the corporate debtor;
- (b) the estimates of its assets and liabilities as on the liquidation commencement date based on the books of the corporate debtor:

*Provided* that if the liquidator has reasons to believe, to be recorded in writing, that the books of the corporate debtor are not reliable, he shall also provide such estimates based on reliable records and data otherwise available to him;

- (c) whether, he intends to make any further inquiry in to any matter relating to the promotion, formation or failure of the corporate debtor or the conduct of the business thereof; and
- (d) the proposed plan of action for carrying out the liquidation, including the timeline within which he proposes to carry it out and the estimated liquidation costs.

**14. Early dissolution.**

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<sup>19</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

Any time after the preparation of the Preliminary Report, if it appears to the liquidator that-

- (a) the realizable properties of the corporate debtor are insufficient to cover the cost of the liquidation process; and
- (b) the affairs of the corporate debtor do not require any further investigation;

he may apply to the Adjudicating Authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution.

#### **15. Progress reports.**

- (1) The liquidator shall submit <sup>20</sup>[Progress Reports, in the format stipulated by the Board, to the Adjudicating Authority and the Board” shall be substituted ]as under-
  - (a) the first Progress Report within fifteen days after the end of the quarter in which he is appointed;
  - (b) subsequent Progress Report(s) within fifteen days after the end of every quarter during which he acts as liquidator; and

*Provided* that if an insolvency professional ceases to act as a liquidator during the liquidation process, he shall file a Progress Report for the quarter up to the date of his so ceasing to act, within fifteen days of such cessation.

- (2) A Progress Report shall provide all information relevant to liquidation for the quarter, including-
  - (a) appointment, tenure of appointment and cessation of appointment of professionals;
  - (b) a statement indicating progress in liquidation, including-
    - (i) settlement of list of stakeholders,
    - (ii) details of any property that remain to be sold and realized,
    - (iii) distribution made to the stakeholders, and
    - (iv) distribution of unsold property made to the stakeholders;

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<sup>20</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to Substitution, the words stood as: “Progress Reports to the Adjudicating Authority”.

- (c) details of fee or remuneration, including-
    - (i) the fee due to and received by the liquidator together with a description of the activities carried out by him,
    - (ii) the remuneration or fee paid to professionals appointed by the liquidator together with a description of activities carried out by them,
    - (iii) other expenses incurred by the liquidator, whether paid or not;
  - (d) developments in any material litigation, by or against the corporate debtor;
  - (e) filing of, and developments in applications for avoidance of transactions <sup>21</sup>[under Part II] of the Code; and
  - (f) changes, if any, in estimated liquidation costs.
- (3) A Progress Report shall enclose an account maintained by the liquidator showing-
- (a) his receipts and payments during the quarter; and
  - (b) the cumulative amount of his receipts and payments since the liquidation commencement date.
- (4) A Progress Report shall enclose a statement indicating any material change in expected realization of any property proposed to be sold, along with the basis for such change:
- <sup>22</sup>[\*\*\*]
- .
- (5) The Progress Report for the fourth quarter of the financial year shall enclose audited accounts of the liquidator’s receipts and payments for the financial year:

*Provided* that in case an insolvency professional ceases to act as liquidator, the audited accounts of his receipts and payments for that part of the financial year during which he has acted as liquidator, shall be enclosed with the Progress Report to be filed after cessation of his appointment.

*Illustration:* An insolvency professional becomes a liquidator on 13<sup>th</sup> February, 2017, and ceases to act as liquidator on 12<sup>th</sup> February, 2019. He shall submit Progress Reports as under:

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<sup>21</sup> Substituted by Notification No. IBBI/2021-22/GN/REG079, dated 30th September, 2021 (w.e.f. 30-09-2021). Prior to substitution, it stood as under –  
“in accordance with Chapter III of Part II”.

<sup>22</sup> Omitted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).



<b>Report No.</b>	<b>Period covered in the Quarter</b>	<b>Last Date of Submission of Report</b>
1	13 <sup>th</sup> February - 31 <sup>st</sup> March, 2017	15 <sup>th</sup> April, 2017
2	April - June, 2017	15 <sup>th</sup> July, 2017
3	July - September, 2017	15 <sup>th</sup> October, 2017
4	October - December, 2017	15 <sup>th</sup> January, 2018
5	January - March, 2018	15 <sup>th</sup> April, 2018
6	April - June, 2018	15 <sup>th</sup> July, 2018
7	July - September, 2018	15 <sup>th</sup> October, 2018
8	October - December, 2018	15 <sup>th</sup> January, 2019
9	January - 12 <sup>th</sup> February, 2019	27 <sup>th</sup> February, 2019

He shall submit the audited accounts of his receipts and payments as under:

<b>Audited Account No.</b>	<b>Period covered in the Year</b>	<b>Last Date of Submission</b>
1	13 <sup>th</sup> February - 31 <sup>st</sup> March, 2017	15 <sup>th</sup> April, 2017
2	April - March, 2018	15 <sup>th</sup> April, 2018
3	April - 12 <sup>th</sup> February, 2019	27 <sup>th</sup> February, 2019

## **CHAPTER V**

### **CLAIMS**

#### **16. <sup>23</sup>[Submission of claim.**

(1) A person, who claims to be a stakeholder, 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.

(2) A person shall prove its claim for debt or dues to him, including interest, if any, as on the liquidation commencement date.]

#### **17. Claims by operational creditors.**

(1) A person claiming to be an operational creditor of the corporate debtor, other than a workman or employee, shall submit proof of claim to the liquidator in person, by post or by electronic means in Form C of Schedule II.

<sup>23</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-01-2019). Prior to substitution it stood as under:

“16. Proof of claim.

A person, who claims to be a stakeholder, shall prove his claim for debt or dues to him, including interest, if any, as on the liquidation commencement date.”

- (2) The existence of debt due to an operational creditor under this Regulation may be proved on the basis of-
- (a) the records available with an information utility, if any; or
  - (b) other relevant documents which adequately establish the debt, including any or all of the following -
    - (i) a contract for the supply of goods and services with corporate debtor;
    - (ii) an invoice demanding payment for the goods and services supplied to the corporate debtor;
    - (iii) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any; and
    - (iv) financial accounts.

**18. Claims by financial creditors.**

- (1) A person claiming to be a financial creditor of the corporate debtor shall submit proof of claim to the liquidator in electronic means in Form D of Schedule II.
- (2) The existence of debt due to the financial creditor may be proved on the basis of-
- (a) the records available in an information utility, if any; or
  - (b) other relevant documents which adequately establish the debt, including any or all of the following-
    - (i) a financial contract supported by financial statements as evidence of the debt;
    - (ii) a record evidencing that the amounts committed by the financial creditor to the corporate debtor under a facility has been drawn by the corporate debtor;
    - (iii) financial statements showing that the debt has not been repaid; and
    - (iv) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any.

**19. Claims by workmen and employees.**

- (1) A person claiming to be a workman or an employee of the corporate debtor shall submit proof of claim to the liquidator in person, by post or by electronic means in Form E of Schedule II.
- (2) Where there are dues to numerous workmen or employees of the corporate debtor, an authorized representative may submit one proof of claim for all such dues on their behalf in Form F of Schedule II.
- (3) The existence of dues to workmen or employees may be proved by them, individually or collectively, on the basis of-
  - (a) records available in an information utility, if any; or
  - (b) other relevant documents which adequately establish the dues, including any or all of the following -
    - (i) a proof of employment such as contract of employment for the period for which such workman or employee is claiming dues;
    - (ii) evidence of notice demanding payment of unpaid amount and any documentary or other proof that payment has not been made; and
    - (iii) an order of a court or tribunal that has adjudicated upon the non-payment of dues, if any.
- (4) The liquidator may admit the claims of a workman or an employee on the basis of the books of account of the corporate debtor if such workman or employee has not made a claim.

**20. Claims by other stakeholders.**

- (1) A person, claiming to be a stakeholder other than those under Regulations 17(1), 18(1), or 19(1), shall submit proof of claim to the liquidator in person, by post or by electronic means in Form G of Schedule II.
- (2) The existence of the claim of the stakeholder may be proved on the basis of -
  - (a) the records available in an information utility, if any, or
  - (b) other relevant documents which adequately establish the claim, including any or all of the following-
    - (i) documentary evidence of notice demanding payment of unpaid amount or bank statements of the claimant showing that the claim has not been paid and an

affidavit that the documentary evidence and bank statements are true, valid and genuine;

- (ii) documentary or electronic evidence of his shareholding; and
- (iii) an order of a court, tribunal or other authority that has adjudicated upon the non-payment of a claim, if any.

## **21. Proving security interest.**

The existence of a security interest may be proved by a secured creditor on the basis of-

- (a) the records available in an information utility, if any;
- (b) certificate of registration of charge issued by the Registrar of Companies; or
- (c) proof of registration of charge with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.

### **<sup>24</sup>[21A. Presumption of security interest.**

(1) A secured creditor shall inform the liquidator of its decision to relinquish its security interest to the liquidation estate or realise its security interest, as the case may be, in Form C or Form D of Schedule II:

Provided that, where a secured creditor does not intimate its decision within thirty days from the liquidation commencement date, the assets covered under the security interest shall be presumed to be part of the liquidation estate.

- <sup>25</sup>[(2) Where a secured creditor proceeds to realise its security interest, it shall pay -
- (a) as much towards the amount payable under clause (a) and sub-clause (i) of clause (b) of sub-section (1) of section 53, as it would have shared in case it had relinquished the security interest, to the liquidator within ninety days from the liquidation commencement date; and
  - (b) the excess of the realised value of the asset, which is subject to security interest, over the amount of his claims admitted, to the liquidator within one hundred and eighty days from the liquidation commencement date:

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<sup>24</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-01-2019).

<sup>25</sup> Subs by Notification No. IBBI/2019-20/GN/REG053, dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020). Prior to substitution it stood as under:

“[(2) Where a secured creditor proceeds to realise its security interest, it shall pay as much towards the amount payable under clause (a) and sub-clause (i) of clause (b) of sub-section (1) of section 53, as it would have shared in case it had relinquished the security interest.]”

Provided that where the amount payable under this sub-regulation is not certain by the date the amount is payable under this sub-regulation, the secured creditor shall pay the amount, as estimated by the liquidator:

Provided further that any difference between the amount payable under this sub-regulation and the amount paid under the first proviso shall be made good by the secured creditor or the liquidator, as the case may be, as soon as the amount payable under this sub-regulation is certain and so informed by the liquidator.

(3) Where a secured creditor fails to comply with sub-regulation (2), the asset, which is subject to security interest, shall become part of the liquidation estate.

<sup>26</sup>[*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) (Amendment) Regulations, 2019.]

## **22. Production of bills of exchange and promissory notes.**

Where a person seeks to prove a debt in respect of a bill of exchange, promissory note or other negotiable instrument or security of a like nature for which the corporate debtor is liable, such bill of exchange, note, instrument or security, as the case may be, shall be produced before the liquidator before the claim is admitted.

## **23. Substantiation of claims.**

The liquidator may call for such other evidence or clarification as he deems fit from a claimant for substantiating the whole or part of its claim.

## **24. Cost of proof.**

- (1) A claimant shall bear the cost of proving its claim.
- (2) Costs incurred by the liquidator for verification and determination of a claim shall form part of liquidation cost:

Provided that if a claim or part of the claim is found to be false, the liquidator shall endeavor to recover the costs incurred for verification and determination of claim from such claimant, and shall provide the details of the claimant to the Board.

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<sup>26</sup> Inserted by Notification No. IBBI/2022-23/GN/REG082, dated 28th April, 2022 (w.e.f. 28-04-2022).

**25. Determination of quantum of claim.**

Where the amount claimed by a claimant is not precise due to any contingency or any other reason, the liquidator shall make the best estimate of the amount of the claim based on the information available with him.

**26. Debt in foreign currency.**

The claims denominated in foreign currency shall be valued in Indian currency at the official exchange rate as on the liquidation commencement date.

*Explanation-* “The official exchange rate” is the reference rate published by the Reserve Bank of India or derived from such reference rates.

**27. Periodical payments.**

In the case of rent, interest and such other payments of a periodical nature, a person may claim only for any amounts due and unpaid up to the liquidation commencement date.

**28. Debt payable at future time.**

- (1) A person may prove for a claim whose payment was not yet due on the liquidation commencement date and is entitled to distribution in the same manner as any other stakeholder.
- (2) Subject to any contract to the contrary, where a stakeholder has proved for a claim under sub-regulation (1), and the debt has not fallen due before distribution, he is entitled to distribution of the admitted claim reduced as follows-

$$X / (1+r)^n$$

where—

- (a) “X” is the value of the admitted claim;
- (b) “r” is the closing yield rate (%) of government securities of the maturity of “n” on the date of distribution as published by the Reserve Bank of India; and
- (c) “n” is the period beginning with the date of distribution and ending with the date on which the payment of the debt would otherwise be due, expressed in years and months in a decimalized form.

## **29. Mutual credits and set-off.**

Where there are mutual dealings between the corporate debtor and another party, the sums due from one party shall be set off against the sums due from the other to arrive at the net amount payable to the corporate debtor or to the other party.

*Illustration:* X owes Rs. 100 to the corporate debtor. The corporate debtor owes Rs. 70 to X. After set off, Rs. 30 is payable by X to the corporate debtor.

## **30. Verification of claims**

The liquidator shall verify the claims submitted within thirty days from the last date for receipt of claims and may either admit or reject the claim, in whole or in part, as the case may be.

<sup>27</sup>[Provided that the liquidator shall also verify the claims collated during the corporate insolvency resolution process but not submitted during the liquidation process, within thirty days from the last date for receipt of claims during liquidation process and may either admit or reject the claim, in whole or in part.]

## **<sup>28</sup>[30A. Transfer of debt due to creditors.**

(1) A creditor may assign or transfer the debt due to him or it to any other person during the liquidation process in accordance with the laws for the time being in force dealing with such assignment or transfer.

(2) Where any creditor assigns or transfers the debt due to him or it to any other person under sub-regulation (1), both parties shall provide to the liquidator the terms of such assignment or transfer and the identity of the assignee or transferee.

(3) The liquidator shall modify the list of stakeholders in accordance with the provisions of regulation 31.]

## **31. List of stakeholders.**

(1) The liquidator shall prepare a list of stakeholders, category-wise, on the basis of proofs of claims submitted and accepted under these Regulations, with-

- (a) the amounts of claim admitted, if applicable,
- (b) the extent to which the debts or dues are secured or unsecured, if applicable,
- (c) the details of the stakeholders, and

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<sup>27</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>28</sup> Inserted by Notification No. IBBI/2020-21/GN/REG067, dated 13<sup>th</sup> November, 2020 (w.e.f. 13-11-2020).

(d) the proofs admitted or rejected in part, and the proofs wholly rejected.

<sup>29</sup> [(2) The liquidator shall file the list of stakeholders with the Adjudicating Authority within forty-five days from the last date for receipt of the claims.]

(3) The liquidator may apply to the Adjudicating Authority to modify an entry in the list of stakeholders filed with the Adjudicating Authority, when he comes across additional information warranting such modification, and shall modify the entry in the manner directed by the Adjudicating Authority.

(4) The liquidator shall modify an entry in the list of stakeholders filed with the Adjudicating Authority, in the manner directed by the Adjudicating Authority while disposing off an appeal preferred under section 42.

(5) The list of stakeholders, as modified from time to time, shall be-

- (a) available for inspection by the persons who submitted proofs of claim;
- (b) available for inspection by members, partners, directors and guarantors of the corporate debtor;
- (c) displayed on the website, if any, of the corporate debtor.

<sup>30</sup>[(d) filed on the electronic platform of the Board for dissemination on its website:

Provided that this clause shall apply to every liquidation process ongoing and commencing on or after the date of commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2021.]

### <sup>31</sup>[31A. Stakeholders' consultation committee.

<sup>32</sup>[(1) The liquidator shall constitute a consultation committee, comprising of all creditors of the corporate debtor, within sixty days from the liquidation commencement date, based on the list of stakeholders prepared under regulation 31, to advise him on matters relating to-

(a) remuneration of professionals appointed under regulation 7;

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<sup>29</sup> Substituted by Notification F. No. IBBI/2020-21/GN/REG069, dated 4<sup>th</sup> March, 2021 (w.e.f. 04-03-2021).

<sup>30</sup> Inserted by Notification No. IBBI/2020-21/GN/REG069 dated 4<sup>th</sup> March, 2021 (w.e.f. 04-03-2021).

<sup>31</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

<sup>32</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, sub-regulation (1) stood as:

"(1) The liquidator shall constitute a consultation committee within sixty days from the liquidation commencement date, based on the list of stakeholders prepared under regulation 31, to advise him on matters relating to-

(a) appointment of professionals and their remuneration under regulation 7;

(b) sale under regulation 32, including manner of sale, pre-bid qualifications, reserve price, amount of earnest money deposit, and marketing strategy:

Provided that the decision(s) taken by the liquidator prior to the constitution of consultation committee shall be placed before the consultation committee for information in its first meeting."



(b) sale under regulation 32, including manner of sale, pre-bid qualifications, reserve price, marketing strategy and auction process.;

(c) fees of the liquidator;

(d) valuation under sub- regulation (2) of regulation 35;

(e) 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 closure of liquidation proceedings and the manner in which the proceeds, if any, from these proceedings shall be distributed.]

<sup>33</sup> [(1A) The committee of creditors under section 21 shall function as the consultation committee with same voting rights till constitution of the consultation committee under sub-regulation (1).]

<sup>34</sup> [(2) The voting share of a member of the consultation committee shall be in proportion to his admitted claim in the total admitted claim:

Provided a secured creditor who has not relinquished his security interest under section 52 shall not be part of the consultation committee;

<sup>33</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>34</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, sub-regulation (2) stood as:

“The composition of the consultation committee under sub-regulation (1) shall be as shown in the Table below:

**Table**

<b>Class of Stakeholders</b>	<b>Description</b>	<b>Number of Representatives</b>
(1)	(2)	(3)
Secured financial creditors, who have relinquished their security interests under section 52	Where claims of such creditors admitted during the liquidation process is less than 50% of liquidation value	Number of creditors in the category, subject to a maximum of 2
	Where claims of such creditors admitted during the liquidation process is at least 50% of liquidation value	Number of creditors in the category, subject to a maximum of 4
Unsecured financial creditors	Where claims of such creditors admitted during the liquidation process is less than 25% of liquidation value	Number of creditors in the category, subject to a maximum of 1
	Where claims of such creditors admitted during the liquidation process is at least 25% of liquidation value	Number of creditors in the category, subject to a maximum of 2
Workmen and employees	1	1
Governments	1	1
Operational creditors other than Workmen, employees and Governments	Where claims of such creditors admitted during the liquidation process is less than 25% of liquidation value	Number of creditors in the category, subject to a maximum of 1
	Where claims of such creditors admitted during the liquidation process is at least 25% of liquidation value	Number of creditors in the category, subject to a maximum of 2
Shareholders or partners, if any		1”

Provided that the promoters, directors, partners or their representatives may attend the meeting of the consultation committee, but shall not have any right to vote.

Provided further that a financial creditor or his representative, if he is a related party of the corporate debtor, shall not have right to vote.]

<sup>35</sup>[(3). The liquidator may facilitate the stakeholders of each class namely financial creditors in a class, workmen, employees, government departments, other operational creditors, shareholders, partners, to nominate their representative for participation in the consultation committee.]

<sup>36</sup>[(4) If the stakeholders of any class fail to nominate their representatives, under sub-regulation (3), such representatives shall be selected by a majority of voting share of the class, present and voting.]

<sup>37</sup>[(4A) the representative under sub-regulation (3) or (4) shall vote in proportion to the voting share of the stakeholders it represents.]

(5) Subject to the provisions of the Code and these regulations, representatives in the consultation committee shall have access to all relevant records and information as may be required to provide advice to the liquidator under sub-regulation (1).

<sup>38</sup>[(6) The liquidator shall convene the first meeting of the consultation committee within seven days of the liquidation commencement date and may convene other meetings, if he considers necessary, on a request received from one or more members of the consultation committee:

Provided that when a request is received by the liquidator from members, individually or collectively, having at least thirty three percent of the total voting rights, the liquidator shall mandatorily convene the meeting.]

(7) The liquidator shall chair the meetings of consultation committee and record deliberations of the meeting.

(8) The liquidator shall place the recommendation of committee of creditors made under sub-regulation (1) of regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency

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<sup>35</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, sub-regulation (3) stood as: “The liquidator may facilitate the stakeholders of each class to nominate their representatives for inclusion in the consultation committee”.

<sup>36</sup> Substituted by Notification No. IBBI/2021-22/GN/REG079, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021). Prior to substitution, it stood as under:

“(4) If the stakeholders of any class fail to nominate their representatives, the required number of stakeholders with the highest claim amount in that class shall be included in the consultation committee.”

<sup>37</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>38</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, sub-regulation (6) stood as: “The liquidator shall convene a meeting of the consultation committee when he considers it necessary and shall convene a meeting of the consultation committee when a request is received from at least fifty-one percent of representatives in the consultation committee”.

Resolution Process for Corporate Persons) Regulations, 2016, before the consultation committee for its information.

(9) The consultation committee shall advise the liquidator, by a vote of not less than sixty-six percent of the representatives of the consultation committee,<sup>39</sup>[voting].

(10) The advice of the consultation committee shall not be binding on the liquidator:

Provided that where the liquidator takes a decision different from the advice given by the consultation committee, he shall record the reasons for the same in writing [and <sup>40</sup>[submit the records relating to the said decision, to the Adjudicating Authority and to the Board within five days of the said decision; and include it in the next progress report ]]

<sup>41</sup>[*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) (Amendment) Regulations, 2019.]

<sup>42</sup>[(11) The consultation committee, after recording the reasons, may by a majority 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 Form AA of the Schedule II, before the Adjudicating Authority for replacement of the liquidator :

Provided that where a liquidator is proposed to be replaced, he shall-

- (a) continue to work till his replacement; and
- (b) be suitably remunerated for work performed till his replacement.

Provided that where a consultation committee under Regulation 31A has been constituted before the commencement of Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2022, the liquidator within thirty days of the commencement of the said Regulations, shall re-constitute the consultation committee as required under the said Regulations and provisions provided under amended Regulation 31A shall come into effect only after such constitution.]

## **CHAPTER VI** **REALISATION OF ASSETS**

### **32. <sup>43</sup>[Sale of Assets, etc.**

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<sup>39</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, the words stood as: "present and voting".

<sup>40</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, the words stood as: "mention it in the next progress report"..

<sup>41</sup> Inserted by Notification No. IBBI/2022-23/GN/REG082, dated 28th April, 2022 (w.e.f. 28-04-2022).

<sup>42</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>43</sup> Substituted by Notification No. IBBI/2018-19/GN/REG037, dated 22<sup>nd</sup> October, 2018 (w.e.f. 22-10-2018). Regulation 32, prior to substitution it stood as under:

“[32. Manner of sale.  
The liquidator may

The liquidator may sell-

- (a) an asset on a standalone basis;
- (b) the assets in a slump sale;
- (c) a set of assets collectively;
- (d) the assets in parcels;
- (e) the corporate debtor as a going concern; or
- (f) the business(s) of the corporate debtor as a going concern:

Provided that where an asset is subject to security interest, it shall not be sold under any of the clauses (a) to (f) unless the security interest therein has been relinquished to the liquidation estate.]

**<sup>44</sup>[32A. Sale as a going concern.**

(1) Where the committee of creditors has recommended sale under clause (e) or (f) of regulation 32 or where the liquidator is of the opinion that sale under clause (e) or (f) of regulation 32 shall maximise the value of the corporate debtor, he shall endeavour to first sell under the said clauses.

(2) For the purpose of sale under sub-regulation (1), the group of assets and liabilities of the corporate debtor, as identified by the committee of creditors under sub-regulation (2) of regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 shall be sold as a going concern.

(3) Where the committee of creditors has not identified the assets and liabilities under sub-regulation (2) of regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidator shall identify and group the assets and liabilities to be sold as a going concern, in consultation with the consultation committee.

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(a) sell an asset on a standalone basis; or

(b) sell

(i) the assets in a slump sale,

(ii) a set of assets collectively, or

<sup>43</sup>[(iii) the assets in parcels; or;]

<sup>43</sup>[(c) sell the corporate debtor as a going concern.]”

<sup>44</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

<sup>45</sup>[(4). The liquidator may sell the assets of the corporate debtor under clause (e) of regulation 32 exclusively only at the first auction]

**<sup>46</sup>[32B Conduct of meetings of the consultation committee.**

Save as otherwise provided under Chapter III of Part II of the Code and these Regulations, 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 consultation committee under liquidation proceedings]

**33. Mode of sale.**

- (1) The liquidator shall ordinarily sell the assets of the corporate debtor through an auction in the manner specified in Schedule I.
- (2) The liquidator may sell the assets of the corporate debtor by means of private sale 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;
  - (c) the asset is sold at a price higher than the reserve price of a failed auction; or
  - (d) the prior permission of the Adjudicating Authority has been obtained for such sale:

Provided that the liquidator shall not sell the assets, without prior permission of the Adjudicating Authority, 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.
- (3) The liquidator shall not proceed with the sale of an asset if he has reason to believe that there is any collusion between the buyers, or the corporate debtor's related parties and

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<sup>45</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, sub-regulation (4) stood as: "If the liquidator is unable to sell the corporate debtor or its business under clause (e) or (f) of regulation 32 within ninety days from the liquidation commencement date, he shall proceed to sell the assets of the corporate debtor under clauses (a) to (d) of regulation 32".

<sup>46</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

buyers, or the creditors and the buyer, and shall submit a report to the Adjudicating Authority in this regard, seeking appropriate orders against the colluding parties.

#### **34. Asset memorandum.**

(1) <sup>47</sup>[For cases under sub-regulation (1) of regulation 35, the liquidator shall, within thirty days from the liquidation commencement date, prepare an asset memorandum in accordance with this regulation based on the information memorandum prepared under section 29, with suitable modifications.]

<sup>48</sup>[(1A) For cases covered under sub-regulation (2) of regulation 35, the liquidator shall prepare an asset memorandum in accordance with this Regulation within seventy-five days from the liquidation commencement date.]

(2) The asset memorandum shall provide the following details in respect of the assets which are intended to be realized by way of sale-

(a) value of the asset, valued in accordance with Regulation 35;

<sup>49</sup>[(b) value of the assets or business(s) under clauses (b) to (f) of regulation 32, valued in accordance with regulation 35, if intended to be sold under those clauses;]

(c) intended manner of sale in accordance with Regulation 32, and reasons for the same;

(d) the intended mode of sale and reasons for the same in accordance with Regulation 33;

(e) expected amount of realization from sale; and

(f) any other information that may be relevant for the sale of the asset.

(3) The asset memorandum shall provide the following details in respect of each of the assets other than those referred to in sub-regulation (2)-

(a) value of the asset;

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<sup>47</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, sub-regulation (1) stood as: "On forming the liquidation estate under section 36, the liquidator shall prepare an asset memorandum in accordance with this Regulation within seventy-five days from the liquidation commencement date".

<sup>48</sup> Inserted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>49</sup> Substituted by Notification No. IBBI/2018-19/GN/REG037, dated 22<sup>nd</sup> October, 2018 (w.e.f. 22-10-2018).

Clause (b), prior to substitution it stood as under:

"(b) value of set of assets or assets in parcels or assets in a slump sale, as the case may be, valued in accordance with Regulation 35, if intended to be sold as specified in Regulation 32(b);"

- (b) intended manner and mode of realization, and reasons for the same;
  - (c) expected amount of realization; and
  - (d) any other information that may be relevant for the realization of the asset.
- (4) The liquidator shall file the asset memorandum along with the preliminary report to the Adjudicating Authority.
- (5) <sup>50</sup>[The liquidator shall share the asset memorandum with the Board and members of the consultation committee having voting rights after receiving an undertaking from each member that such member shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person.]

**35. <sup>51</sup>[Valuation of assets intended to be sold.**

(1) Where the valuation has been conducted under regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 or regulation 34 of the Insolvency and Bankruptcy Board of India (Fast Track Insolvency Resolution Process for Corporate Persons) Regulations, 2017, as the case may be, the liquidator shall consider the average of the estimates of the values arrived under those provisions for the purposes of valuations under these regulations.

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<sup>50</sup> Substituted by Notification No. IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution, sub-regulation (5) stood as: “The asset memorandum shall not be accessible to any person during the course of liquidation, unless permitted by the Adjudicating Authority”.

<sup>51</sup> Substituted by Notification No. IBBI/2018-19/GN/REG037, dated 22<sup>nd</sup> October, 2018 (w.e.f. 22-10-2018). Regulation 35, prior to substitution it stood as under:

“35. Valuation of assets intended to be sold.

- (1) The liquidator shall appoint at least two registered valuers to value the assets as required under Regulation 34(2).
- (2) The provisions of Regulation 7 shall apply *mutatis mutandis* to registered valuers appointed under sub-regulation (1).
- (3) The registered valuers appointed under sub-regulation (1) shall independently submit to the liquidator the estimates of the realizable value of the asset(s) computed in accordance with internationally accepted valuation standards, after physical verification of the assets of the corporate debtor.
- (4) The average of the estimates received under sub-regulation (3) shall be considered the value of the assets.”

(2) <sup>52</sup>[In cases not covered under sub-regulation (1) or where the liquidator is of the opinion that fresh valuation is required under the circumstances, he shall within seven days] of the liquidation commencement date, appoint two registered valuers to determine the realisable value of the assets or businesses under clauses (a) to (f) of 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.

(3) The Registered Valuers appointed under sub-regulation (2) shall independently submit to the liquidator the estimates of realisable value of the assets or businesses, as the case may be, computed in accordance with the Companies (Registered Valuers and Valuation) Rules, 2017, after physical verification of the assets of the corporate debtor.

(4) The average of two estimates received under sub-regulation (3) shall be taken as the value of the assets or businesses.]

### **36. Asset sale report.**

On sale of an asset, the liquidator shall prepare an asset sale report in respect of said asset, to be enclosed with the Progress Reports, containing -

- (a) the realized value;
- (b) cost of realization, if any;
- (c) the manner and mode of sale;

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<sup>52</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as under:

“In cases not covered under sub-regulation (1), the liquidator shall within seven days”.



- (d) if the value realized is less than the value in the asset memorandum, the reasons for the same;
- (e) the person to whom the sale is made; and
- (f) any other details of the sale.

### **37. Realization of security interest by secured creditor**

- (1) A secured creditor who seeks to realize its security interest under section 52 shall intimate the liquidator of the price at which he proposes to realize its secured asset.
- (2) The liquidator shall inform the secured creditor within twenty one days of receipt of the intimation under sub-regulation (1) if a person is willing to buy the secured asset before the expiry of thirty days from the date of intimation under sub-regulation (1), at a price higher than the price intimated under sub-regulation (1).
- (3) Where the liquidator informs the secured creditor of a person willing to buy the secured asset under sub-regulation (2), the secured creditor shall sell the asset to such person.
- (4) If the liquidator does not inform the secured creditor in accordance with sub-regulation (2), or the person does not buy the secured asset in accordance with sub-regulation (2), the secured creditor may realize the secured asset in the manner it deems fit, but at least at the price intimated under sub-regulation (1).
- (5) Where the secured asset is realized under sub-regulation (3), the secured creditor shall bear the cost of identification of the buyer under sub-regulation (2).
- (6) Where the secured asset is realized under sub-regulation (4), the liquidator shall bear the cost <sup>53</sup>[\*\*\*] incurred to identify the buyer under sub-regulation (2).
- (7) The provisions of this Regulation shall not apply if the secured creditor enforces his security interest under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002) or the Recovery of Debts and Bankruptcy Act, 1993 (51 of 1993).

<sup>54</sup>[(8) A secured creditor shall not sell or transfer an asset, which is subject to security interest, to any person, who is not eligible under the Code to submit a resolution plan for insolvency resolution of the corporate debtor.]

### **<sup>55</sup>[37A. Assignment of not readily realisable assets.**

<sup>53</sup> Omitted by Notification No. IBBI/2020-21/GN/REG062 dated 5<sup>th</sup> August, 2020 (w.e.f. 05-08-2020).

<sup>54</sup> Inserted by Notification No. IBBI/2019-20/GN/REG053, dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020).

<sup>55</sup> Inserted by Notification No. IBBI/2020-21/GN/REG067, dated 13<sup>th</sup> November, 2020 (w.e.f. 13-11-2020).

(1) A liquidator may assign or transfer a not readily realisable asset through a transparent process, in consultation with the stakeholders' consultation committee in accordance with regulation 31A, for a consideration to any person, who is eligible to submit a resolution plan for insolvency resolution of the corporate debtor.

*Explanation.* — For the purposes of this sub-regulation, “not readily realisable asset” means any asset included in the liquidation estate which could not be sold through available options and includes contingent or disputed assets and assets underlying proceedings for preferential, undervalued, extortionate credit and fraudulent transactions referred to in sections 43 to 51 and section 66 of the Code.]

### **38. Distribution of unsold assets.**

- (1) The liquidator may, with the permission of the Adjudicating Authority, distribute amongst the stakeholders, an asset that <sup>56</sup>[could not be sold, assigned or transferred] due to its peculiar nature or other special circumstances.
- (2) The application seeking permission of the Adjudicating Authority under sub-regulation (1) shall-
  - (a) identify the asset;
  - (b) provide a value of the asset;
  - (c) detail the efforts made to sell the asset, if any; and
  - (d) provide reasons for such distribution.

### **39. Recovery of monies due.**

The liquidator shall endeavor to recover and realize all assets of and dues to the corporate debtor in a time-bound manner for maximization of value for the stakeholders.

### **40. Liquidator to realize uncalled capital or unpaid capital contribution.**

- (1) The liquidator shall realize any amount due from any contributory to the corporate debtor.

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<sup>56</sup> Substituted by Notification No. IBBI/2020-21/GN/REG067, dated 13<sup>th</sup> November, 2020 (w.e.f. 13-11-2020). Prior to substitution it stood as under: “cannot be readily or advantageously sold”.

- (2) Notwithstanding any charge or encumbrance on the uncalled capital of the corporate debtor, the liquidator shall be entitled to call and realize the uncalled capital of the corporate debtor and to collect the arrears, if any, due on calls made prior to the liquidation, by providing a notice to the contributory to make the payments within fifteen days from the receipt of the notice, but shall hold all moneys so realized subject to the rights, if any, of the holder of any such charge or encumbrance.
- (3) No distribution shall be made to a contributory, unless he makes his contribution to the uncalled or unpaid capital as required in the constitutional documents of the corporate debtor.

*Explanation:* For the purpose of this chapter and Schedule I, ‘assets’ include an asset, all assets, a set of assets or parcel of assets <sup>57</sup>[, **business**], as the case may be, which are being sold.

## **CHAPTER VII**

### **PROCEEDS OF LIQUIDATION AND DISTRIBUTION OF PROCEEDS**

#### **41. All money to be paid in to bank account.**

- (1) The liquidator shall open a bank account in the name of the corporate debtor followed by the words ‘in liquidation’, in a scheduled bank, for the receipt of all moneys due to the corporate debtor.
- (2) The liquidator shall deposit in the bank account opened under sub-regulation (1) all moneys, including cheques and demand drafts received by him as the liquidator of the corporate debtor, and the realizations of each day shall be deposited into the bank account without any deduction not later than the next working day.
- (3) The liquidator may maintain a cash of one lakh rupees or such higher amount as may be permitted by the Adjudicating Authority to meet liquidation costs.
- (4) All payments out of the account by the liquidator above five thousand rupees shall be made by cheques drawn or online banking transactions against the bank account.

#### **42. Distribution.**

- (1) Subject to the provisions of section 53, the liquidator shall not commence distribution before the list of stakeholders and the asset memorandum has been filed with the Adjudicating Authority.

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<sup>57</sup> Inserted by Notification No. IBBI/2018-19/GN/REG037, dated 22<sup>nd</sup> October, 2018 (w.e.f. 22-10-2018).

- (2) The liquidator shall distribute the proceeds from realization within <sup>58</sup>[ninety days] from the receipt of the amount to the stakeholders.
- (3) The insolvency resolution process costs, if any, and the liquidation costs shall be deducted before such distribution is made.

#### **43. Return of money.**

A stakeholder shall forthwith return any monies received by him in distribution, which he was not entitled to at the time of distribution, or subsequently became not entitled to.

#### **44. Completion of liquidation.**

- (1) <sup>59</sup>[The liquidator shall liquidate the corporate debtor within a period of one year from the liquidation commencement date, notwithstanding pendency of any application for avoidance of transactions under <sup>60</sup>[\*\*\*] Part II of the Code, before the Adjudicating Authority or any action thereof:

<sup>61</sup>[\*\*\*]

- (2) If the liquidator fails to liquidate the corporate debtor within <sup>62</sup>[one year], he shall make an application to the Adjudicating Authority to continue such liquidation, along with a report explaining why the liquidation has not been completed and specifying the additional time that shall be required for liquidation.

<sup>63</sup> [Explanation.- In relation to the liquidation processes commenced prior to the commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2019, the requirements of this regulation as existing before such commencement, shall apply.]

#### **<sup>64</sup>[44A. Treatment of avoidance of transaction.**

The liquidator shall, on the advice of the consultation committee, provide in the application along with the final report filed under regulation 45 for the manner in

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<sup>58</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as: “six months”.

<sup>59</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as under:

“The liquidator shall liquidate the corporate debtor within a period of two years.”.

<sup>60</sup> Omitted by Notification No. IBBI/2021-22/GN/REG079, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021).

<sup>61</sup> Omitted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>62</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as: “two years”.

<sup>63</sup> Inserted by Notification No. IBBI/2022-23/GN/REG082, dated 28th April, 2022 (w.e.f. 28-04-2022).

<sup>64</sup> Inserted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the dissolution or closure of liquidation process and the manner in which the proceeds, if any, from such proceedings shall be distributed.]

**45. Final report prior to dissolution.**

- (1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor's assets have been liquidated.
- (2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.
- (3) <sup>65</sup>[The liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for –
  - (a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or
  - (b) for the dissolution of the corporate debtor, in cases not covered under clause (a).]

**<sup>66</sup>[45A. Preservation of records.**

- (1) The liquidator shall preserve copies of all such records which give a complete account of the liquidation process.
- (2) Without prejudice to the generality of the provisions of sub-regulation (1), the liquidator shall preserve copies of records relating to or forming the basis of:-
  - (a) his appointment as liquidator, including the terms of appointment;
  - (b) handing over and taking over of the assignment;
  - (c) admission of corporate debtor into liquidation;
  - (d) public announcement;
  - (e) the constitution of consultation committee and minutes of consultation committee meetings during liquidation process;
  - (f) claims, verification of claims, and list of stakeholders;
  - (g) details of relinquishment or otherwise by secured creditors in liquidation process;
  - (h) engagement of professionals, registered valuers, etc. including work done, reports etc., submitted by them;
  - (i) Invitation, consideration and approval of plans / proposals / scheme received, in case of going concern sale in liquidation process or compromise or arrangement under section 230 of the Companies Act, 2013;
  - (j) all filings with the Adjudicating Authority, Appellate Authority, High Courts, Supreme Court, whichever applicable and their orders;
  - (k) statutory filings with Board and insolvency professional agencies;
  - (l) correspondence during the liquidation process;
  - (m) cost of liquidation process;

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<sup>65</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as under:

“The final report shall form part of the application for the dissolution of the corporate debtor to the Adjudicating Authority to be made under section 54.”

<sup>66</sup> Inserted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

- (n) all reports, registers, documents such as preliminary report, asset memorandum, progress reports, asset sale report, annual status report, final report prior to dissolution, various registers and books, etc. mentioned in regulations 5 and 6 of these Regulations.
- (o) preferential, undervalued, extortionate credit transactions or fraudulent or wrongful trading.
- (p) any other records, which is required to give a complete account of the process.

(3) The liquidator shall preserve:

- (a) electronic copy of all records (physical and electronic) for a minimum period of eight years; and
- (b) a physical copy of records for a minimum period of three years;

from the date of dissolution of the corporate debtor or closure of the liquidation process or the conclusion of any proceeding relating to the liquidation process, before the Board, the Adjudicating Authority, Appellate Authority or any Court, whichever is later.

(4) In case of replacement of liquidator, the outgoing liquidator shall handover the records under sub-regulation (1) and (2) to the new liquidator and be responsible for preserving the records not handed over, for any reason, to the new liquidator.

(5) Where the corporate debtor has been sold as a going concern under clause (e) of regulation 32, the general records of the corporate debtor shall be handed over to the successful buyer.

(6) The records of the corporate debtor shall be preserved by the liquidator as per the applicable laws.

(7) The liquidator shall preserve the records at a secure place and shall be obliged to produce records as may be required under the Code and the Regulations made thereunder.

Explanation - The records referred to in this regulation include records pertaining to the period of a liquidation process during which the liquidator acted as such, irrespective of the fact that he did not take up the assignment from its commencement or continued the assignment till its conclusion.]

#### <sup>67</sup>[**46. Corporate Liquidation Account.**

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<sup>67</sup> Substituted by Notification No. IBBI/2019-20/GN/REG053, dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020). Prior to substitution it stood as under:

**“46. Unclaimed proceeds of liquidation or undistributed assets.**

- (1) Before the order of dissolution is passed under section 54(2), the liquidator shall apply to the Adjudicating Authority for an order to pay into the Companies Liquidation Account in the Public Account of India any unclaimed proceeds of liquidation or undistributed assets or any other balance payable to the stakeholders in his hands on the date of the order of dissolution.
- (2) Any liquidator who retains any money which should have been paid by him into the Companies Liquidation Account under this Regulation shall pay interest on the amount retained at the rate of twelve per cent per annum, and also pay such penalty as may be determined by the Board.

(1) The Board shall operate and maintain an Account to be called the Corporate Liquidation Account in the Public Accounts of India:

Provided that until the Corporate Liquidation Account is operated as part of the Public Accounts of India, the Board shall open a separate bank account with a scheduled bank for the purposes of this regulation.

(2) A liquidator shall deposit the amount of unclaimed dividends, if any, and undistributed proceeds, if any, in a liquidation process along with any income earned thereon till the date of deposit into the Corporate Liquidation Account before he submits an application under sub-regulation (3) of regulation 45.

(3) A liquidator, who holds any amount of unclaimed dividends or undistributed proceeds in a liquidation process on the date of commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2020, shall deposit the same within fifteen days of the date of such commencement, along with any income earned thereon till the date of deposit.

(4) A liquidator, who fails to deposit any amount into the Corporate Liquidation Account under this regulation, shall deposit the same along with interest thereon at the rate of twelve percent per annum from the due date of deposit till the date of deposit.

(5) A liquidator shall submit to the authority with which the corporate debtor is registered and the Board, the evidence of deposit of the amount into the Corporate Liquidation Account under this regulation, and a statement in Form-I setting forth the nature of the amount deposited into the Corporate Liquidation Account, and the names and last known addresses of the stakeholders entitled to receive the unclaimed dividends or undistributed proceeds.

(6) The liquidator shall be entitled to a receipt from the Board for any amount deposited into the Corporate Liquidation Account under this regulation.

(7) A stakeholder, who claims to be entitled to any amount deposited into the Corporate Liquidation Account, may apply to the Board in Form J for an order for withdrawal of the amount:

Provided that if any other person other than the stakeholder claims to be entitled to any amount deposited into the Corporate Liquidation Account, he shall submit evidence to satisfy the Board that he is so entitled.

(8) The Board may, if satisfied that the stakeholder or any other person referred to under sub-regulation (7) is entitled to withdrawal of any amount from the Corporate Liquidation Account, make an order for the same in favour of that stakeholder or that other person.

(9) The Board shall maintain a corporate debtor-wise ledger of the amount deposited into and the amount withdrawn from the Corporate Liquidation Account under this regulation.

(10) The Board shall nominate an officer of the level of Executive Director of the Board as the custodian of the Corporate Liquidation Account and no proceeds shall be withdrawn without his approval.

(11) The Board shall maintain proper accounts of the Corporate Liquidation Account and get the same audited annually.

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(3) The liquidator shall, when making any payment referred to in sub-regulation (1), furnish to the authority with which the corporate debtor is registered, and the Board, a statement setting forth the nature of the sums included, the names and last known addresses of the stakeholders entitled to participate therein, the amount to which each is entitled to and the nature of their claim.

(4) The liquidator shall be entitled to a receipt from the Reserve Bank of India for any money paid to it under sub-regulation (2), and such receipt shall be an effectual discharge of the liquidator in respect thereof.

(5) A person claiming to be entitled to any money paid into the Companies Liquidation Account may apply to the Board for an order for payment of the money claimed; which may, if satisfied that such person is entitled to the whole or any part of the money claimed, make an order for the payment to that person of the sum due to him, after taking such security from him as it may think fit.

(6) Any money paid into the Companies Liquidation Account in pursuance of this Regulation, which remains unclaimed thereafter for a period of fifteen years, shall be transferred to the general revenue account of the Central Government.”

(12) The audit report along with the statement of accounts of the Corporate Liquidation Account referred to in sub-regulation (11) shall be placed before the Governing Board and shall be forwarded to the Central Government.

(13) Any amount deposited into the Corporate Liquidation Account in pursuance of this regulation, which remains unclaimed or undistributed for a period of fifteen years from the date of order of dissolution of the corporate debtor and any amount of income or interest received or earned in the Corporate Liquidation Account shall be transferred to the Consolidated Fund of India.]

#### 47. <sup>68</sup>[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) or sale under regulation 32A:

#### 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) (b) (ii) / Reg. 12 (1, 2, 3)	Public announcement in Form B	Within 5 days of appointment of liquidator.	T + 5
3	Reg. 35 (2)	Appointment of registered valuers	Within 7 days of LCD	T + 7
<sup>69</sup> [3A.	Reg. 31A (6)	First meeting of SCC	Within 7 days of LCD	T+7]
4	<sup>70</sup> [Section 38 (1), Reg. 17, 18, 19, 20 and 21A]	Submission of claims; Intimation of decision on relinquishment of security interest	Within 30 days of LCD	T + 30
5	Section 38 (5)	Withdrawal/ modification of claim	Within 14 days of submission of claim	T + 44
6	Reg. 30	Verification of claims received under regulation 12(2)(b)	Within 30 days from the last date for receipt of claims	T + 60
7	Reg. 31A	Constitution of SCC	Within 60 days of LCD	T + 60
8	Section 40 (2)	Intimation about decision of acceptance/ rejection of claim	Within 7 days of admission or rejection of claim	T + 67
9	Reg. 31 (2)	Filing the list of stakeholders <sup>71</sup> [***]	Within 45 days from the last date of receipt of claims	T + 75
10	Section 42	Appeal by a creditor against the decision of the liquidator	Within 14 days of receipt of such decision	T + 81
11	Reg. 13	Preliminary report to the AA	Within 75 days of LCD	T + 75

<sup>68</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

<sup>69</sup> Inserted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>70</sup> Substituted by Notification No. IBBI/2020-21/GN/REG062 dated 5<sup>th</sup> August, 2020 (w.e.f. 05-08-2020). Prior to substitution it stood as under:

"Section 38 (1) and (5), Reg. 17, 18 and 21A"

<sup>71</sup> Omitted by Notification No. IBBI/2021-22/GN/REG079, dated 30<sup>th</sup> September, 2021 (w.e.f. 30-09-2021).



12	Reg. 34	Asset memorandum	Within <sup>72</sup> [30/75] days of LCD	T + <sup>73</sup> [30/75]
13	Reg. 15 (1), (2), (3), (4) and (5), and 36	Submission of progress reports to AA; Asset Sale report to be enclosed with every Progress Report, if sales are made	First progress report	Q1 + 15
			Q-2	Q2 + 15
			Q-3	Q3 + 15
			Q-4	Q4 + 15
			FY: 1 Audited accounts of liquidator's receipt & payments for the financial year	15 <sup>th</sup> April
14	Proviso to Reg. 15 (1)	Progress report in case of cessation of liquidator	Within 15 days of cessation as liquidator	Date of cessation + 15
15	Reg. 37 (2, 3)	Information to secured creditors	Within 21 days of receipt of intimation from secured creditor	Date of intimation + 21
16	Reg. 42 (2)	Distribution of the proceeds to the stakeholders	Within 3 months from the receipt of amount	Date of Realisation + 90
17	Reg.10 (1)	Application to AA for Disclaimer of onerous property	Within 6 months from the LCD	T + 6 months
18	Reg.10 (3)	Notice to persons interested in the onerous property or contract	At least 7 days before making an application to AA for <sup>74</sup> [disclaimer].	
19	Reg. 44	Liquidation of corporate debtor.	Within one year	T + 365
20	<sup>75</sup> [Reg. 46	Deposit the amount of unclaimed dividends and undistributed proceeds	Before submission of application under sub-regulation (3) of regulation 45	
21	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, SCC: Stakeholders' Consultation Committee]

#### <sup>76</sup>[Exclusion of period of lockdown.

**47A.** Subject to the provisions of the Code, the period of lockdown imposed by the Central Government in the wake of Covid-19 outbreak shall not be counted for the purposes of computation of the time-line for any task that could not be completed due to such lockdown, in relation to any liquidation process.]

## SCHEDULE I MODE OF SALE

<sup>72</sup> Substituted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution it stood as under: "75".

<sup>73</sup> Substituted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution it stood as under: "75".

<sup>74</sup> Substituted by Notification No. IBBI/2020-21/GN/REG062 dated 5<sup>th</sup> August, 2020 (w.e.f. 05-08-2020). Prior to substitution it stood as "disclosure".

<sup>75</sup> Substituted by Notification No. IBBI/2019-20/GN/REG053 dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020). Prior to substitution it stood as under:

"20	[Reg. 46	Apply to AA for order on unclaimed proceeds of liquidation or undistributed assets.	Before dissolution order"	
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<sup>76</sup> Inserted by Notification No. IBBI/2020-21/GN/REG060, dated 20<sup>th</sup> April, 2020 (w.e.f. 17.4.2020).

*(Under Regulation 33 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)*

## **1. AUCTION**

(1) Where an asset is to be sold through auction, a liquidator shall do so in the manner specified herein.

<sup>77</sup>[(1A) Subject to provisions of regulation 2B, the liquidator shall issue a public notice of an auction for sale under regulation 32 within forty-five days from the liquidation commencement date unless the consultation committee advises to extend the timeline.

(1B) The liquidator shall issue public notice for the next auction, in case of failure of the auction, within fifteen days from the last failed auction unless the consultation committee advises to deviate from the specified time period.

(1C) Notwithstanding anything contained in this Schedule, the liquidator shall complete an auction process within thirty-five days from the issue of public notice for auction.

(1D) The liquidator shall provide at least fourteen days from issue of public notice for submission of eligibility documents by prospective bidder.

(1E) The liquidator shall provide to qualified bidder at least seven days, for inspection or due diligence of assets under auction, from the date of declaration of qualified bidder.

(1F) A prospective bidder in an auction process shall deposit earnest money deposit at least up to two days before the date of auction.]

(2) The liquidator shall prepare a marketing strategy, with the help of marketing professionals, if required, for sale of the asset. The strategy may include-

- (a) releasing advertisements;
- (b) preparing information sheets for the asset;
- (c) preparing a notice of sale; and
- (d) liaising with agents.

(3) The liquidator shall prepare terms and conditions of sale, including reserve price, earnest money deposit as well as pre-bid qualifications, if any.

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<sup>77</sup> Inserted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

<sup>78</sup>[Provided that the liquidator shall not require payment of any non-refundable deposit or fee for participation in an auction under the liquidation process:  
Provided further that the earnest money deposit shall not exceed ten percent. of the reserve price.]

(4) <sup>79</sup>[The reserve price shall be the value of the asset arrived at in accordance with regulation 35.

(4A) Where an auction fails at the reserve price, the liquidator may reduce the reserve price by up to twenty-five percent of such value to conduct subsequent auction.

(4B) Where an auction fails at reduced price under clause (4A), the reserve price in subsequent auctions may be further reduced by not more than ten percent at a time.]

(5) The liquidator shall <sup>80</sup>[issue a public notice] of an auction in the manner specified in Regulation 12(3);

Provided that the liquidator may apply to Adjudicating Authority to dispense with the requirement of Regulation 12(3)(a) keeping in view the value of the asset intended to be sold by auction.

(6) The liquidator shall provide all assistance necessary for the conduct of due diligence by interested buyers.

(7) <sup>81</sup>[From a date to be notified through circular by the Board, the liquidator shall sell the assets only through an electronic auction platform empanelled by the Board.]

(8) If the liquidator is of the opinion that a physical auction is likely to maximize the realization from the sale of assets and is in the best interests of the creditors, he may sell assets through a physical auction after obtaining the permission of the Adjudicating Authority. The liquidator may engage the services of qualified professional auctioneers specializing in auctioning such assets for this purpose.

(9) An auction shall be transparent, and the highest bid at any given point shall be visible to the other bidders.

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<sup>78</sup> Inserted by Notification No. IBBI/2021-22/GN/REG079, dated 30th September, 2021 (w.e.f. 30-09-2021).

<sup>79</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as under:

“The reserve price shall be the value of the asset arrived at in accordance with Regulation 34. Such valuation shall not be more than six months old. However, in the event that an auction fails at such price, the liquidator may reduce the reserve price up to seventy-five per cent of such value to conduct subsequent auctions.”

<sup>80</sup> Substituted by Notification No. IBBI/2021-22/GN/REG079, dated 30th September, 2021 (w.e.f. 30-09-2021). Prior to substitution, it stood as under:

“make a public announcement”.

<sup>81</sup> Substituted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022). Prior to substitution it stood as under: “The liquidator shall sell the assets through an electronic auction on an online portal, if any, designated by the Board, where the interested buyers can register, bid and receive confirmation of the acceptance of their bid online”.

(10) If the liquidator is of the opinion that an auction where bid amounts are not visible is likely to maximize realizations from the sale of assets and is in the best interests of the creditors, he may apply, in writing, to the Adjudicating Authority for its permission to conduct an auction in such manner.

(11) If required, the liquidator may conduct multiple rounds of auctions to maximize the realization from the sale of the assets, and to promote the best interests of the creditors.

<sup>82</sup>[(11A) Where the liquidator rejects the highest bid in an auction process, he shall intimate the reasons for such rejection to the highest bidder and mention it in the next progress report.]

(12) <sup>83</sup>[On the close of the auction, the highest bidder shall be invited to provide balance sale consideration within ninety days of the date of such demand:

Provided that payments made after thirty days shall attract interest at the rate of 12%:

Provided further that the sale shall be cancelled if the payment is not received within ninety days.

(13) On payment of the full amount, the sale shall stand completed, the liquidator shall execute certificate of sale or sale deed to transfer such assets and the assets shall be delivered to him in the manner specified in the terms of sale.]

## **2. PRIVATE SALE**

(1) Where an asset is to be sold through private sale, a liquidator shall conduct the sale in the manner specified herein.

(2) The liquidator shall prepare a strategy to approach interested buyers for assets to be sold by private sale.

(3) Private sale may be conducted through directly liaising with potential buyers or their agents, through retail shops, or through any other means that is likely to maximize the realizations from the sale of assets.

(4) The sale shall stand completed in accordance with the terms of sale.

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<sup>82</sup> Inserted by Notification No. IBBI/2021-22/GN/REG079, dated 30th September, 2021 (w.e.f. 30-09-2021).

<sup>83</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019). Prior to substitution it stood as under:

“On the close of the auction, the highest bidder shall be invited to provide balance sale consideration within fifteen days of the date when he is invited to provide the balance sale consideration. On payment of the full amount, the sale shall stand completed, the liquidator shall execute certificate of sale or sale deed to transfer such assets and the assets shall be delivered to him in the manner specified in the terms of sale.”

- (5) Thereafter, the assets shall be delivered to the purchaser, on receipt of full consideration for the assets, in the manner specified in the terms of sale.

**SCHEDULE II**  
**FORM A**  
**PROFORMA FOR REPORTING CONSULTATIONS WITH STAKEHOLDERS**

*(Under Regulation 8 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)*

**Separate proforma to be used for each stakeholder or group of homogenous stakeholders**

NAME AND REGISTRATION NO. OF LIQUIDATOR:	
NAME OF CORPORATE DEBTOR BEING LIQUIDATED:	
LIQUIDATION CASE No:	
NAME OF THE STAKEHOLDER: DATE OF CONSULTATION (IF HELD IN PERSON): NUMBER AND DATES OF COMMUNICATIONS RECEIVED FROM STAKEHOLDER: SUMMARY OF CONSULTATION:	

<sup>84</sup>**[FORM AA**

**WRITTEN CONSENT TO ACT AS LIQUIDATOR**

(Under regulation 31A of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

[Date]

From

[Name of the insolvency professional]

[Registration number of the insolvency professional]

[Address of the insolvency professional registered with the Board]

To

The Stakeholders' Consultation Committee

[name of corporate debtor]

**Subject: Written Consent to act as liquidator.**

I, [name], an insolvency professional enrolled with [name of insolvency professional agency] and registered with the Board, note that the consultation committee proposes to appoint me as liquidator under regulation 31A of Insolvency and Bankruptcy Board of India (Liquidation

<sup>84</sup> Inserted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

Process) Regulations, 2016 for conducting liquidation process of [name of the corporate debtor].

2. In accordance with aforementioned regulation, I hereby give consent to the proposed appointment.

3. I declare and affirm as under: -

- a. I am registered with the Board as an insolvency professional.
- b. I am not subject to any disciplinary proceedings initiated by the Board or the Insolvency Professional Agency.
- c. I do not suffer from any disability to act as a liquidator.
- d. I am eligible to be appointed as liquidator of the corporate debtor under regulation 3 and other applicable provisions of the Code and regulations.
- e. I shall make the disclosures in accordance with the code of conduct for insolvency professionals as set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016;
- f. I am having the following processes in hand:

Sl. No.	Role as	No. of Processes on the date of Consent
1	Interim Resolution Professional	
2	Resolution Professional of a. Corporate Debtors b. Individuals	
3	Liquidator of a. Liquidation Processes b. Voluntary Liquidation Processes	
4	Bankruptcy Trustee	
5	Authorised Representative	
6	Any other (Please state)	

Date:

(Signature of the insolvency professional)

Place:

Registration No. ....]

## SCHEDULE II

### <sup>85</sup>[ FORM B

#### PUBLIC ANNOUNCEMENT

(Regulation 12 of the Insolvency and Bankruptcy Board of India (Liquidation Process)

Regulations, 2016)

FOR THE ATTENTION OF THE STAKEHOLDERS OF [Name of Corporate Debtor]

<sup>85</sup> Substituted by Notification No. IBBI/2018-19/GN/REG037, dated 22<sup>nd</sup> October, 2018 (w.e.f. 22-10-2018).

Sl. No.	PARTICULARS	DETAILS
1.	Name of corporate debtor	
2.	Date of incorporation of corporate debtor	
3.	Authority under which corporate debtor is incorporated / registered	
4.	Corporate Identity No. / Limited Liability Identification No. of corporate debtor	
5.	Address of the registered office and principal office (if any) of corporate debtor	
6.	Date of closure of Insolvency Resolution Process	
7.	Liquidation commencement date of corporate debtor	
8.	Name and registration number of the insolvency professional acting as liquidator	
9.	Address and e-mail of the liquidator, as registered with the Board	
10.	Address and e-mail to be used for correspondence with the liquidator	
11.	Last date for submission of claims	

Notice is hereby given that the National Company Law Tribunal (*Name of Bench*) has ordered the commencement of liquidation of the [*Name of the corporate debtor*] on [*date of passing of order of liquidation under section 33 of the Code*].

The stakeholders of [*-----Name of the corporate debtor*] are hereby called upon to submit their claims with proof on or before -----<sup>86</sup>[*insert the date falling thirty days from the liquidation commencement date*], to the liquidator at the address mentioned against item No.10.

The financial creditors shall submit their claims with proof by electronic means only. All other creditors may submit the claims with the proof in person, by post or by electronic means.

Submission of false or misleading proof of claims shall attract penalties.

<sup>87</sup>[In case a stakeholder does not submit its claims during the liquidation process, the claims submitted by such a stakeholder during the corporate insolvency resolution process under the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be deemed to be submitted under section 38.]

Name and signature of liquidator :

<sup>86</sup> Substituted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

<sup>87</sup> Inserted by Notification IBBI/2022-23/GN/REG094, dated 16<sup>th</sup> September, 2022 (w.e.f. 16-09-2022).

Date and place: :

**SCHEDULE II  
FORM C**

**PROOF OF CLAIM BY OPERATIONAL CREDITORS EXCEPT WORKMEN AND  
EMPLOYEES**

*(Under Regulation 17 of the Insolvency and Bankruptcy Board of India (Liquidation  
Process) Regulations, 2016)*

[Date]

To  
The Liquidator  
[Name of the Liquidator]  
[Address as set out in the public announcement]

From  
[Name and address of the operational creditor]

**Subject:** Submission of proof of claim in respect of the liquidation of [name of corporate debtor] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the operational creditor] hereby submits this proof of claim in respect of the liquidation of [name of corporate debtor]. The details for the same are set out below:

1.	NAME OF OPERATIONAL CREDITOR  (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION, IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
2.	ADDRESS OF OPERATIONAL CREDITOR FOR CORRESPONDENCE	
3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST, AS AT LIQUIDATION COMMENCEMENT DATE AND DETAILS OF NATURE OF CLAIM	PRINCIPAL : INTEREST : TOTAL CLAIM :



4.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED	
5.	DETAILS OF ANY DISPUTE AS WELL AS THE RECORD OF PENDENCY OF SUIT OR ARBITRATION PROCEEDINGS	
6.	DETAILS OF HOW AND WHEN DEBT INCURRED	
7.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE OPERATIONAL CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM	
8.	DETAILS OF ANY RETENTION OF TITLE IN RESPECT OF GOODS OR PROPERTIES TO WHICH THE DEBT REFERS OR ANY OTHER SECURITY	
<sup>88</sup> [8A.	WHETHER SECURITY INTEREST RELINQUISHED	Yes/ No]
9.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
10.	DETAILS OF THE BANK ACCOUNT TO WHICH THE OPERATIONAL CREDITOR'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
11.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	(i) (ii) (iii)

Signature of operational creditor or person authorised to act on his behalf (Please enclose the authority if this is being submitted on behalf of the operational creditor)
Name in BLOCK LETTERS
Position with or in relation to creditor

<sup>88</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

Address of person signing
---------------------------

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

**AFFIDAVIT**

I, [*name of deponent*], currently residing at [*address of deponent*], do solemnly affirm and state as follows:

1. The above named corporate debtor was, at liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_ and still is, justly and truly indebted to me [or to me and [*insert name of co-partners*], my co-partners in trade, or, as the case may be] in the sum of Rs. \_\_\_\_\_ for \_\_\_\_\_ [*please state consideration*].
2. In respect of my claim of the said sum or any part thereof, I have relied on and the documents specified below:  
[*Please list the documents relied on as evidence of debt.*]
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.
4. In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/our use, had or received any manner of satisfaction or security whatsoever, save and except the following:

[*Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the operational creditor which may be set-off against the claim.*]

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,

Notary / Oath Commissioner

Deponent's signature

**VERIFICATION**

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_\_

Deponent's signature

**SCHEDULE II  
FORM D  
PROOF OF CLAIM BY FINANCIAL CREDITORS**

*(Under Regulation 18 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)*

[Date]

To  
The Liquidator  
*[Name of the Liquidator]*  
*[Address as set out in the public announcement]*

From  
*[Name and address of the registered office and principal office of the financial creditor]*

**Subject:** Submission of proof of claim in respect of the liquidation of *[name of corporate debtor]* under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

*[Name of the financial creditor]* hereby submits this proof of claim in respect of the liquidation of *[name of corporate debtor]*. The details for the same are set out below:

1.	NAME OF FINANCIAL CREDITOR  (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION, IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
2.	ADDRESS AND EMAIL OF FINANCIAL CREDITOR FOR CORRESPONDENCE.	

3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST, AS AT THE LIQUIDATION COMMENCEMENT DATE AND DETAILS OF NATURE OF CLAIM (WHETHER TERM LOAN, SECURED, UNSECURED)	PRINCIPAL : INTEREST : TOTAL CLAIM :
4.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED	
5.	DETAILS OF ANY ORDER OF A COURT OF TRIBUNAL THAT HAS ADJUDICATED ON THE NON-PAYMENT OF DEBT	
6.	DETAILS OF HOW AND WHEN DEBT INCURRED	
7.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE FINANCIAL CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM	
8.	DETAILS OF ANY SECURITY HELD, THE VALUE OF THE SECURITY, AND THE DATE IT WAS GIVEN	
<sup>89</sup> [8A.	WHETHER SECURITY INTEREST RELINQUISHED	Yes/ No]
9.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
10.	DETAILS OF THE BANK ACCOUNT TO WHICH THE FINANCIAL CREDITOR'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
11.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	(i) (ii) (iii)

Signature of financial creditor or person authorised to act on his behalf

<sup>89</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-07-2019).

(please enclose the authority if this is being submitted on behalf a financial creditor)
Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

**AFFIDAVIT**

I, [*name of deponent*], currently residing at [*address of deponent*], do solemnly affirm and state as follows:

1. The above named corporate debtor was, at the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and still is, justly and truly indebted to me [or to me and [*insert name of co-partners*], my co-partners in trade, or, as the case may be] in the sum of Rs. \_\_\_\_\_ for .....[*please state consideration*].
2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:  
[*Please list the documents relied on as evidence of debt and of non-payment.*]
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.
4. In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/our use, had or received any manner of satisfaction or security whatsoever, save and except the following:  
[*Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the financial creditor which may be set-off against the claim.*]

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature.

**VERIFICATION**

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_.

Deponent's signature.

**SCHEDULE II  
FORM E**

**PROOF OF CLAIM BY A WORKMAN OR EMPLOYEE**

*(Under Regulation 19 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016)*

[Date]

To  
The Liquidator  
[Name of the Liquidator]  
[Address as set out in public announcement]

From  
[Name and address of the workman / employee]

**Subject:** Submission of proof of claim in respect of liquidation of (Name of corporate debtor) under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the workman / employee], hereby submits this proof of claim in respect of the liquidation of [name of corporate debtor]. The details for the same are set out below:

1.	NAME OF WORKMAN / EMPLOYEE	
----	----------------------------	--

2.	PAN, PASSPORT, THE IDENTITY CARD ISSUED BY THE ELECTION COMMISSION OF INDIA OR AADHAAR CARD OF WORKMAN / EMPLOYEE	
3.	ADDRESS AND EMAIL ADDRESS (IF ANY) OF WORKMAN / EMPLOYEE FOR CORRESPONDENCE	
4.	TOTAL AMOUNT OF CLAIM  (INCLUDING ANY INTEREST AS AT THE LIQUIDATION COMMENCEMENT DATE)	
5.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED.	
6.	DETAILS OF ANY DISPUTE AS WELL AS THE RECORD OF PENDENCY OR ORDER OF SUIT OR ARBITRATION PROCEEDINGS	
7.	DETAILS OF HOW AND WHEN CLAIM AROSE	
8.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE WORKMAN / EMPLOYEE WHICH MAY BE SET-OFF AGAINST THE CLAIM	
9.	DETAILS OF THE BANK ACCOUNT TO WHICH THE WORKMAN / EMPLOYEE'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
10.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	(i) (ii) (iii)

Signature of workman / employee or person authorised to act on his behalf  
*[Please enclose the authority if this is being submitted on behalf of an operational creditor]*

Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

**AFFIDAVIT**

I, *[name of deponent]*, currently residing at *[insert address]*, do solemnly affirm and state as follows:

5. *[Name of corporate debtor]*, the corporate debtor was, at the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, justly and truly indebted to me in the sum of Rs. *[insert amount of claim]*.

6. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:

*[Please list the documents relied on as evidence of claim]*

7. The said documents are true, valid and genuine to the best of my knowledge, information and belief.

8. In respect of the said sum or any part thereof, I have not nor has any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the workman / employee which may be set-off against the claim.]*

Solemnly, affirmed at *[insert place]* on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,  
Notary/ Oath Commissioner

Deponent's signature

**VERIFICATION**



I, the Deponent hereinabove, do hereby verify and affirm that the contents of paragraph \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief and no material facts have been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_

Deponent's signature.

**SCHEDULE II  
FORM F**

**PROOF OF CLAIM BY AUTHORISED REPRESENTATIVE OF WORKMEN OR  
EMPLOYEES**

*(Under Regulation 19 of the Insolvency and Bankruptcy Board of India (Liquidation  
Process) Regulations, 2016)*

[Date]

To  
The Liquidator  
[Name of the Liquidator]  
[Address as set out in the public announcement]

From  
[Name and address of the authorised representative of workmen/ employees]

**Subject:** Submission of proof of claim in respect of the liquidation of [name of corporate debtor] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

I, [name of duly authorised representative of the workmen/ employees] currently residing at [address of duly authorised representative of the workmen/ employees], on behalf of the workmen and employees employed by the above named corporate debtor, solemnly affirm and say:

1. That the abovenamed corporate debtor was, on the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_ and still is, justly truly indebted to the several persons whose names, addresses, and descriptions appear in the Annexure below in amounts severally set against their names in such Annexure for wages, remuneration and other amounts due to them respectively as workmen or/ and employees in the employ of the corporate debtor in respect of services rendered by them respectively to the corporate debtor during such periods as are set out against their respective names in the said Annexure.

2. That for which said sums or any part thereof, they have not, nor has any of them, had or received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credits, mutual debts, or other mutual dealings between the corporate debtor and the workmen / employees which may be set-off against the claim.]*

Signature :

**ANNEXURE**

1. Details of Employees/ Workmen

S No.	NAME OF EMPLOYEE/ WORKMEN	IDENTIFICATION NUMBER (PAN/, PASSPORT NUMBER/, AADHAAR NO. / ID CARD ISSUED BY THE ELECTION COMMISSION AND EMPLOYEE ID NO., IF ANY	TOTAL AMOUNT DUE AND DETAILS ON NATURE OF CLAIM	PERIOD OVER WHICH AMOUNT DUE	DETAILS OF EVIDENCE OF DEBT INCLUDING EMPLOYMENT CONTRACTS AND OTHER PROOFS
1.					
2.					
3.					
4.					
5.					

2. Particulars of how dues were incurred by the corporate debtor, including particulars of any dispute as well as the record of pendency of suit or arbitration proceedings.
3. Particulars of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the workmen / employee which may be set-off against the claim.
4. Please list out and attach the documents relied on to prove the claim.

**AFFIDAVIT**

I, *[insert full name, address and occupation of deponent]* do solemnly affirm and state as follows:

1. The above named corporate debtor was, at the liquidation commencement date that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ and still is, justly and truly indebted to the workmen and employees in the sum of Rs. \_\_\_\_\_ for \_\_\_\_\_ *[please state the nature and duration of employment]*.

2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:

*[Please list the documents relied on as evidence of proof]*

3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.

4. In respect of the said sum or any part thereof, the workmen / employees have not, nor has any person, by my order, to my knowledge or belief, for my use, had or has received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the workmen / employees which may be set-off against the claim.]*

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature

**VERIFICATION**

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_

Deponent's signature

**SCHEDULE II  
FORM G  
PROOF OF CLAIM BY ANY OTHER STAKEHOLDER**

*(Under Regulation 20 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)*

[Date]

To  
The Liquidator  
[Name of the Liquidator]  
[Address as set out in the public announcement]

From  
[Name and address of the other stakeholder]

**Subject:** Submission of proof of claim in respect of the liquidation of [name of corporate debtor] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the other stakeholder] hereby submits this proof of claim in respect of the liquidation in the case of [name of corporate debtor]. The details for the same are set out below:

1.	NAME OF OTHER STAKEHOLDER  (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION. IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
----	---	--

2.	ADDRESS AND EMAIL OF THE OTHER STAKEHOLDER FOR CORRESPONDENCE.	
3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST AS AT LIQUIDATION COMMENCEMENT AND DETAILS OF NATURE OF CLAIM	PRINCIPAL : CLAIM : INTEREST : TOTAL CLAIM :
4.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE CLAIM CAN BE SUBSTANTIATED	
5.	DETAILS OF HOW AND WHEN CLAIM AROSE	
6.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE OTHER STAKEHOLDER WHICH MAY BE SET-OFF AGAINST THE CLAIM	
7.	DETAILS OF ANY RETENTION OF TITLE IN RESPECT OF GOODS OR PROPERTIES TO WHICH THE CLAIM REFERS	
8.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
9.	DETAILS OF THE BANK ACCOUNT TO WHICH THE OTHER STAKEHOLDER'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
10.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	(i) (ii) (iii)

Signature of other stakeholder or person authorised to act on his behalf (Please enclose the authority if this is being submitted on behalf of the other stakeholder)
Name in BLOCK LETTERS

Position with or in relation to creditor
Address of person signing

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

**AFFIDAVIT**

I, *[insert full name, address and occupation of deponent to be given]* do solemnly affirm and state as follows:

1. The above named corporate debtor was, at the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ and still is, justly and truly indebted to me [or to me and *[insert name of co-partner]*, my co-partners in trade, or, as the case may be,] in the sum of Rs. \_\_\_\_\_ for \_\_\_\_\_ *[please state consideration]*.
  
2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:  
*[Please list the documents relied on as evidence of proof.]*
  
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.
  
4. In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/our use, had or received any manner of satisfaction or security whatsoever, save and except the following:  
*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the other stakeholder which may be set-off against the claim.]*

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature.

## VERIFICATION

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_

Deponent's signature.

## <sup>90</sup>[FORM H COMPLIANCE CERTIFICATE

*[Under Regulation 45(3) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016]*

I, [*Name of the Liquidator*], an insolvency professional enrolled with [*name of insolvency professional agency*] and registered with the Board with registration number [*registration number*], am the Liquidator for the Liquidation Process of [*name of the corporate debtor (CD)*].

2. The details of the Liquidation Process are as under:

Sl. No.	Particulars	Description
(1)	(2)	(3)
1	Name of the corporate debtor	
2	Case No. & NCLT Bench	
3	Date of initiation of liquidation	
4	Date of appointment of liquidator	
5	Date of commencement of CIRP	
6	Name of RP during CIRP and his registration No. as IP	
7	Name of Liquidator and his registration No. as IP	
8	Date of Publication of Public Announcement under Form B	
9	Date of Intimation to Registry and Information Utility, if any, about commencement of Liquidation	
10	Date of handover of charge by RP	
11	Date of submission of compliance, if any, directed by AA in the liquidation order and its particulars	
12	Date of appointment of registered valuers, if any	
13	Date of notice for uncalled capital/unpaid capital contribution	
14	Date of realisation of uncalled capital/unpaid capital contribution	
15	Date of opening of liquidation account with Bank A/c details	
16	Date of constitution of Consultation Committee	
17	No. of meetings of consultation committee held	
18	Date of submission of list of stakeholders to AA	

<sup>90</sup> Inserted by Notification No. IBBI/2019-20/GN/REG047 dated 25<sup>th</sup> July, 2019 (w.e.f. 25-01-2019).

<sup>91</sup> [***]		
20	Date of filing of preliminary report & assets memorandum to AA	
21	Fair value	
22	Liquidation value	
23	Date of public <sup>92</sup> [notice] for auction (please add additional rows, if required)	
24	Date of order of AA to dispense with the public <sup>93</sup> [notice] for Auction	
25	Date of permission of AA for physical Auction	
26	Date of permission of AA for private sale	
27	Date of permission of AA for distribution of unsold assets to stakeholders	
28	Date of permission of the liquidator to realise the un-relinquished security interest by the secured creditor	
29	Modified list of stakeholders and date of submission to AA	
30	Date of first realisation	
31	Date of second realisation	
32	Date of first distribution	
33	Date of second distribution	
34	Date of submission of Quarterly Progress Report-I (FY-1)	
35	Date of submission of Asset Sales Report to AA	
36	Date of submission of Quarterly Progress Report-II	
37	Date of submission of Quarterly Progress Report-III	
38	Date of submission of Quarterly Progress Report-IV & Audit Report	
39	Date of submission of Quarterly Progress Report-I (FY-2)	
40	Date of submission of Quarterly Progress Report-II	
41	Date of submission of Quarterly Progress Report-III	
42	Date of submission of Quarterly Progress Report-IV & Audit Report	
43	Date of intimation to statutory authority as applicable. a) PF b) ESI c) Income Tax Dept d) Inspector of Factory e) GST/VAT f) Others	
<sup>94</sup> [44]	Date of deposit of unclaimed dividends or undistributed proceeds and income and interest thereon, if any, under sub-regulations (2), (3) or (4) of regulation 46	

<sup>91</sup> Omitted by Notification No. IBBI/2021-22/GN/REG079, dated 30th September, 2021 (w.e.f. 30-09-2021).

<sup>92</sup> Substituted by Notification No. IBBI/2021-22/GN/REG079, dated 30th September, 2021 (w.e.f. 30-09-2021).  
Prior to substitution, it stood as under:  
“announcement”.

<sup>93</sup> Substituted by Notification No. IBBI/2021-22/GN/REG079, dated 30th September, 2021 (w.e.f. 30-09-2021).  
Prior to substitution, it stood as under:  
“announcement”.

<sup>94</sup> Substituted by Notification No. IBBI/2019-20/GN/REG/053 dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020).  
Prior to substitution, these entries stood as “

44	Date of application to AA as per Reg 46(1)	
----	--	--



45	Amount deposited into Corporate Liquidation Account: (a) Amount of unclaimed dividends (b) Amount of undistributed proceeds (c) Income referred to in sub-regulation (2) and (3) of regulation 46 (d) Interest referred to in sub-regulation (4) of regulation 46 <b>Total</b>	
46	Date of submission to the Board and the Authority under sub-regulation (5) of regulation 46]	
47	Date of Final Report to AA (prior to dissolution application)	

3. The details of the assets as per Asset Memorandum and Final Sale Report are as under:

Sl. No.	Assets	Mode of Sale	Estimated Liquidation Value	Realisation Amount (Rs.)	Date of Transfer to Liquidation Account
(1)	(2)	(3)	(4)	(5)	(6)

4. (a) Liquidation value of the liquidation estate:

(b) Amount realised from sale of liquidation estate:

(c) The amounts distributed to stakeholders as per section 52 or 53 of Code are as under:  
(Amount in Rs. lakh)

Sl. No.	Stakeholders* under section 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	(a): CIRP Costs					
2	(a): Liquidation Costs					
3	(b)(i)					
4	(b)(ii)					
5	(c)					
6	(d)					
7	(e)(i)					
8	(e) (ii)					
9	(f)					
10	(g)					
11	(h)					
Total						

\*If there are sub-categories in a category, please add rows for each sub-category.

5. The Liquidation Process has been conducted as per the timeline indicated in regulation 47 as under:

Section of the Code / Regulation No.	Description of Task	Timeline as per regulation 47	Actual Timeline

45	Date of transfer of undistributed/unclaimed assets or proceeds of liquidation to public Account of India	
46	Date of intimation as per Reg 46(3)	
47	Date of Final Report to AA (prior to dissolution application)"	

(1)	(2)	(3)	(4)
Section 33	Commencement of LCD and Appointment of Liquidator	T	T

6. The following are deviations /non-compliances with the provisions of the Insolvency and Bankruptcy Code, 2016, regulations made, or circulars issued there under (If any deviation/ non-compliances were observed, please state the details and reasons for the same):

Sl. No.	Deviation/Non-compliance observed	Section of the Code / Regulation No. / Circular No.	Reasons	Whether rectified or not
(1)	(2)	(3)	(4)	(5)
1				
2				
3				

7. The dissolution application has been filed [before expiry of the period of one year] / [after expiry of one year]. Please state details of any extension sought with the reason and granted:

8. The details of application(s) filed / pending in respect of avoidance of transactions.

Sl. No.	Type of Transaction	Date of Filing with Adjudicating Authority	Date of Order of the Adjudicating Authority	Brief of the Order
(1)	(2)	(3)	(4)	(5)
1	Preferential transactions under section 43			
2	Undervalued transactions under section 45			
3	Extortionate credit transactions under section 50			
4	Fraudulent transactions under section 66			

9. All undischarged or matters pending before any Court or Tribunal relating to corporate debtor, if any, have been reported to AA.

10. I (Name of Liquidator), hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed there from.

(Signature)

Name of the Liquidator:

IP Registration No:

Address as registered with the Board:

Email id as registered with the Board:

Date:

Place:]

<sup>95</sup>[ **FORM -I**

**Deposit of Unclaimed Dividends and / or Undistributed Proceeds**

[Under Regulation 46 (5) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016]

**A. Details of Liquidation Process**

<sup>95</sup> Inserted by Notification No. IBBI/2019-20/GN/REG/053 dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020).

Sl. No.	Description	Particulars
(1)	(2)	(3)
1	Name of the Corporate Debtor	
2	Identification Number of CD (CIN/DIN)	
3	CIRP Commencement Date	
4	Liquidation Commencement Date	
5	Date of Deposit into the Corporate Liquidation Account	
6	Amount deposited into the Corporate Liquidation Account (Rs.)	
7	Bank Account from which the amount is transferred to Corporate Liquidation Account (a) Account No: (b) Name of Bank: (c) IFSC: (d) MICR: (e) Address of Branch of the Bank:	
8	Details of the Amount (Rs.) deposited into Corporate Liquidation Account (a) Unclaimed dividends (b) Undistributed proceeds (c) Income earned till the due date of deposit (d) Interest at the rate of twelve per cent on the amount retained beyond due date (Please show computation of interest amount)  <b>Total</b>	

#### B. Details of Stakeholders entitled to Unclaimed Dividends or Undistributed Proceeds

Sl. No.	Name of stakeholder entitled to receive unclaimed dividends or undistributed proceeds	Address, phone number and email address of the stakeholder	Identification Number of the stakeholder (PAN, CIN, Aadhar No.) (Please attach Identification proof.)	Amount due to the stakeholder (Rs.)	Nature of Amount due	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1						
2						
3						

#### C. Details of Deposit made into the Corporate Liquidation Account

I (*Name of Liquidator*) have deposited Rs..... (Rupees ....only) into the Corporate Liquidation Account on .... vide acknowledgment no.. ... dated .....

I (*Name of Liquidator*) hereby certify that the details provided in this Form are true and correct to the best of my knowledge and belief, and nothing material has been concealed.

(Signature)

Name of the Liquidator

IP Registration No:

Address as registered with the Board:

Email id as registered with the Board:

Date:

Place:

### FORM J Withdrawal from Corporate Liquidation Account

[Under Regulation 46 (7) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016]

Sl. No.	Description	Particulars
(1)	(2)	(3)
1	Name of the Corporate Debtor	
2	Identification Number of CD (CIN/DIN)	
3	CIRP Commencement Date	
4	Liquidation Commencement Date	
5	Date of Dissolution Order	
6	Date of Deposit into the Corporate Liquidation Account	
7	Name of the Stakeholder seeking withdrawal	
8	Identification Number of the Stakeholder (a) PAN (b) CIN (c) Aadhaar No.	
9	Address and Email Address of Stakeholder	
10	Amount of Claim of the Stakeholder, admitted by the Liquidator	
11	Amount of unclaimed dividends / undistributed proceeds deposited by the liquidator in the Corporate Liquidation Account against the stakeholder	
12	Amount of unclaimed dividends / undistributed proceeds the Stakeholder seeks to withdraw from the Corporate Liquidation Account	
13	Bank Account to which the amount is to be transferred from the Corporate Liquidation Account, if withdrawal is approved (a) Account No.: (b) Name of Bank: (c) IFSC: (d) MICR: (e) Address of Branch of the Bank:	
14	Reasons for not taking dividend or proceeds during the Liquidation Process	
15	Any legal disability in applying for withdrawal? (Yes / No), If yes, please provide details	

### DECLARATION

I, [*Name of stakeholder*], currently residing at [*insert address*], hereby declare and state as follows:

1. I am entitled to receive a sum of Rs.... (Rupees ... only) from the Corporate Liquidation Account, as presented above.
2. In respect of the said sum or any part thereof, neither I nor any person, by my order, to my knowledge or belief, for my use, has received any manner of satisfaction or security whatsoever, save and except the following: .....
3. I undertake to refund the entire amount with interest as decided by the Board, in case the Board finds that I am not entitled to this amount.
4. I authorise the Board to initiate appropriate legal action against me if my claim is found false at any time.

Date:

Place:

(Signature of the Stakeholder)

### VERIFICATION

I, [*Name*] the stakeholder hereinabove, do hereby verify that the contents of this Form are true and correct to my knowledge and belief and no material fact has been concealed therefrom.

Verified at ... on this ..... day of ....., 20...

(Signature of the Stakeholder)

[Note: In the case of a company or limited liability partnership, the declaration and verification shall be made by the director/manager/secretary and in the case of other entities, an officer authorised for the purpose by the entity].]

### SCHEDULE III

(Under Regulation 6 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

The formats contained in this Schedule are indicative in nature, and the liquidator may make such modifications to them as he deems fit in the facts and circumstances of the liquidation.

### CASH BOOK

Name of Corporate Debtor.....(in liquidation)

Date	Particulars	Ledger Folio No.	Receipt				Payments				Balance		
			Voucher No.	Cash	Bank	Total	Voucher No.	Cash	Bank	Total	Cash	Bank	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Under 'particulars', the head of account to which the entry relates should be indicated so that the entry may be posted under the proper head in the General Ledger.

### GENERAL LEDGER

Name of Corporate Debtor.....(in liquidation)

.....(Head of account)

Date	Particulars	Dr. (Rs.)	Cr. (Rs.)	Balance (Rs.)
------	-------------	--------------	--------------	------------------

<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>

*Instructions:*

1. A General Ledger should be maintained with such heads of account as the liquidator may think necessary and appropriate. The following heads of account may be found suitable:

- (1) Asset account
- (2) Investments account
- (3) Book Debts & Outstandings account
- (4) Calls
- (5) Rents Collected
- (6) Interest on Securities and Deposits
- (7) Advances received
- (8) Miscellaneous receipts payments
- (9) Establishment
- (10) Legal charges
- (11) Rents, Rates and Taxes
- (12) Fees and Commission account
- (13) Other expenses
- (14) Suspense account
- (15) Secured creditors
- (16) Dividend account.

2. The entries in the General Ledger should be posted from the Cash Book.

3. The total of the debit balances and the total of the credit balances of the several heads of account in the General Ledger should agree, after taking into consideration the cash and bank balances as shown in the Cash Book. The totals should be tallied once a month.

**BANK LEDGER**

**Corporate debtor's (in liquidation) account with the Scheduled Bank**

<i>Date</i>	<i>Particulars</i>	<i>Deposits</i>		<i>Withdrawals</i>		<i>Balance</i>
		<i>Challan Number</i>	<i>Rs.</i>	<i>Cheque Number</i>	<i>Rs.</i>	<i>Rs.</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

**REGISTER OF ASSETS**

<i>Sl. No.</i>	<i>Description of assets</i>	<i>Date of taking possession</i>	<i>Serial number of Sales Register</i>	<i>Date of sale</i>	<i>Date of realization</i>	<i>Amount</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.							
2.							

*Instructions:*

1. All the assets of the corporate debtor except the liquidator's investments in securities and outstandings to be realized should be entered in this Register.

**SECURITIES AND INVESTMENTS REGISTER**

<i>Sl. No.</i>	<i>Petition number and name of the corporate debtor</i>	<i>Date of investment</i>	<i>Nature and particulars of security in which investment is made</i>	<i>Amount Invested (Rs.)</i>	<i>Dividend or interest received with date of receipt (Rs.)</i>	<i>Date of disposal</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.							
2.							

**REGISTER OF BOOK DEBTS AND OUTSTANDINGS**

<i>Sl. No.</i>	<i>Name and address of debtor</i>	<i>Particulars of debt</i>	<i>Amount due (Rs.)</i>	<i>Date of bar by limitation</i>	<i>Amount realised (Rs.)</i>	<i>Action taken</i>	<i>Date of realisation</i>	<i>Reference to Suits Register</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
1.									
2.									

*Instructions:*

1. All debts due to the corporate debtor, both secured and unsecured, including amounts due for arrears of calls made prior to the liquidation, should be entered in this Register.

**TENANTS LEDGER**

1. Description of property:
2. Name and address of tenant:
3. Date of tenancy:
4. Period of tenancy:
5. Rent (monthly or annual):
6. Special terms, if any:
7. Arrears on date of taking charge of property:
8. Advance received, if any:

<i>Month</i>	<i>Demand</i>	<i>Realisation</i>		<i>Balance</i>	<i>Remarks</i>
	<i>Amount (Rs.)</i>	<i>Date</i>	<i>Amount (Rs.)</i>	<i>Amount (Rs.)</i>	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
January					
February					

**SUITS REGISTER**



<i>Sl. No.</i>	<i>Number of suit or appeal and court</i>	<i>Name and address of plaintiff and his advocate</i>	<i>Name and address of defendant and his advocate</i>	<i>Amount of claim</i>	<i>Date of filing</i>	<i>Date of hearing</i>	<i>Date of decree or final order</i>	<i>Nature of relief granted</i>	<i>Amount decreed</i>	<i>Costs decreed</i>	<i>Reference to Decree Register</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
1.												
2.												

*Instructions:*

1. Applications made by or against the corporate debtor which are in the nature of suits should also be entered in this Register.

**DECREE REGISTER**

<i>Number of suit or appeal and court</i>	<i>Name and address of judgment debtor</i>	<i>Amount Decreed (Rs.)</i>	<i>Date of decree</i>	<i>Action taken</i>	<i>Amount realized (Rs.)</i>	<i>Date of realisation</i>	<i>Reference to Suits Register</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.							
2.							

*Instructions:*

1. The purpose of the Register is to enable the liquidator to keep watch on the progress of the realization of decrees in favour of the corporate debtor in his charge.

2. Every decree or order for payment of money or delivery of property in favour of the corporate debtor including an order for payment of costs whether made in a suit, appeal or application, should be entered in this Register.

**REGISTER OF CLAIMS AND DISTRIBUTIONS**

Claims						Distributions declared and paid								Remarks	
Sl. No.	Name and Address of creditor	Amount claimed (Rs.)	Nature of claim (Rs.)	Amount admitted (Rs.)	Whether ordinary or preferential	Date	Amount due	Date of payment	Rate	Amount (Rs.)	Date of payment	Rate	Amount (Rs.)	Date of payment	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1.															
2.															

**Instructions:**

1. Only claims admitted either wholly or in part should be entered in this Register.
2. The page on the left side should be reserved for claims and the page on the right side for Distributions.

**CONTRIBUTORY'S LEDGER**

Sl. No.	Name and address of contributory	Calls		Remarks	Returns of share capital			Remarks
		First call	2 <sup>nd</sup> call/ 3 <sup>rd</sup> call		Date of return	Date of Payment	Amount paid (Rs.)	

		<i>Number of shares or extent of interest held, and amount paid thereon</i>	<i>Date of call and amount called</i>	<i>Amount paid and date of payment</i>	<i>(Repeat columns as under first call)</i>					
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6 to 9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>
1.										
2.										

**Instructions:**

Only contributories settled on the list of stakeholders should be entered in this Register and they should be entered in the same order as in the list.

### **DISTRIBUTIONS REGISTER**

Date on which distribution is made:

Total amount payable in this round of distribution:

<i>Date</i>	<i>Number on list of stakeholders</i>	<i>Particulars</i>	<i>Receipts</i>	<i>Payments</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1.				
2.				

**Instructions:**

1. Separate pages should be set apart for preferential and ordinary distributions.
2. The payments should be entered as and when they are made. Any amount which is returned unpaid should be re-entered in the account under 'Receipts'.
3. The number in column 2 should be the number of the stakeholders in the list of stakeholders as finally settled.
4. The total amount of unclaimed distribution payable into the <sup>96</sup> [Corporate Liquidation Account], and the amount paid into the Bank with the date of payment, should be shown at the end of the account.

<sup>96</sup> Substituted by Notification No. IBBI/2019-20/GN/REG053 dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020). Prior to substitution it stood as under:  
"Public Account of India".

### FEE REGISTER

<i>Amount realized on which fee are payable</i>	<i>Amount distributed on which fee are payable</i>	<i>Fee payable on the amounts in the two preceding columns</i>	<i>Fee, if any payable otherwise under order of Adjudicating Authority</i>	<i>Total fee payable</i>	<i>Date of payment</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
1.					
2.					

*Instructions:*

1. There should be a fresh opening for each year.
2. The fees due to the liquidator should be entered in the Register as soon as the audit of the account for a quarter is completed.

### SUSPENSE REGISTER

<i>Date</i>	<i>Particulars</i>	<i>Debit (Rs.)</i>	<i>Credit (Rs.)</i>	<i>Balance (Rs.)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1.				
2.				

*Instructions:*

1. Advances made by the liquidator to any person should be entered in this Register.
2. There should be a separate opening for each person.

### DOCUMENTS REGISTER

<i>Sl. No.</i>	<i>Description of document</i>	<i>Date of receipt</i>	<i>From whom received</i>	<i>Reference number of shelf in which document is kept</i>	<i>How disposed of</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

*Instruction:* All documents of title like title-deeds, shares, promissory notes, etc., should be entered in this Register.

### BOOKS REGISTER

<i>Date</i>	<i>From whom received</i>	<i>Serial Number</i>	<i>Description of books, including files</i>	<i>Shelf number</i>	<i>How disposed of</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

*Instruction:* All books and files of the corporate debtor which come into the hands of the liquidator should be entered in this Register.

### REGISTER OF UNCLAIMED DIVIDENDS AND UNDISTRIBUTED <sup>97</sup>[PROCEEDS] DEPOSITED

<i>Sl. No.</i>	<i>Name of person entitled to the dividend or return</i>	<i>Whether Creditor or Contributory</i>	<i>Number on list of stakeholders</i>	<i>Date of declaration of dividend or return</i>	<i>Rate of dividend or return</i>	<i>Total amount payable (Rs.)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

(Dr. M. S. Sahoo)

Chairperson

Insolvency and Bankruptcy Board of India

<sup>97</sup> Substituted by Notification No. IBBI/2019-20/GN/REG053 dated 6<sup>th</sup> January, 2020 (w.e.f. 06-01-2020). Prior to substitution it stood as under: “ASSETS”.



# भारत का राजपत्र The Gazette of India

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भारतीय दिवाला और शोधन अक्षमता बोर्ड

अधिसूचना

नई दिल्ली, 9 अप्रैल, 2021

भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021

सं. आई.बी.बी.आई./2021-22/जी.एन./आर.ई.जी.071.—भारतीय दिवाला और शोधन अक्षमता बोर्ड, दिवाला और शोधन अक्षमता संहिता, 2016 (2016 का 31) के भाग 2 के अध्याय 3क के उपबंधों के साथ पठित धारा 196, धारा, 208 और धारा 240 के अधीन प्रदत्त शक्तियों का प्रयोग करते हुए, निम्नलिखित विनियम बनाता है, अर्थात्:-

अध्याय 1

प्रारंभिक

## 1. संक्षिप्त नाम और प्रारंभ

(1) इन विनियमों का संक्षिप्त नाम भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 है।

(2) ये विनियम राजपत्र में उनके प्रकाशन की तारीख को प्रवृत्त होंगे।

## 2. परिभाषाएं

(1) इन विनियमों में, जब तक कि संदर्भ से अन्यथा अपेक्षित न हो,-

(क) "आवेदक" से धारा 54ग के अधीन पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने के लिए आवेदन फाइल करने वाला कारपोरेट आवेदक अभिप्रेत है;

- (ख) “लेनदारों का वर्ग” से ऐसा वर्ग अभिप्रेत है, जिसमें धारा 21 की उपधारा (6क) के खंड (ख) के अधीन कम से कम दस वित्तीय लेनदार हैं और “किसी वर्ग के लेनदार” अभिव्यक्ति का अर्थान्वयन तदनुसार किया जाएगा;
- (ग) “संहिता” से दिवाला और शोधन अक्षमता संहिता, 2016 अभिप्रेत है;
- (घ) “समिति” से धारा 54अ के अधीन गठित लेनदारों की समिति अभिप्रेत है;
- (ङ) “इलैक्ट्रॉनिक रूप” का वही अर्थ होगा जो सूचना प्रौद्योगिकी अधिनियम, 2000 (2000 का 21) में उसका है;
- (च) “इलैक्ट्रॉनिक माध्यम” से ऐसा प्राधिकृत और सुरक्षित कम्प्यूटर प्रोग्राम अभिप्रेत है जो उस भागीदार को, जो ऐसी संसूचना प्राप्त करने का हकदार है, उस अद्यतन इलैक्ट्रॉनिक मेल पते पर, जो ऐसे भागीदार द्वारा उपलब्ध कराया गया है, संसूचना भेजे जाने का पुष्टीकरण तैयार करने में और ऐसी संसूचना का अभिलेख रखने में समर्थ है;
- (छ) “उचित मूल्य” से कारपोरेट ऋणी की आस्तियों का ऐसा अनुमानित वसूलीयोग्य मूल्य अभिप्रेत है, यदि उनका पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख को किसी इच्छुक क्रेता और इच्छुक विक्रेता के बीच किसी निष्पक्ष लेनदेन में समुचित विपणन के पश्चात् आदान-प्रदान किया जाता है और जहां पक्षकारों ने सोचसमझकर, विवेकपूर्ण और दबाव के बिना कार्य किया हो;
- (ज) “प्ररूप” से अनुसूची में विनिर्दिष्ट प्ररूप अभिप्रेत है;
- (झ) “पहचान संख्यांक” से यथास्थिति, सीमित दायित्व भागीदारी पहचान संख्यांक या कारपोरेट ऋणी पहचान संख्यांक अभिप्रेत है;
- (ञ) “दिवाला व्यावसायिक संस्था” से भारतीय दिवाला और शोधन अक्षमता बोर्ड (दिवाला व्यावसायिक) विनियम, 2016 के अधीन इस रूप में मान्यताप्राप्त कोई संस्था अभिप्रेत है;
- (ट) “समापन मूल्य” से कारपोरेट ऋणी की आस्तियों का ऐसा अनुमानित वसूलीयोग्य मूल्य अभिप्रेत है, यदि उसका पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख को समापन किया गया होता;
- (ठ) “भागीदार” से धारा 24 के अधीन समिति की बैठक में भाग लेने का हकदार कोई व्यक्ति या समिति द्वारा बैठक में भाग लेने के लिए प्राधिकृत कोई अन्य व्यक्ति अभिप्रेत है;
- (ड) “प्रक्रिया” से संहिता के भाग 2 के अध्याय 3-क के अधीन कारपोरेट ऋणी के लिए पूर्व निर्धारित दिवाला समाधान प्रक्रिया अभिप्रेत है;
- (ढ) “रजिस्ट्रीकृत मूल्यांकक” से ऐसा व्यक्ति अभिप्रेत है, जो कंपनी अधिनियम, 2013 (2013 का 18) और उसके अधीन बनाए गए नियमों के अनुसार इस रूप में रजिस्ट्रीकृत है;
- (ण) “अनुसूची” से इन विनियमों की अनुसूची अभिप्रेत है;
- (त) “धारा” से संहिता की धारा अभिप्रेत है;
- (थ) “वीडियो कांफ्रेंसिंग या अन्य श्रव्य और दृश्य साधन” से ऐसी श्रव्य और दृश्य सुविधा अभिप्रेत है, जो किसी बैठक में भाग लेने वाले प्रतिभागियों को एक दूसरे के साथ सामान्तर रूप से संवाद करने और बैठक में प्रभावी रूप से भाग लेने में समर्थ बनाती है।
- (2) जब तक कि संदर्भ से अन्यथा अपेक्षित न हो, उन शब्दों और पदों के, जो इन विनियमों में प्रयुक्त हैं और परिभाषित नहीं हैं किन्तु संहिता में परिभाषित हैं, वही अर्थ होंगे जो संहिता में क्रमशः उनके हैं।

## अध्याय 2

### साधारण

#### 3. बैठकें और संचार

(1) इन विनियमों के अधीन अपेक्षित बैठकें या तो भौतिक रूप से या इलैक्ट्रॉनिक पद्धति द्वारा या दोनों के संयोजन से आयोजित की जाएंगी।

(2) इन विनियमों के अधीन अपेक्षित सभी संचार यथासंभव इलैक्ट्रॉनिक माध्यमों द्वारा किए जाएंगे।

#### 4. आवश्यक आपूर्ति

धारा 14 की उपधारा (2) में निर्दिष्ट आवश्यक माल और सेवाओं से उस सीमा तक जहां तक ये कारपोरेट ऋणी द्वारा उत्पादित या प्रदत्त उत्पादन के प्रत्यक्ष निवेश के रूप में नहीं हैं, निम्नलिखित अभिप्रेत होगा –

(क) विद्युत;

(ख) जल;

(ग) दूरसंचार सेवाएं; और

(घ) सूचना प्रौद्योगिकी सेवाएं।

**स्पष्टीकरण:** किसी कारपोरेट ऋणी को प्रदाय कराया गया जल, पीने और सफाई के प्रयोजनों के लिए न कि जलीय-विद्युत के उत्पादन के लिए आवश्यक आपूर्ति होगा।

#### 5. अतिशय उधार संव्यवहार

किसी संव्यवहार को धारा 50 की उपधारा (2) के अधीन वहां अतिशय समझा जाएगा जहां निबंधन:

(क) कारपोरेट ऋणी से उपलब्ध कराए गए उधार की बाबत अत्यधिक भुगतान करने की अपेक्षा करते हैं; या

(ख) संविदाओं से संबंधित विधि के सिद्धांतों के अधीन अविवेकपूर्ण हैं।

#### 6. पूर्व निर्धारित दिवाला समाधान प्रक्रिया लागत

धारा 5 का उपधारा (23ग) के खंड (ड) के प्रयोजनों के लिए “पूर्व निर्धारित दिवाला समाधान प्रक्रिया लागत” से निम्नलिखित अभिप्रेत होगा-

(क) विनियम 34 के उप-विनियम (5) के अधीन प्राधिकृत प्रतिनिधित्व को संदेय फीस;

(ख) धारा 25क के अधीन प्राधिकृत प्रतिनिधि के कृत्यों का निर्वहन करने के लिए उसके द्वारा जेब से किए गए व्यय; और

(ग) प्रक्रिया से प्रत्यक्षतः संबंधित और समिति द्वारा अनुमोदित कोई अन्य लागत।

## अध्याय 3

### समाधान व्यावसायिक

#### 7. समाधान व्यावसायिक के लिए पात्रता

(1) प्ररूप पी1 में सम्मति के अधीन रहते हुए, कोई दिवाला व्यावसायिक यथास्थिति अंतरिम समाधान व्यावसायिक या समाधान व्यावसायिक के रूप में नियुक्त किए जाने का तभी पात्र होगा यदि वह और उस दिवाला व्यावसायिक संस्था के सभी भागीदार और निदेशक, जिसका वह एक भागीदार या निदेशक है, कारपोरेट ऋणी से स्वतंत्र हैं:

**स्पष्टीकरण:** कोई व्यक्ति कारपोरेट ऋणी से तब स्वतंत्र समझा जाएगा, यदि वह

(क) जहां कारपोरेट ऋणी एक कंपनी है, कंपनी अधिनियम, 2013(2013 का 18) की धारा 149 के अधीन कारपोरेट ऋणी के बोर्ड में, स्वतंत्र निदेशक के रूप में नियुक्त किए जाने का पात्र है;



(ख) कारपोरेट ऋणी का संबद्ध पक्षकार नहीं है; या

(ग) (i) कारपोरेट ऋणी के लेखापरीक्षकों या सचिवालयिक लेखापरीक्षकों या लागत लेखापरीक्षकों की फर्म का; या

(ii) ऐसी किसी विधिक या परामर्शी फर्म का, जिसने कारपोरेट ऋणी के साथ ऐसी फर्म के सकल आवर्त के पांच प्रतिशत या उससे अधिक रकम का कोई संव्यवहार किया है या किया था,

पिछले तीन वित्तीय वर्ष में से किसी वित्तीय वर्ष में कर्मचारी या स्वत्वधारी या भागीदार नहीं रहा है।

(2) ऐसा समाधान व्यावसायिक, जो किसी दिवाला व्यावसायिक संस्था का निदेशक या भागीदार है, किसी प्रक्रिया में समाधान व्यावसायिक के रूप में बने रहने का तब अपात्र होगा यदि दिवाला व्यावसायिक संस्था या ऐसी दिवाला व्यावसायिक संस्था का कोई भागीदार या निदेशक उसी प्रक्रिया में किसी भी हितधारक का प्रतिनिधित्व करता है।

### 8. समाधान व्यावसायिक की फीस

(1) जहां कारपोरेट ऋणी कोई आवेदन फाइल करने में असफल रहता है या प्रक्रिया आरंभ करने के लिए आवेदन अस्वीकार कर दिया जाता है वहां समाधान व्यावसायिक को धारा 54ख की उपधारा (3) के अधीन कर्तव्यों का पालन करने के लिए संदेय फीस कारपोरेट ऋणी द्वारा वहन की जाएगी।

(2) कारपोरेट ऋणी ऐसी रकम के साथ, जैसा कि समिति द्वारा समय-समय पर सलाह दी जाए, एक पृथक् बैंक खाता रखेगा और धारा 5 के खंड (23ग) के उपबंधों के अधीन रहते हुए, ऐसे खाते का प्रचालन समाधान व्यावसायिक द्वारा प्रक्रिया के संचालन के लिए उसकी फीस और उसके द्वारा उपगत व्ययों को पूरा करने के लिए किया जाएगा।

### 9. बहियों तक पहुंच

समाधान व्यावसायिक, कारपोरेट ऋणी की उन लेखा-बहियों, अभिलेख और अन्य दस्तावेज़ और जानकारी तक, जहां तक वे संहिता के अधीन उसके कर्तव्यों का निर्वहन करने के लिए सुसंगत हैं, जो –

(क) कारपोरेट ऋणी के सदस्यों, संप्रवर्तकों, भागीदारों, निदेशकों और संयुक्त उद्यम भागीदारों;

(ख) कारपोरेट ऋणी द्वारा नियोजित के व्यावसायिकों और सलाहकारों;

(ग) प्रतिभूतियों के निक्षेपागारों;

(घ) उन रजिस्ट्रियों, जो आस्तियों के स्वामित्वों को अभिलिखित करती हैं; और

(ङ) कारपोरेट ऋणी के संविदागत प्रतिपक्षों

द्वारा धारित हैं, पहुंच रख सकेगा।

### 10. व्यावसायिकों की नियुक्ति

समाधान व्यावसायिक धारा 54च की उपधारा (3) के खंड (ङ) के अधीन एक व्यावसायिक नियुक्त कर सकेगा:

परन्तु निम्नलिखित व्यक्तियों को व्यावसायिक के रूप में नियुक्त नहीं किया जाएगा, अर्थात्:

(क) ऐसा व्यक्ति, जो संबंधित व्यवसाय के विनियामक के पास रजिस्ट्रीकृत नहीं है;

(ख) कारपोरेट ऋणी का संबद्ध पक्षकार;

(ग) पूर्व निर्धारित दिवाला प्रक्रिया प्रारंभ होने की तारीख से पांच वर्ष पूर्व की अवधि के दौरान किसी भी समय कारपोरेट ऋणी का कोई लेखापरीक्षक;

(घ) ऐसी दिवाला व्यावसायिक संस्था का कोई भागीदार या निदेशक, जिसका समाधान व्यावसायिक एक भागीदार या निदेशक है; या

(ङ) समाधान व्यावसायिक का या उस दिवाला व्यावसायिक संस्था के भागीदार या निदेशक का, जिसका समाधान व्यावसायिक एक भागीदार या निदेशक है, कोई नातेदार।

**11. लागत का प्रकटन**

- (1) समाधान व्यावसायिक अपनी नियुक्ति के समय और उसके पश्चात् भारतीय दिवाला और शोधन अक्षमता बोर्ड (दिवाला व्यावसायिक) विनियम, 2016 में यथा-उपवर्णित आचार संहिता के अनुसार अपने प्रकटन करेगा।
- (2) समाधान व्यावसायिक, प्रक्रिया की मदवार लागत ऐसी रीति में प्रकट करेगा, जैसा बोर्ड द्वारा अपेक्षा की जाए।

**12. अभिलेखों का परिरक्षण**

समाधान व्यावसायिक, कारपोरेट ऋणी की प्रक्रिया से संबंधित अभिलेख की भौतिक तथा इलैक्ट्रॉनिक प्रति अभिलेख प्रतिधारण अनुसूची के अनुसार इस प्रकार परिरक्षित करेगा, जैसा बोर्ड द्वारा समाधान व्यावसायिक एजेंसियों से परामर्श करके अपेक्षा की जाए।

**13. रिपोर्टों और प्ररूपों का फाइल किया जाना**

समाधान व्यावसायिक ऐसे प्ररूप, उसके संलग्नकों सहित, ऐसे किसी इलैक्ट्रॉनिक प्लेटफार्म पर, जैसा बोर्ड द्वारा समाधान व्यावसायिक एजेंसियों से परामर्श करके अपेक्षा की जाए, फाइल करेगा।

**अध्याय 4****प्रक्रिया का आरंभ किया जाना****14. वित्तीय लेनदारों द्वारा अनुमोदन**

- (1) आवेदक, धारा 54क की उपधारा (2) और उपधारा (3) के खंड (ड) के प्रयोजनों के लिए, ऐसे वित्तीय लेनदारों की बैठक बुलाएगा, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं।
- (2) उप-विनियम (1) के अधीन बैठक की सूचना की तामील ऐसे वित्तीय लेनदारों को, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं, तब तक बैठक की तारीख से कम से कम पांच दिन पूर्व की जाएगी जब तक कि उन सभी के बीच इससे कम अवधि के लिए सहमति न हुई हो।
- (3) इस विनियम के अधीन बैठक की सूचना में बैठक की तारीख, समय और स्थान उपदर्शित किया जाएगा और उसके साथ प्ररूप पी2 में लेनदारों की सूची, उन्हें देय रकमों सहित, संलग्न की जाएगी।
- (4) ऐसे वित्तीय लेनदार, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं और जिनका कारपोरेट ऋणी से असंबद्ध लेनदारों के कुल वित्तीय ऋण के मूल्य का कम से कम दस प्रतिशत है, धारा 54क की उपधारा (2) के खंड (ड) के प्रयोजनों के लिए दिवाला व्यावसायिकों के नामों की प्रस्थापना कर सकेंगे।
- (5) धारा 54क की उपधारा (2) के खंड (ड) के अधीन समाधान व्यावसायिक की नियुक्ति के निबंधनों का अनुमोदन प्ररूप पी3 में होगा।
- (6) इस विनियम के अधीन समाधान व्यावसायिक की नियुक्ति के निबंधनों के अंतर्गत निम्नलिखित होंगे—
- (क) उसे धारा 54ख की उपधारा (1) के अधीन कर्तव्यों का पालन करने के लिए संदेय फीस;
- (ख) उसे प्रक्रिया के संचालन के लिए संदेय फीस और उसके द्वारा उपगत किए जाने वाले व्यय; और
- (ग) यदि धारा 54ज के अधीन कारपोरेट ऋणी का मामला प्रबंधन उसमें निहित किया जाता है तो उसे संदेय फीस और उसके द्वारा उपगत किए जाने वाले व्यय।
- (7) धारा 54क की उपधारा (3) के अधीन आवेदन फाइल किए जाने का अनुमोदन प्ररूप पी4 में होगा।
- (8) जहां कारपोरेट ऋणी पर कोई वित्तीय ऋण नहीं है या सभी वित्तीय लेनदार संबद्ध पक्षकार हैं वहां आवेदक ऐसे परिचालन लेनदारों की बैठक बुलाएगा, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं और उप-विनियम (1) से उप-विनियम (7) के उपबंध यथावश्यक परिवर्तनों सहित लागू होंगे।

**15. प्राधिकृत प्रतिनिधि के लिए पसन्द**

समाधान व्यावसायिक, प्ररूप पी2 की परीक्षा करने के पश्चात्,-

- (i) लेनदारों के वर्ग, यदि कोई हैं, अभिनिश्चित करेगा;

(ii) उप-विनियम (1) के अधीन अभिनिश्चित किसी वर्ग में लेनदारों का समिति में प्रतिनिधित्व के लिए ऐसे तीन दिवाला व्यावसायिकों की पहचान करेगा, -

(क) जो आवेदक या समाधान व्यावसायिक के नातेदार या संबद्ध पक्षकार नहीं हैं;

(ख) जिनके बोर्ड के पास यथा-रजिस्ट्रीकृत पते, यथास्थिति, उस राज्य या संघ राज्यक्षेत्र में हैं, जिनके उस वर्ग में लेनदारों की संख्या, कारपोरेट ऋणी के अभिलेख में उनके पतों के अनुसार उच्चतर है:

परन्तु जहां ऐसे राज्य या संघ राज्यक्षेत्र में दिवाला व्यावसायिकों की पर्याप्त संख्या नहीं है वहां ऐसे दिवाला व्यावसायिकों के संबंध में, जिनके पते समीपस्थ, यथास्थिति, राज्य या संघराज्यक्षेत्र में हैं, विचार किया जाएगा;

(ग) जो विनियम 7 के अधीन नियुक्त किए जाने के पात्र हैं; और

(घ) जो उस वर्ग में लेनदारों के प्राधिकृत प्रतिनिधि के रूप में कार्य करने के इच्छुक हैं।

(iii) उप-विनियम (2) के अधीन अभिज्ञात दिवाला व्यावसायिकों की उस वर्ग में लेनदारों के प्राधिकृत प्रतिनिधियों के रूप में कार्य करने की सम्मति प्ररूप पी5 में अभिप्राप्त करेगा।

(iv) उस वर्ग में लेनदारों से दिवाला व्यावसायिक के लिए उनकी पसन्द की ईप्सा करेगा, जिन्होंने उप-विनियम (3) के अधीन सम्मति दी है:

परन्तु लेनदार समाधान व्यावसायिक को तीन दिनों के भीतर अपनी पसन्द संसूचित करेंगे।

(v) ऐसे दिवाला व्यावसायिक का, जो कि उस वर्ग में लेनदारों की उच्चतर संख्या की पसन्द है, संबंधित वर्ग के लेनदारों के प्राधिकृत प्रतिनिधि के रूप में कार्य करने के लिए चयन करेगा।

(vi) उप-विनियम (5) के अधीन चयनित दिवाला व्यावसायिक का नाम, प्ररूप पी5 में उसकी सम्मति सहित, आवेदक को सूचित करेगा।

## 16. घोषणाएं

(1) धारा 54क की उपधारा (2) के खंड (च) के अधीन घोषणा प्ररूप पी6 में की जाएगी।

(2) धारा 54ग की उपधारा (3) के खंड (ग) के अधीन घोषणा प्ररूप पी7 में होगी।

## 17. समाधान व्यावसायिक द्वारा रिपोर्ट

धारा 54ख की उपधारा (1) के खंड (क) के अधीन रिपोर्ट प्ररूप पी8 में तैयार की जाएगी।

## 18. आवेदक द्वारा दी जाने वाली जानकारी

आवेदक, धारा 54ग की उपधारा (3) के खंड (घ) के प्रयोजनों के लिए, निम्नलिखित प्रस्तुत करेगा,-

(क) कारपोरेट ऋणी के पिछले दो वित्तीय वर्षों के लेखापरीक्षित वित्तीय विवरण;

(ख) चालू वित्तीय वर्ष के लिए अनंतिम वित्तीय विवरण, जिसे धारा 54क की उपधारा (2) के खंड (च) के अधीन घोषणा की तारीख तक अद्यतन किया गया है; और

(ग) विनियम 15 के उप-विनियम (5) के अधीन चयनित प्राधिकृत प्रतिनिधियों द्वारा प्रस्तुत किया गया प्ररूप पी5

## अध्याय 5

### सार्वजनिक उद्घोषणा और दावे

## 19. सार्वजनिक उद्घोषणा

(1) समाधान व्यावसायिक, प्रक्रिया के प्रारंभ होने के दो दिन के भीतर एक सार्वजनिक उद्घोषणा करेगा।

(2) उप-विनियम (1) में निर्दिष्ट सार्वजनिक उद्घोषणा:

(क) प्ररूप पी9 में होगी;

(ख) प्ररूप पी2 में सूचीबद्ध प्रत्येक लेनदार को भेजी जाएगी;

(ग) इनफॉर्मेशन यूटिलिटी को भेजी जाएगी; और

(घ) कारपोरेट ऋणी की वैबसाइट, यदि कोई है और बोर्ड की वैबसाइट पर प्रकाशित की जाएगी।

## 20. दावों की सूची

(1) कारपोरेट ऋणी धारा 54छ की उपधारा (1) के अधीन दावों की सूची प्ररूप पी10 में समाधान व्यावसायिक को प्रस्तुत करेगा।

(2) समाधान व्यावसायिक, कारपोरेट ऋणी के अभिलेख और अभिलेख पर उपलब्ध अन्य सुसंगत सामग्री के आधार पर प्राप्त व्यौरों की पुष्टि प्ररूप पी2 में करेगा।

(3) समाधान व्यावसायिक, उसके द्वारा पुष्टि किए गए दावों के संबंध में प्रत्येक लेनदार को सूचित करेगा और आक्षेपों की, यदि कोई हैं, ईप्सा करेगा।

(4) कोई लेनदार उप-विनियम (3) के अधीन संसूचना प्राप्त होने के सात दिन के भीतर समाधान व्यावसायिक को समर्थनकारी दस्तावेजों सहित आक्षेप प्रस्तुत कर सकेगा।

(5) समाधान व्यावसायिक, किसी लेनदार से ऐसे अन्य साक्ष्य और स्पष्टीकरण की अपेक्षा कर सकेगा, जो वह उसके संपूर्ण दावे या उसके किसी भाग को सिद्ध करने के लिए उचित समझे।

(6) समाधान व्यावसायिक, उप-विनियम (4) के अधीन प्राप्त प्रत्येक आक्षेप पर विचार करेगा और लेनदार के दावे को, यदि अपेक्षित हो, उपांतरित करेगा।

(7) लेनदार अपने दावे को, जैसे ही पूर्व निर्धारित दिवाला प्रक्रिया प्रारंभ होने की तारीख के पश्चात् उसकी किसी भी स्रोत से, किसी भी रीति में भागतः या पूर्णतः तुष्टि हो जाती है, अद्यतन करेगा।

(8) समाधान व्यावसायिक दावों की सूची प्ररूप पी2 में तैयार करेगा और जब भी अपेक्षित हो, उसे अद्यतन करेगा।

(9) प्ररूप पी10 –

(क) कारपोरेट ऋणी के लेनदारों, सदस्यों, भागीदारों, निदेशकों और प्रत्याभूतिदाताओं द्वारा निरीक्षण के लिए उपलब्ध होगा;

(ख) कारपोरेट ऋणी की वैबसाइट पर, यदि कोई है, प्रदर्शित किया जाएगा;

(ग) बोर्ड के पास इलैक्ट्रॉनिक प्लेटफार्म पर फाइल किया जाएगा; और

(घ) समिति की बैठकों में पेश किया जाएगा, जैसे ही उसे अद्यतन किया जाता है।

## 21. दावे की रकम का अवधारण

(1) जहां किसी लेनदार के दावे की रकम किसी आकस्मिकता या अन्य कारणवश निश्चित न हो वहां समाधान व्यावसायिक अपने पास उपलब्ध जानकारी के आधार पर दावे की रकम का सर्वोत्तम अनुमान लगाएगा।

(2) समाधान व्यावसायिक, पुष्टि किए गए दावों की रकमों को, जिसके अंतर्गत उप-विनियम (1) के अधीन किए गए दावों के अनुमान भी हैं, तब यथासाध्य शीघ्रता से पुनरीक्षित करेगा जब उसे ऐसी अतिरिक्त जानकारी प्राप्त होती है जिसके कारण ऐसा पुनरीक्षण करना अपेक्षित हो।

## 22. विदेशी मुद्रा में ऋण

विदेशी मुद्रा में अंकित दावों को पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख को यथा-विद्यमान सरकारी विनिमय दर पर भारतीय मुद्रा में मूल्यांकित किया जाएगा।

स्पष्टीकरण – “सरकारी विनिमय दर” वह निर्देश दर है, जो भारतीय रिजर्व बैंक द्वारा प्रकाशित की जाती है या ऐसी निर्देश दरों से व्युत्पन्न होती है।

**23. लेनदारों को देय ऋण का अंतरण**

जहां कोई लेनदार, प्रक्रिया की अवधि के दौरान ऐसे ऋण को, जो ऐसे लेनदार को देय है, किसी अन्य व्यक्ति को समनुदेशित या अंतरित करता है तो दोनों पक्षकार समाधान व्यावसायिक को विनियम 20 के उप-विनियम (8) के अधीन अद्यतन करने के लिए ऐसे समनुदेशन या अंतरण के निबंधन और समनुदेशिती या अंतरिती की पहचान उपलब्ध कराएंगे।

**अध्याय 6****लेनदारों की समिति****24. किसी वर्ग में केवल लेनदारों वाली समिति**

जहां कारपोरेट ऋणी के किसी वर्ग में केवल लेनदार हैं और कोई अन्य वित्तीय लेनदार नहीं है, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं वहां समिति केवल प्राधिकृत प्रतिनिधि(प्रतिनिधियों) से मिलकर बनेगी।

**25. केवल परिचालन लेनदारों वाली समिति**

(1) जहां कारपोरेट ऋणी पर कोई वित्तीय ऋण नहीं है या सभी वित्तीय लेनदार संबद्ध पक्षकार हैं वहां समिति निम्नलिखित रूप में ऐसे परिचालन लेनदारों से मिलकर बनेगी, जो कारपोरेट ऋणी के नातेदार नहीं हैं –

(क) मूल्य के अनुसार दस सबसे बड़े परिचालन लेनदार और यदि परिचालन लेनदारों की संख्या दस से कम है तो समिति में ऐसे सभी परिचालन लेनदार शामिल होंगे;

(ख) खंड (क) के अधीन सम्मिलित कर्मकारों से भिन्न सभी कर्मकारों द्वारा निर्वाचित एक प्रतिनिधि; और

(ग) खंड (क) के अधीन सम्मिलित कर्मचारियों से भिन्न सभी कर्मचारियों द्वारा निर्वाचित एक प्रतिनिधि।

(2) इस विनियम के अधीन गठित समिति के एक सदस्य को कुल ऋण के मुकाबले यथास्थिति, ऐसे लेनदार को देय ऋण या ऐसे प्रतिनिधि द्वारा प्रतिनिधित्व किए गए ऋण के अनुपात में मतदान का अधिकार होगा।

**स्पष्टीकरण –** इस उप-विनियम के प्रयोजनों के लिए, 'कुल ऋण' –

(क) उप-विनियम (1) के खंड (क) में सूचीबद्ध लेनदारों को देय ऋण की रकम;

(ख) उप-विनियम (1) के खंड (ख) के अधीन कर्मकारों को देय कुल ऋण की रकम;

(ग) उप-विनियम (1) के खंड (ग) के अधीन कर्मचारियों को देय कुल ऋण की रकम

का योग है।

(3) यथास्थिति, विनियम 24 या विनियम 25 के अनुसार गठित समिति और उसके सदस्यों के वही अधिकार, शक्तियां, कर्तव्य और बाध्यताएं होंगी जैसी वित्तीय लेनदारों और उसके सदस्यों से मिलकर बनने वाली समिति की होंगी।

**26. समिति में परिवर्तन**

लेनदारों की समिति की संरचना में किसी भी परिवर्तन की सूचना समिति के सभी सदस्यों को ऐसे परिवर्तन के दो दिन के भीतर दी जाएगी।

**अध्याय 7****समिति की बैठके****27. समिति की बैठकें**

(1) कोई समाधान व्यावसायिक, जब भी आवश्यक समझे, समिति की बैठक बुला सकेगा।

(2) कोई समाधान व्यावसायिक तब एक बैठक बुलाएगा यदि समिति के तैत्तिशत प्रतिशत मतदान अधिकार का प्रतिनिधित्व करने वाले सदस्यों द्वारा इस आशय का अनुरोध किया जाता है।

## 28. समिति की बैठकों के लिए सूचना

(1) समिति की कोई बैठक प्रत्येक भागीदार को उस पते पर, जो लेनदार द्वारा समाधान व्यावसायिक को उपलब्ध कराया गया है, लिखित में कम से कम तीन दिन की सूचना देकर बुलाई जाएगी।

(2) समिति सूचना की अवधि को तीन दिन से घटाकर कम के कम चौबीस घंटे की ऐसी अवधि कर सकेगी, जो वह उचित समझे:

परन्तु समिति उस अवधि को कम के कम अड़तालीस घंटे की ऐसी अन्य अवधि तक घटा सकेगी, यदि उसमें कोई प्राधिकृत प्रतिनिधि है।

## 29. सूचना की तामील

(1) भागीदारों को एक पाठ के रूप में ईमेल द्वारा या ईमेल के संलग्नक के रूप में या इलैक्ट्रॉनिक लिंक देते हुए अधिसूचना के रूप में या ऐसी सूचना प्राप्त करने के लिए यूनिफार्म रिसार्स लोकेटर के माध्यम से सूचना भेजी जा सकेगी।

(2) ईमेल में विषय की पंक्ति में कारपोरेट ऋणी के नाम, स्थान, यदि कोई है, वह समय और तारीख जिसको बैठक निर्धारित की गई है, का उल्लेख होगा।

(3) जब सूचना ईमेल के संशोधन न करने योग्य (नॉन-एडिटेबल) किसी संलग्नक के रूप में भेजी जाती है तो ऐसा संलग्नक प्राप्तकर्ता के लिए साफ्टवेयर के सुसंगत वर्जन के लिए लिंक या अनुदेशों सहित पोर्टेबल डाक्युमेंट फॉर्मेट या संशोधन न करने योग्य फॉर्मेट में होगा।

(4) जब सूचना या सूचना उपलब्ध कराने वाली अधिसूचनाएं ईमेल द्वारा भेजी जाती हैं तब समाधान व्यावसायिक यह सुनिश्चित करेगा कि वह एक ऐसी प्रणाली का प्रयोग करता है जिससे ईमेल भेजे गए सभी प्राप्तकर्ताओं की कुल संख्या की पुष्टि तैयार होती है और ऐसे प्रत्येक प्राप्तकर्ता का अभिलेख, जिसे सूचना भेजी गई है और ऐसे अभिलेख की प्रति और किसी असफल परेषण की कोई सूचना और इसके पश्चात् पुनः भेजने के सबूत के रूप में रखा जाएगा।

(5) समाधान व्यावसायिक की बाध्यता का तब समाधान हो जाएगा जब वह ईमेल का परेषण करता है और उसे उसके नियंत्रण से परे परेषण की असफलता के लिए उत्तरदायी नहीं ठहराया जाएगा।

(6) इलैक्ट्रॉनिक लिंक या यूनिफार्म रिसार्स लोकेटर पर उपलब्ध कराई गई सूचना पठनीय होगी और प्राप्तकर्ता उसकी प्रतियां अभिप्राप्त और प्रतिधारित करने में समर्थ होना चाहिए और समाधान व्यावसायिक संपूर्ण यूनिफार्म रिसार्स लोकेटर या वैबसाइट का पता और इस संबंध में पूरा विवरण देगा कि दस्तावेज़ या सूचना किस प्रकार प्राप्त करनी है।

(7) यदि कोई प्रतिभागी समाधान व्यावसायिक को सुसंगत ईमेल पता उपलब्ध कराने या अद्यतन करने में असफल रहता है तो ऐसे प्रतिभागी द्वारा ऐसी सूचना प्राप्त न करने के कारण ऐसी बैठक में लिए गए विनिश्चय अविधिमान्य नहीं हो जाएंगे।

## 30. बैठक के लिए सूचना की अंतर्वस्तु

(1) सूचना में प्रतिभागियों को बैठक का स्थान, समय और तारीख तथा वीडियो कांफ्रेंसिंग या अन्य श्रव्य और दृश्य माध्यमों द्वारा भाग लेने के संबंध में उन्हें उपलब्ध विकल्प के बारे में सूचना दी जाएगी और वीडियो कांफ्रेंसिंग या अन्य श्रव्य और दृश्य माध्यमों द्वारा भाग लेने में समर्थ बनाने संबंधी सभी आवश्यक जानकारी भी उपलब्ध कराई जाएगी।

(2) बैठक की सूचना में यह उपबंध होगा कि कोई प्रतिभागी बैठक में व्यक्तिगत रूप से या ऐसे किसी प्रतिनिधि की मार्फत, जो कारपोरेट ऋणी का संबद्ध पक्षकार नहीं है, भाग ले सकेगा और मतदान कर सकेगा:

परन्तु ऐसा प्रतिभागी ऐसे प्रतिनिधि की पहचान के बारे में, जो उसकी ओर से बैठक में उपस्थित होगा और मतदान करेगा, समाधान व्यावसायिक को पहले से सूचित करेगा और उस प्रतिनिधि के पक्ष में एक प्राधिकार-पत्र अग्रेषित करेगा।

(3) बैठक की सूचना में निम्नलिखित बातें होंगी -

(क) उन विषयों की सूची जिनके संबंध में बैठक में चर्चा की जानी है;

(ख) उन मुद्दों की सूची, जिनके संबंध में बैठक में मतदान किया जाना है; और

(ग) उन सभी दस्तवेजों की प्रतियां, जो बैठक में चर्चा किए जाने वाले विषयों और मतदान किए जाने वाले मुद्दों से सुसंगत हैं।

(4) बैठक की सूचना में –

(क) इलैक्ट्रॉनिक माध्यमों द्वारा मतदान के लिए प्रक्रिया और रीति तथा उस समय अनुसूची का कथन होगा, जिसके अंतर्गत ऐसी समय अवधि भी है, जिसके दौरान मतदान किया जाएगा;

(ख) लॉग-इन आई.डी. और पासवर्ड तैयार करने और सुरक्षित रीति में मत डालने की सुरक्षा रखने संबंधी सुविधा के ब्यौरे उपलब्ध होंगे;

(ग) उस व्यक्ति के संपर्क ब्यौरे होंगे, जो इलैक्ट्रॉनिक मतदान से संबंधित शंकाओं का निवारण करेगा।

### 31. कोरम

(1) समिति की बैठक का कोरम तब पूरा होगा यदि समिति में कम से कम तैंतीस प्रतिशत मतदान शेयर का प्रतिनिधित्व करने वाले सदस्य व्यक्तिगत रूप से या वीडियो कांफ्रेंसिंग अथवा अन्य श्रव्य और दृश्य माध्यमों द्वारा उपस्थित हैं:

परन्तु समिति की किन्हीं भावी बैठकों की बाबत कोरम के लिए समिति अपेक्षित मतदान शेयर की प्रतिशतता को उपांतरित कर सकेगी।

(2) जहां समिति की कोई बैठक कोरम की कमी के कारण आयोजित नहीं की सकी थी वहां जब तक समिति ने इससे पूर्व अन्यथा विनिश्चित न किया हो, बैठक स्वतः ही अगले दिन उसी समय और स्थान के लिए स्थगित मानी जाएगी।

(3) उप-विनियम (2) के अनुसार समिति की बैठक के स्थगित हो जाने की दशा में, स्थगित बैठक का कोरम बैठक में उपस्थित समिति के सदस्यों से पूरा हो जाएगा।

### 32. वीडियो कांफ्रेंसिंग के माध्यम से भाग लेना

(1) समिति की बैठकें बुलाने संबंधी सूचना में प्रतिभागियों को इस विनियम के अनुसार वीडियो कांफ्रेंसिंग या अन्य श्रव्य और दृश्य माध्यमों द्वारा बैठक में उपस्थित होने का विकल्प होगा।

(2) समाधान व्यावसायिक, निर्बाधित और स्पष्ट वीडियो अथवा श्रव्य और दृश्य संपर्क सुनिश्चित करने के लिए आवश्यक व्यवस्था करेगा।

(3) समाधान व्यावसायिक निम्नलिखित बातों की सम्यक् और युक्तियुक्त सावधानी बरतेगा –

(क) पर्याप्त सुरक्षा और पहचान प्रक्रिया सुनिश्चित करके बैठक की सत्यनिष्ठा की रक्षा करना;

(ख) बैठक में प्रतिभागियों की प्रभावी भागीदारी के लिए उचित वीडियो कांफ्रेंसिंग या अन्य श्रव्य और दृश्य उपकरणों की उपलब्धता या संचार के संप्रेषण के लिए सुविधाएं सुनिश्चित करना;

(ग) कार्यवाही को लेखबद्ध करना और बैठक के कार्यवृत्त तैयार करना;

(घ) कारपोरेट ऋणी के अभिलेख के भागस्वरूप भौतिक रिकार्डिंग या अन्य इलैक्ट्रॉनिक रिकार्डिंग तंत्र का सुरक्षा और चिह्नित करने के लिए भंडारण करना;

(ङ) यह सुनिश्चित करना कि आशयित प्रतिभागियों से भिन्न कोई अन्य व्यक्ति बैठक में उपस्थित न हो या वीडियो कांफ्रेंसिंग अथवा अन्य श्रव्य और दृश्य माध्यमों द्वारा बैठक की कार्यवाही तक उसकी पहुंच न हो:

परन्तु ऐसे व्यक्ति, जो दिव्यांग हैं, बैठक में अपने साथ एक व्यक्ति को लाने की अनुमति के लिए समाधान व्यावसायिक से अनुरोध कर सकेंगे।

(4) जहां कोई बैठक वीडियो कांफ्रेंसिंग अथवा अन्य श्रव्य और दृश्य माध्यमों द्वारा आयोजित की जाती है वहां बैठक बुलाने की सूचना में यथा-उपवर्णित बैठक का निर्धारित स्थान, जो कि भारत में होगा, उक्त बैठक का स्थान माना जाएगा और बैठक की कार्यवाहियों की सभी रिकार्डिंग उस स्थान पर की गई मानी जाएगी।

### 33. बैठक का संचालन

(1) समाधान व्यावसायिक समिति की बैठकों में अध्यक्ष के रूप में कार्य करेगा।

(2) किसी बैठक के प्रारंभ होने पर समाधान व्यावसायिक ऐसे प्रत्येक प्रतिभागी की, जो उस स्थान पर बैठक में भाग ले रहा है या वीडियो कांफ्रेंसिंग अथवा अन्य श्रव्य और दृश्य माध्यमों द्वारा भाग ले रहा है, हाजिरी लेगा और अभिलेख के लिए निम्नलिखित कथन करेगा,-

(क) उसका नाम;

(ख) क्या वह समिति के सदस्य की हैसियत से या अन्य किसी प्रतिभागी की ओर से उपस्थित है;

(ग) क्या वह किसी सदस्य या सदस्यों के समूह का प्रतिनिधित्व कर रहा है;

(घ) वह स्थान, जहां से वह भाग ले रहा है;

(ङ) यह कि उसे बैठक की कार्यसूची और सभी सुसंगत सामग्री प्राप्त है; और

(च) उस व्यक्ति के स्थान पर उसके अतिरिक्त कोई अन्य व्यक्ति उपस्थित नहीं है और बैठक की कार्यवाही नहीं देख रहा है।

(3) समाधान व्यावसायिक, हाजिरी के बाद प्रतिभागियों को उन सभी व्यक्तियों के नाम सूचित करेगा जो बैठक के लिए उपस्थित हैं और इस बात की पुष्टि करेगा कि क्या अपेक्षित कोरम पूरा है।

(4) समाधान व्यावसायिक यह सुनिश्चित करेगा कि पूरी बैठक के दौरान अपेक्षित कोरम उपस्थित हो।

(5) बैठक के प्रारंभ होने से समापन तक, प्रतिभागियों और ऐसे अन्य व्यक्ति के अतिरिक्त, जिसकी उपस्थिति समाधान व्यावसायिक द्वारा अपेक्षित हो, किसी भी व्यक्ति को उस स्थान पर, जहां बैठक आयोजित की गई है या वीडियो कांफ्रेंसिंग अथवा अन्य श्रव्य और दृश्य सुविधा तक पहुंच अनुज्ञात नहीं की जाएगी।

(6) समाधान व्यावसायिक यह सुनिश्चित करेगा कि समिति की प्रत्येक बैठक के संबंध में कार्यवृत्त तैयार किए जाएं और इन कार्यवृत्तों में उन प्रतिभागियों की, जिन्होंने व्यक्तिगत रूप से, वीडियो कांफ्रेंसिंग अथवा अन्य श्रव्य और दृश्य माध्यमों द्वारा बैठक में भाग लिया है, विशिष्टियां प्रकट की जाएंगी।

### 34. किसी वर्ग में लेनदारों की समिति

(1) समाधान व्यावसायिक, प्रक्रिया के प्रारंभ होने के तीन दिन के भीतर संबंधित प्राधिकृत प्रतिनिधि को प्रत्येक वर्ग में लेनदारों की सूची देगा।

(2) समाधान व्यावसायिक, संबंधित प्राधिकृत प्रतिनिधि को प्रत्येक वर्ग में लेनदारों की अद्यतन सूची देगा, जैसे ही वह सूची अद्यतन की जाती है।

स्पष्टीकरण : प्राधिकृत प्रतिनिधि की उस वर्ग के, जिसका वह प्रतिनिधित्व करता है, लेनदारों के दावों की प्राप्ति या पुष्टि के संबंध में कोई भूमिका नहीं होगी।

(3) समाधान व्यावसायिक, प्राधिकृत प्रतिनिधि और उस वर्ग के लेनदारों के बीच संचार के इलैक्ट्रॉनिक माध्यम उपलब्ध कराएगा।

(4) किसी वर्ग में किसी लेनदार का मतदान शेयर वित्तीय ऋण के अनुपात में होगा, जिसके अंतर्गत तब तक आठ प्रतिशत वार्षिक दर पर ब्याज भी है जब तक पक्षकारों के बीच इससे भिन्न दर पर सहमति न हुई हो।

(5) किसी वर्ग में लेनदारों का प्राधिकृत प्रतिनिधि ऐसी प्रत्येक बैठक के लिए, जिसमें उसने भाग लिया है, निम्नलिखित रीति में फीस प्राप्त करने का हकदार होगा, अर्थात्:-

वर्ग में लेनदारों की संख्या	समिति की प्रत्येक बैठक की फीस(रूपयों में)
10-100	15,000
101-1000	20,000
1000 से अधिक	25,000

(6) प्राधिकृत प्रतिनिधि उस वर्ग के लेनदारों को कार्यसूची परिचालित करेगा और कार्यसूची में किसी मद के संबंध में उनके प्रारंभिक विचारों की ईप्सा कर सकेगा जिससे कि वह समिति की बैठक में प्रभावी रूप से भाग लेने में समर्थ सके:



परन्तु लेनदारों के पास अपने प्रारंभिक विचार प्रस्तुत करने के लिए कम से कम बारह घंटे की समय विंडो होगी और उक्त विंडो प्राधिकृत प्रतिनिधि द्वारा प्रारंभिक विचारों की ईप्सा करने के कम से कम चौबीस घंटे पश्चात् खुलती है:

परन्तु यह और कि ऐसे प्रारंभिक विचारों को लेनदारों द्वारा दिए गए मतदान अनुदेशों के रूप में नहीं समझा जाएगा।

### 35. समिति द्वारा मतदान

- (1) ऐसी किसी कार्यवाही पर, जिसके लिए समिति का अनुमोदन अपेक्षित हो, समिति की बैठकों में विचार किया जाएगा।
- (2) समाधान व्यावसायिक, ऐसी किसी मद पर, जो चर्चा किए जाने के पश्चात् मतदान के लिए सूचीबद्ध है, बैठक में उपस्थित समिति के सदस्यों का मत लेगा।
- (3) समाधान व्यावसायिक, बैठक में मतदान की समाप्ति पर, बैठक में उपस्थित सदस्यों द्वारा उन मदों के संबंध में लिए गए विनिश्चय की घोषणा करेगा, जिसमें समिति के उन सदस्यों के नामों का उल्लेख होगा जिन्होंने उस विनिश्चय के पक्ष में या उसके विरोध में मतदान किया है या जो मतदान से अनुपस्थित रहे हैं।
- (4) समाधान व्यावसायिक,-
  - (क) बैठक की समाप्ति के अड़तालीस घंटे के भीतर समिति के समस्त सदस्यों और प्राधिकृत प्रतिनिधि को इलैक्ट्रॉनिक माध्यमों द्वारा बैठक का कार्यवृत्त परिचालित करेगा; और
  - (ख) ऐसे सदस्यों से, जिन्होंने बैठक में मतदान के लिए सूचीबद्ध विषयों पर मतदान नहीं किया था, विनियम 37 के अनुसार इलैक्ट्रॉनिक मतदान पद्धति से मतदान की ईप्सा करेगा जहां मतदान कार्यवृत्त के परिचालन से कम से कम चौबीस घंटे के लिए खुला रखा जाएगा।
  - (5) प्राधिकृत प्रतिनिधि, उप-विनियम (4) के अधीन प्राप्त बैठक के कार्यवृत्त को उस वर्ग के लेनदारों को परिचालित करेगा और मतदान अनुदेशों के लिए विंडो के खुलने के कम से कम चौबीस घंटे पूर्व मतदान विंडो की घोषणा करेगा और मतदान विंडो को कम से कम बारह घंटे के लिए खुला रखेगा।

### 36. प्राधिकृत प्रतिनिधि द्वारा मतदान

प्राधिकृत प्रतिनिधि, यदि कोई है, प्रत्येक वित्तीय लेनदार की बाबत या उन सभी वित्तीय लेनदारों की ओर से, जिनका वह प्रतिनिधित्व करता है, धारा 25क की यथास्थिति, उपधारा (3) या उपधारा (3क) के उपबंधों के अनुसार अपना मतदान करेगा।

### 37. इलैक्ट्रॉनिक माध्यमों द्वारा मतदान

- (1) समाधान व्यावसायिक, समिति के प्रत्येक सदस्य को या तो इलैक्ट्रॉनिक माध्यमों द्वारा या इस विनियम के उपबंधों के अनुसार इलैक्ट्रॉनिक मतदान प्रणाली के माध्यम से अपना मत डालने के लिए साधन उपलब्ध कराएगा।

स्पष्टीकरण – इन विनियमों के प्रयोजनों के लिए

(क) “इलैक्ट्रॉनिक माध्यमों द्वारा मतदान” या “इलैक्ट्रॉनिक मतदान पद्धति” अभिव्यक्तियों से इलैक्ट्रॉनिक बैलट, समिति के सदस्यों के मतों और पक्ष या विरोध में डाले गए मतों की संख्या की रिकार्डिंग को प्रदर्शित करने वाली सुरक्षित प्रणाली पर आधारित ऐसी प्रक्रिया अभिप्रेत है, जिससे इलैक्ट्रॉनिक माध्यमों द्वारा डाले गए मत पर्याप्त साइबर सुरक्षा वाले एक केन्द्रीयकृत सर्वर में एक इलैक्ट्रॉनिक रजिस्ट्री में रजिस्ट्रीकृत हो जाते हैं और उनकी गणना होती है;

(ख) “सुरक्षित प्रणाली” अभिव्यक्ति से कम्प्यूटर हार्डवेयर, साफ्टवेयर और ऐसी प्रक्रिया अभिप्रेत है जो –

- (i) अप्राधिकृत पहुंच और दुरुपयोग से युक्तिसंगत रूप से सुरक्षित है;
- (ii) विश्वसनीयता और सही प्रचालन का युक्तियुक्त स्तर प्रदान करती है;
- (iii) आशयित कृत्यों का पालन करने के लिए युक्तियुक्त रूप से उपयुक्त है; और
- (iv) साधारणतया स्वीकृत सुरक्षा प्रक्रियाओं का पालन करती है।

- (2) मतदान की अवधि की समाप्ति पर, मतदान पोर्टल को तुरंत ब्लॉक कर दिया जाएगा।

(3) समाधान व्यावसायिक, इस विनियम के अधीन आयोजित मतदान के पूरा होने पर, सुसंगत कार्यसूची की मद के संबंध में लिए गए विनिश्चयों की घोषणा करेगा और उसके सार का लिखित अभिलेख तैयार करेगा जिसमें समिति के उन सदस्यों के नाम होंगे, जिन्होंने उस विनिश्चय के पक्ष में या विरोध में मतदान किया है या जो मतदान से अनुपस्थित रहे हैं।

(4) समाधान व्यावसायिक, उप-विनियम (3) के अधीन तैयार किए गए अभिलेख की एक प्रति समस्त प्रतिभागियों को इलैक्ट्रॉनिक माध्यम द्वारा मतदान के पूरा होने के चौबीस घंटे के भीतर परिचालित करेगा।

## अध्याय 8

### मूल्यांकन और सूचना ज्ञापन

#### 38. रजिस्ट्रीकृत मूल्यांककों की नियुक्ति

समाधान व्यावसायिक, अपनी नियुक्ति के तीन दिन के भीतर कारपोरेट ऋणी के उचित मूल्य और समापन मूल्य का अवधारण करने के लिए दो रजिस्ट्रीकृत मूल्यांककों की नियुक्ति करेगा:

परन्तु निम्नलिखित व्यक्तियों को रजिस्ट्रीकृत मूल्यांकक के रूप में नियुक्त नहीं किया जाएगा, अर्थात्:-

(क) कारपोरेट ऋणी का संबद्ध पक्षकार;

(ख) पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख से पांच वर्ष पूर्व की अवधि के दौरान किसी समय कारपोरेट ऋणी का कोई लेखापरीक्षक;

(ग) ऐसी दिवाला व्यावसायिक संस्था का भागीदार या निदेशक, जिसका समाधान व्यावसायिक एक भागीदार या निदेशक है; या

(घ) समाधान व्यावसायिक का या ऐसी दिवाला व्यावसायिक संस्था के, जिसका कि समाधान व्यावसायिक एक भागीदार या निदेशक है, किसी भागीदार या निदेशक का कोई नातेदार।

#### 39. उचित मूल्य और समापन मूल्य

(1) उचित मूल्य और समापन मूल्य का अवधारण निम्नलिखित रीति में किया जाएगा,-

(क) विनियम 38 के अधीन नियुक्त किए गए दो रजिस्ट्रीकृत मूल्यांकक समाधान व्यावसायिक को कारपोरेट ऋणी की माल-सूची और नियत आस्तियों का भौतिक सत्यापन करने के पश्चात् अंतरराष्ट्रीय रूप से स्वीकृत मूल्यांकन मानकों के अनुसार संगणित उचित मूल्य और समापन मूल्य का एक प्राक्कलन प्रस्तुत करेंगे;

(ख) दोनों रजिस्ट्रीकृत मूल्यांककों द्वारा अवधारित मूल्य का औसत यथास्थिति, उचित मूल्य या समापन मूल्य समझा जाएगा।

(2) समाधान व्यावसायिक, संहिता और इन विनियमों के अनुसार समाधान योजनाएं प्राप्त होने के पश्चात् समिति के प्रत्येक सदस्य से यह वचनबंध प्राप्त होने के पश्चात् उन्हें उचित मूल्य और समापन मूल्य इलैक्ट्रॉनिक रूप में उपलब्ध कराएगा कि ऐसा सदस्य उचित मूल्य और समापन मूल्य के संबंध में गोपनीयता बनाए रखेगा और स्वयं को या किसी अन्य व्यक्ति को अनुचित लाभ या अनुचित हानि कारित करने के लिए इन मूल्यों का उपयोग नहीं करेगा।

(3) समाधान व्यावसायिक और रजिस्ट्रीकृत मूल्यांकक उचित मूल्य और समापन मूल्य के संबंध में गोपनीयता बनाए रखेंगे।

#### 40. सूचना ज्ञापन

(1) प्रारंभिक सूचना ज्ञापन में, उप-विनियम (2) के अधीन अपेक्षित ब्यौरे दिए जाएंगे।

(2) सूचना ज्ञापन में कारपोरेट ऋणी के निम्नलिखित ब्यौरे अंतर्विष्ट होंगे,-

(क) ऐसे वर्णन सहित आस्तियां और दायित्व, जो उनके मूल्य का अभिनश्चयन करने के लिए साधारणतया आवश्यक है।

स्पष्टीकरण: 'वर्णन' के अंतर्गत ब्यौरे, जैसे अर्जन की तारीख, अर्जन की लागत, शेष उपयोगी जीवन, पहचान संख्यांक, परिवर्तित अवमूल्यन, बही मूल्य और कोई अन्य सुसंगत ब्यौरे आते हैं।

(ख) अद्यतन वार्षिक वित्तीय विवरणियां;

(ग) कारपोरेट ऋणी की पिछले दो वित्तीय वर्षों की लेखापरीक्षित वित्तीय विवरणियां और चालू वित्तीय वर्ष की अनंतिम वित्तीय विवरणियां।

(घ) दावों की ऐसी सूची, जिसमें लेनदारों के नाम, उनके दावों की रकमें और ऐसे दावों की बाबत प्रतिभूति हित, यदि कोई है, अंतर्विष्ट हों;

(ङ) संबद्ध पक्षकारों की बाबत कारपोरेट ऋणी से देय या उसे शोध्य ऋण की विशिष्टियां;

(च) उन प्रत्याभूतियों के, जो कारपोरेट ऋणी के ऋणों के संबंध में अन्य व्यक्तियों द्वारा दी गई हैं, यह विनिर्दिष्ट करते हुए ब्यौरे कि इनमें से कौनसा प्रत्याभूतिदाता संबद्ध पक्षकार है;

(छ) उन सदस्यों या भागीदारों के नाम और पते, जो कारपोरेट ऋणी में कम से कम एक प्रतिशत दांव धारण किए हुए हैं तथा दांव का आकार;

(ज) सरकार द्वारा और कानूनी प्राधिकारियों द्वारा संस्थित सभी तात्विक मुकदमेबाजी के और चालू अन्वेषण या कार्यवाही के ब्यौरे;

(झ) कर्मकारों और कर्मचारियों की संख्या और उनके प्रति कारपोरेट ऋणी के दायित्व; और

(ञ) ऐसी अन्य जानकारी, जो कारपोरेट ऋणी या समाधान व्यावसायिक समिति के लिए सुसंगत समझे।

(3) समाधान व्यावसायिक, उप-विनियम (2) के अधीन ब्यौरों सहित सूचना ज्ञापन को अंतिम रूप देगा और उसे समिति के सदस्य से यह वचनबंध प्राप्त होने के पश्चात् पूर्व निर्धारित दिवाला प्रारंभ होने के चौदह दिनों के भीतर समिति के सदस्यों को प्रस्तुत करेगा कि ऐसा सदस्य या समाधान व्यावसायिक सूचना की गोपनीयता बनाए रखेंगे और स्वयं को या किसी अन्य व्यक्ति को अनुचित लाभ या अनुचित हानि कारित करने के लिए ऐसी सूचना का उपयोग नहीं करेंगे।

(4) समिति का कोई सदस्य, समाधान व्यावसायिक या कारपोरेट ऋणी को इस विनियम में वर्णित प्रकृति की अतिरिक्त सूचना के लिए अनुरोध कर सकेगा और यथास्थिति, समाधान व्यावसायिक या कारपोरेट ऋणी सभी सदस्यों को ऐसी जानकारी युक्तियुक्त समय के भीतर प्रदान करेगा यदि ऐसी जानकारी समाधान योजना से संबंधित है।

#### 41. अधिमानी और अन्य संव्यवहार

(1) समाधान व्यावसायिक, पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख के तीसवें दिन या इससे पूर्व इस संबंध में राय बनाएगा कि क्या कारपोरेट ऋणी धारा 43, धारा 45, धारा 50 या धारा 66 के अंतर्गत आने वाले किसी संव्यवहार के अध्यक्षीन रहा है।

(2) जहां समाधान व्यावसायिक की यह राय है कि कारपोरेट ऋणी धारा 43, धारा 45, धारा 50 या धारा 66 के अंतर्गत आने वाले किन्हीं संव्यवहारों के अध्यक्षीन रहा है वहां पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख के पैंतालीसवें दिन को या उससे पूर्व, बोर्ड को सूचना देते हुए एक अवधारण करेगा।

(3) जहां समाधान व्यावसायिक उप-विनियम (2) के अधीन कोई अवधारण करता है वहां वह पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख के साठवें दिन को या उससे पूर्व समुचित अनुतोष के लिए न्यायनिर्णायक प्रधिकारी को आवेदन करेगा।

### अध्याय 9

#### समाधान योजना

#### 42. समाधान योजनाओं को स्कोर देना और उनमें सुधार करना

समाधान योजनाओं पर विचार करने के प्रयोजनों के लिए

(i) "मूल्यांकन के लिए आधार" से वह आधार अभिप्रेत है, जिसके अंतर्गत किसी समाधान योजना को स्कोर (अंक) देने के लिए उसका मूल्यांकन करने हेतु समिति द्वारा यथा-अनुमोदित और समाधान योजनाओं के लिए आमंत्रण में प्रकटित लागू किए जाने वाले पैरामीटर और ऐसे पैरामीटरों को लागू करने की रीति भी है।

**दृष्टांत 1**

समिति समाधान योजनाओं का मूल्यांकन करने के लिए तीन पैरामीटरों की पहचान कर सकेगी, अर्थात्, एक्स, वाई और जैड। वह इन पैरामीटरों को एक फार्मूले के रूप में लागू कर सकेगी, अर्थात्,  $1.5\text{एक्स} + 2\text{वाई} + 2.5\text{जैड}$ । जहां एक्स, वाई और जैड का मूल्य क्रमशः 20, 25 और 30 है, समाधान योजना का स्कोर  $1.5(20) + 2(25) + 2.5(30) = 155$  है।

**दृष्टांत 2**

समिति समाधान योजनाओं का मूल्यांकन करने के लिए तीन पैरामीटरों की पहचान कर सकेगी, अर्थात्, एक्स, वाई और जैड। वह इन पैरामीटरों को एक फार्मूले के रूप में लागू कर सकेगी, अर्थात्, एक्स के 20 से कम न होने के अधीन रहते हुए,  $1.5\text{एक्स} + 2\text{वाई} + 2.5\text{जैड}$ । जहां एक्स, वाई और जैड का मूल्य क्रमशः 20, 25 और 30 है, समाधान योजना का स्कोर  $1.5(20) + 2(25) + 2.5(30) = 155$  है। वह इन पैरामीटरों को एक फार्मूले के रूप में लागू कर सकेगी, अर्थात्, एक्स के 20 से कम न होने के अधीन रहते हुए,  $2\text{वाई} + 2.5\text{जैड}$ । जहां एक्स, वाई और जैड का मूल्य क्रमशः 20, 25 और 30 है, समाधान योजना का स्कोर  $2(25) + 2.5(30) = 125$  है। जहां एक्स, वाई और जैड का मूल्य क्रमशः 15, 40 और 50 है, समाधान योजना एक्स के न्यूनतम मूल्य को पूरा नहीं करती है इसलिए इस योजना का मूल्यांकन नहीं किया जाएगा;

(ii) समाधान योजना के संबंध में “महत्वपूर्ण रूप से बेहतर” से यह अभिप्रेत है कि किसी समाधान योजना का स्कोर समिति द्वारा यथा-अनुमोदित और समाधान योजनाओं के आमंत्रण में प्रकटित किसी अन्य समाधान योजना के स्कोर से कतिपय संख्या या प्रतिशत के आधार पर उच्चतर है;

**दृष्टांत 1**

समिति किसी समाधान योजना को किसी अन्य समाधान योजना से महत्वपूर्ण रूप से बेहतर तब समझ सकेगी यदि पूर्ववर्ती समाधान योजना का स्कोर पश्चात्वर्ती समाधान योजना के स्कोर से 10 तक उच्चतर है। जहां समाधान योजना क और ख के स्कोर क्रमशः 100 और 110 हैं वहां समाधान योजना ख समाधान योजना क से महत्वपूर्ण रूप से बेहतर है। जहां समाधान योजना क और ख के स्कोर क्रमशः 100 और 108 हैं वहां समाधान योजना ख समाधान योजना क से महत्वपूर्ण रूप से बेहतर नहीं है।

**दृष्टांत 2**

समिति किसी समाधान योजना को किसी अन्य समाधान योजना से महत्वपूर्ण रूप से तब बेहतर समझ सकेगी यदि पूर्ववर्ती समाधान योजना का स्कोर पश्चात्वर्ती समाधान योजना के स्कोर से 5 तक उच्चतर है। जहां समाधान योजना क और ख के स्कोर क्रमशः 100 और 107 हैं वहां समाधान योजना ख समाधान योजना क से महत्वपूर्ण रूप से बेहतर है। जहां समाधान योजना के स्कोर क और ख क्रमशः 100 और 104 हैं वहां समाधान योजना ख, समाधान योजना क से महत्वपूर्ण रूप से बेहतर नहीं है।

(iii) “टिक आकार” से समिति द्वारा यथा-अनुमोदित और समाधान योजनाओं के आमंत्रण में प्रकट किए गए स्कोर के निबंधनानुसार किसी अन्य समाधान योजना के मुकाबले न्यूनतम सुधार अभिप्रेत है।

**दृष्टांत 1**

मूल्यांकन के आधार पर, समाधान योजना क और ख के स्कोर क्रमशः 105 और 108 हैं। समाधान योजना ‘क’ का आवेदक, समाधान योजना ‘ख’ के मुकाबले समाधान योजना ‘क’ में सुधार की इच्छा कर सकेगा। उसे समाधान योजना में इतना सुधार करना चाहिए कि समाधान योजना ‘क’ का स्कोर समाधान योजना ‘ख’ के स्कोर से कम से कम टिक आकार तक आधिक हो जाए। यदि टिक आकार 5 है तो समाधान योजना ‘क’ के समाधान आवेदक को समाधान योजना ‘क’ में इतना सुधार करना चाहिए कि समाधान योजना ‘क’ का स्कोर कम से कम  $108+5=113$  हो।

## दृष्टांत 2

दृष्टांत 1 के अधीन उदाहरण में, यदि टिक आकार 5 है तो समाधान योजना 'क' के समाधान आवेदक को समाधान योजना 'क' में इतना सुधार करना चाहिए कि समाधान योजना 'क' का स्कोर कम से कम  $108 \times 1.05 = 113.4$  हो।

### 43. समाधान योजनाओं के लिए आमंत्रण

(1) समाधान व्यावसायिक, धारा 54ट की उपधारा (5) के प्रयोजनों के लिए समाधान योजनाओं के लिए आमंत्रण की संक्षिप्त विशिष्टियां पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख से इक्कीस दिनों के अपश्चात् प्ररूप पी11 में प्रकाशित करेगा।

(2) समाधान व्यावसायिक प्ररूप पी11 निम्न प्रकार प्रकाशित करेगा –

(क) कारपोरेट ऋणी की वैबसाइट पर, यदि कोई है;

(ख) बोर्ड द्वारा इस प्रयोजनार्थ अभिहित वैबसाइट पर, यदि कोई है; और

(ग) किसी अन्य रीति में, जो समिति विनिश्चित करे।

(3) प्ररूप पी 10 में –

(क) इस बात का कथन होगा कि समाधान योजनाओं के लिए आमंत्रण कहां से यथास्थिति, डाउनलोड या अभिप्रास किया जा सकता है; और

(ख) समाधान योजना प्रस्तुत करने की अंतिम तारीख के लिए उपबंध होगा, जो कि उप-विनियम (2) के अधीन समाधान योजना के लिए आमंत्रण जारी करने की तारीख से पन्द्रह दिन से कम नहीं होगी।

(4) समाधान योजनाओं के लिए आमंत्रण में –

(क) प्रक्रिया के प्रत्येक चरण का और समाधान व्यावसायिक और समाधान आवेदक के बीच बातचीत की रीति और प्रयोजन तथा तत्स्थानी समय-सीमा का ब्यौरा होगा;

(ख) (i) मूल्यांकन के लिए आधार; (ii) किसी समाधान योजना को अन्य समाधान योजना से महत्वपूर्ण रूप से बेहतर मानने के लिए आधार; (iii) टिक आकार; और (iv) समाधान योजना में सुधार करने की रीति शामिल होगी; और

(ग) समाधान योजना प्रस्तुत करने या उसके साथ संलग्न करने के लिए किसी अप्रतिदेय निक्षेप की अपेक्षा नहीं की जाएगी।

(5) समाधान व्यावसायिक समाधान आवेदक से, यदि उसकी समाधान योजना धारा 54ट की उपधारा (13) के अधीन अनुमोदित हो जाती है, उसमें विनिर्दिष्ट समय के भीतर कार्य-निष्पादन प्रतिभूति देने की अपेक्षा करेगा और ऐसी कार्य-निष्पादन प्रतिभूति तब ज़ब्त हो जाएगी यदि ऐसी योजना का समाधान आवेदक, न्यायनिर्णायक प्राधिकारी द्वारा उसका अनुमोदन किए जाने के पश्चात्, उस योजना को योजना के निबंधनानुसार और उसकी कार्यान्वयन अनुसूची के अनुसार, कार्यान्वित करने में असफल होता है या उसके कार्यान्वयन की असफलता में योगदान करता है।

**स्पष्टीकरण 1** – इस उप-विनियम के प्रयोजनों के लिए, “कार्यनिष्पादन प्रतिभूति” से ऐसी प्रकृति, मूल्य, अवधि और स्रोत की प्रतिभूति अभिप्रेत है, जो समाधान योजना की प्रकृति और कारपोरेट ऋणी के कारबार को ध्यान में रखते हुए समिति के अनुमोदन से समाधान योजनाओं के लिए आमंत्रण में विनिर्दिष्ट की जाए।

**स्पष्टीकरण 2** – कार्यनिष्पादन प्रतिभूति को आत्यांतिक निबंधनों में विनिर्दिष्ट किया जा सकेगा, जैसे किसी बैंक से 'X' रूपयों की 'Y' वर्षों के लिए प्रत्याभूति या एक या अधिक चर वस्तुओं के संबंध में, जैसे समाधान योजना की अवधि, समाधान योजना के अधीन लेनदारों को संदेय रकम, आदि।

### 44. समाधान योजना

समाधान योजना में उसकी आस्तियों को अधिकतम मूल्य तक ले जाने के लिए अध्यक्षियों का उपबंध होगा जिनके अंतर्गत निम्नलिखित हैं :-

- (क) कारपोरेट ऋणी की समस्त या आंशिक आस्तियों को एक या अधिक व्यक्तियों को अंतरित करना;
- (ख) समस्त आस्तियों या उसके भाग का विक्रय, चाहे वे किसी प्रतिभूति हित के अध्यक्षीन हो अथवा नहीं;
- (ग) कारपोरेट ऋणी का विलयन, आमेलन और निर्विलयन द्वारा पुनर्गठन;
- (घ) कारपोरेट ऋणी के शेयरों का सारवान् अर्जन;
- (ङ) कारपोरेट ऋणी के किन्हीं शेयरों को रद्द या असूचीबद्ध करना, यदि लागू हो:
- (च) किसी प्रतिभूति हित का तुष्टिकरण या उपांतरण;
- (छ) कारपोरेट ऋणी से देय किसी ऋण के निबंधनों के किसी भंग में सुधार या उसका अधित्यजन;
- (ज) लेनदारों को संदेय रकम में कटौती;
- (झ) कारपोरेट ऋणी से देय किसी ऋण की परिपक्वता तारीख में विस्तार या ब्याज की दर या अन्य निबंधनों में परिवर्तन;
- (ञ) कारपोरेट ऋणी के गठन संबंधी दस्तावेजों में संशोधन;
- (ट) नकदी, संपत्ति, प्रतिभूतियों के लिए या दावों या हितों के आदान-प्रदान में या अन्य समुचित प्रयोजन के लिए कारपोरेट ऋणी की प्रतिभूतियां जारी करना;
- (ठ) कारपोरेट ऋणी द्वारा उत्पादित माल या प्रदान की गई सेवाओं के पोर्टफोलियों में परिवर्तन;
- (ड) कारपोरेट ऋणी द्वारा प्रयुक्त प्रौद्योगिकी में परिवर्तन; और
- (ढ) केन्द्रीय सरकार और राज्य सरकारों तथा अन्य प्राधिकारियों से आवश्यक अनुमोदन अभिप्राप्त करना ।

#### 45. समाधान योजना की आज्ञापक अंतर्वस्तुएं

(1) समाधान योजना में निम्नलिखित होगा –

- (क) यह शपथपत्र कि समाधान आवेदक संहिता के अधीन कारपोरेट ऋणी के समाधान के लिए समाधान योजना प्रस्तुत करने का पात्र है;
- (ख) इस बारे में ब्यौरे देते हुए कथन कि क्या समाधान आवेदक या उससे संबद्ध कोई पक्षकार इससे पूर्व किसी भी समय न्यायनिर्णायक प्राधिकारी द्वारा अनुमोदित किसी अन्य समाधान योजना को कार्यान्वित करने में असफल रहा है या उसने उसके कार्यान्वयन की असफलता में योगदान किया है; और
- (ग) यह वचनबंध कि समाधान योजना में या उसके संबंध में प्रदान की गई प्रत्येक जानकारी और अभिलेख सही और सत्य है और किसी भी समय मिथ्या जानकारी और अभिलेख का पता चलने पर समाधान आवेदक संहिता के अधीन किसी समाधान प्रक्रिया में भाग लेने से अपात्र हो जाएगा ।

(2) समाधान योजना में निम्नलिखित बातें होगी –

- (क) योजना की अवधि और उसकी कार्यान्वयन अनुसूची;
- (ख) उसकी अवधि के दौरान कारपोरेट ऋणी के कारबार का प्रबंधन और नियंत्रण;
- (ग) उसके कार्यान्वयन का पर्यवेक्षण करने के लिए पर्याप्त साधन ।

(3) समाधान योजना से यह प्रदर्शित होगा कि –

- (क) वह व्यतिक्रम के कारण को दूर करती है;
- (ख) वह साध्य और व्यवहार्य है;

(ग) उसमें उसके प्रभावी कार्यान्वयन के लिए उपबंध हैं;

(घ) उसमें अपेक्षित अनुमोदनों के लिए और उसकी समय-सीमा के लिए उपबंध हैं; और

(ङ) समाधान आवेदक, समाधान योजना को कार्यान्वित करने में सक्षम है।

(4) समाधान योजना में इस संबंध में एक कथन शामिल होगा कि उसमें सभी हितधारकों के, जिसके अंतर्गत कारपोरेट ऋणी के वित्तीय लेनदार और परिचालन लेनदार भी हैं, हितों के संबंध में किस प्रकार कार्यवाही की गई है।

(5) किसी समाधान योजना के अधीन –

(क) परिचालन लेनदारों को संदेय रकम का संदाय करने के मामले में वित्तीय लेनदारों के मुकाबले प्राथमिकता दी जाएगी; और

(ख) वित्तीय लेनदारों को, जिन्हें धारा 21 की उपधारा (2) के अधीन मतदान करने का अधिकार प्राप्त है और उन्होंने समाधान योजना के पक्ष में मतदान नहीं किया था, संदेय रकम का संदाय करने के संबंध में ऐसे वित्तीय लेनदारों के मुकाबले, जिन्होंने योजना के पक्ष में मतदान किया था, प्राथमिकता दी जाएगी।

#### 46. समाधान योजनाएं प्रस्तुत करना

(1) समाधान आवेदक, संहिता और इन विनियमों के अनुसार तैयार की गई समाधान योजना या योजनाओं को समाधान योजना के लिए आमंत्रण में दिए गए समय के भीतर इलैक्ट्रॉनिक माध्यम से समाधान व्यावसायिक को प्रस्तुत कर सकेगा।

(2) ऐसी समाधान योजना को, जो उप-विनियम के उपबंधों का अनुपालन नहीं करती है, अस्वीकार कर दिया जाएगा।

#### 47. समाधान योजनाओं का मूल्यांकन

(1) विनियम 46 के अधीन प्राप्त उन समाधान योजनाओं का, जो संहिता और इन विनियमों की अपेक्षाओं का अनुपालन करती हैं, मूल्यांकन के आधार पर मूल्यांकन किया जाएगा।

(2) उस समाधान योजना को, जो उप-विनियम (1) के अधीन उच्चतर स्कोर प्राप्त करती है, आधारिक समाधान योजना के साथ प्रतिस्पर्धा करने के लिए चयनित किया जाएगा।

#### 48. समाधान योजना का अनुमोदन

(1) विनियम 47 के अधीन चयनित समाधान योजना पर समिति द्वारा अनुमोदन के लिए विचार किया जाएगा, यदि वह आधारिक समाधान योजना से महत्वपूर्ण रूप से बेहतर है।

(2) जहां विनियम 46 के अधीन कोई ऐसी समाधान योजना प्राप्त नहीं होती है, जो संहिता और इन विनियमों की अपेक्षाओं का अनुपालन करती है वहां आधारिक योजना पर समिति द्वारा अनुमोदन के लिए विचार किया जा सकेगा।

(3) उप-विनियम (1) और उप-विनियम (2) के अंतर्गत न आने वाले मामलों में, समाधान व्यावसायिक, विनियम 46 के अधीन चयनित समाधान योजना और आधारिक समाधान योजना के स्कोर को इन समाधान योजनाओं के प्रस्तुतकर्ताओं को प्रकट करेगा और उन्हें उप-विनियम (4) के अनुसार अपनी समाधान योजनाओं में सुधार करने के लिए आमंत्रित करेगा।

(4) उप-विनियम (3) के अधीन समाधान योजना के प्रस्तुतकर्ता के पास अपनी योजना में निम्नलिखित रीति में सुधार करने का विकल्प होगा:-

(क) उस समाधान योजना के प्रस्तुतकर्ता के पास, जिसका स्कोर निम्नतर है, अपनी समाधान योजना में कम से कम एक टिक आकार तक सुधार करने का विकल्प होगा।

(ख) इसके बाद अन्य समाधान योजना के प्रस्तुतकर्ता के पास अपनी समाधान योजना में कम से कम एक टिक आकार तक सुधार करने का विकल्प होगा।

(ग) इसके बाद खंड (क) के अधीन प्रस्तुतकर्ता के पास अपनी समाधान योजना में कम से कम एक टिक आकार तक सुधार करने का विकल्प होगा।

(घ) इसके बाद खंड (ख) के अधीन प्रस्तुतकर्ता के पास अपनी समाधान योजना में कम से कम एक टिक आकार तक सुधार करने का विकल्प होगा।

सुधार करने की प्रक्रिया तब तक जारी रहेगी जब तक दोनों में से कोई प्रस्तुतकर्ता समाधान योजनाओं के लिए आमंत्रण में विनिर्दिष्ट समय के भीतर अपने विकल्प का प्रयोग करने में असफल नहीं हो जाता।

- (5) उप-विनियम (3) से उप-विनियम (4) के अधीन प्रक्रिया अड़तालीस घंटे की समय विंडो के भीतर पूरी कर दी जाएगी।  
 (6) उप-विनियम (4) के अधीन सुधार करने की प्रक्रिया पूरी होने पर उच्चतर स्कोर वाली समाधान योजना पर समिति द्वारा अनुमोदन के लिए विचार किया जाएगा।

#### 49. न्यायनिर्णायक प्राधिकारी को आवेदन

- (1) जहां किसी समाधान योजना का समिति द्वारा अनुमोदन कर दिया जाता है वहां समाधान व्यावसायिक, प्ररप पी12 में अनुपालन प्रमाणपत्र सहित एक आवेदन न्यायनिर्णायक प्राधिकारी को अनुमोदन के लिए प्रस्तुत करेगा।  
 (2) समाधान व्यावसायिक, समाधान योजना को अनुमोदित या अस्वीकार करने वाले न्यायनिर्णायक प्राधिकारी के आदेश की एक प्रति तुरंत भागीदारों और समाधान आवेदक को तुरंत भेजेगा।  
 (3) समाधान व्यावसायिक, किसी समाधान योजना का अनुमोदन करने वाले न्यायनिर्णायक प्राधिकारी के आदेश से सात दिन के भीतर प्रत्येक दावेदार को ऐसी समाधान योजना के अधीन ऋणों के संदाय के लिए यथास्थिति, सिद्धांत या फार्मूला संसूचित करेगा।  
 (4) जहां समिति द्वारा किसी भी समाधान योजना का अनुमोदन नहीं किया जाता है या समिति ने प्रक्रिया के पर्यवसान का अनुमोदन कर दिया है वहां समाधान व्यावसायिक, न्यायनिर्णायक प्राधिकारी को प्ररूप पी13 में प्रक्रिया के पर्यवसान के लिए आवेदन फाइल करेगा।

### अध्याय 10

#### कारपोरेट ऋणी के कामकाज का प्रबंध

#### 50. प्रक्रिया के दौरान प्रबंधन

- (1) कारपोरेट ऋणी, कारपोरेट ऋणी के कामकाज का प्रबंधन ऐसी रीति में, जो कारपोरेट ऋणी के लेनदारों के हितों के प्रतिकूल है या किसी कपटपूर्ण रीति में नहीं करेगा।  
 (2) कारपोरेट ऋणी, समिति का पूर्व अनुमोदन अभिप्राप्त किए बिना निम्नलिखित में से कोई भी कार्यवाही नहीं करेगा, अर्थात्,-  
 (क) समिति द्वारा यथा-विनिश्चित सीमा के ऊपर संव्यवहार; और  
 (ख) समिति द्वारा यथा-विनिश्चित और धारा 28 के अंतर्गत न आने वाला कोई अन्य विषय।  
 (3) कारपोरेट ऋणी, समाधान व्यावसायिक के परामर्श से एक मासिक रिपोर्ट तैयार करेगा और उसे निम्नलिखित व्यौरों सहित समिति के सदस्यों को अग्रेषित करेगा:  
 (क) उन विधिक कार्यवाहियों के व्यौरे, जिसका कारपोरेट ऋणी के कारबार पर तात्विक प्रभाव है;  
 (ख) रिपोर्ट की अवधि के दौरान निष्पादित प्रमुख संविदाओं के व्यौरे; और  
 (ग) ऐसा कोई अन्य सुसंगत विषय, जिसका कारपोरेट ऋणी के कारबार पर तात्विक प्रभाव हो सकता है।  
 (4) समाधान व्यावसायिक:  
 (क) कारपोरेट ऋणी के प्रचालनों से संबंधित कोई जानकारी, जिसके अंतर्गत संदाय पद्धति भी है, मंगा सकेगा;  
 (ख) कारपोरेट ऋणी के परिसर में जा सकेगा;  
 (ग) कारपोरेट ऋणी की आस्तियों का निरीक्षण कर सकेगा;  
 (घ) कारपोरेट ऋणी को लागू अनुपालनों और उसकी प्रास्थिति से संबंधित जानकारी मंगा सकेगा ;  
 (ङ) कारपोरेट ऋणी द्वारा या उसके विरुद्ध संस्थित मुकदमेबाजी से संबंधित व्यौरों की अपेक्षा कर सकेगा;  
 (च) प्रक्रिया के दौरान कारपोरेट ऋणी का आचरण अभिनिश्चित करने के लिए व्यौरों की मांग कर सकेगा।



**51. प्रबंधतंत्र का समाधान व्यावसायिक में निहित होना**

धारा 54अ की उपधारा (1) के प्रयोजनार्थ, समाधान व्यावसायिक प्ररूप पी14 में एक आवेदन करेगा।

**अनुसूची  
प्ररूप पी1  
लिखित सहमति**

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 7(1)  
के अधीन]

(तारीख)

सेवा में,

न्यायनिर्णायक प्राधिकारी

[न्यायपीठ]

प्रेषक:

[दिवाला व्यावसायिक का नाम]

[दिवाला व्यावसायिक का रजिस्ट्रीकरण संख्यांक]

[बोर्ड के पास रजिस्ट्रीकृत दिवाला व्यावसायिक का पता]

**विषय: .....(कारपोरेट ऋणी का नाम) के मामले में लिखित सहमति।**

1. मैं, .....(दिवाला व्यावसायिक का नाम) ..... (दिवाला व्यावसायिक एजेंसी का नाम) के पास नामांकित और बोर्ड के पास रजिस्ट्रीकृत हूँ। मेरी

(i) .....(कारपोरेट ऋणी का नाम) की कारपोरेट दिवाला समाधान प्रक्रिया के लिए दिवाला और शोधन अक्षमता संहिता, 2016 की धारा 54ण के अधीन अंतरिम समाधान व्यावसायिक के रूप में

या

(ii) .....(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया के लिए दिवाला और शोधन अक्षमता संहिता, 2016 की धारा 54क या धारा 27 के अधीन समाधान व्यावसायिक के रूप में नियुक्ति के लिए प्रस्ताव किया गया है।

*[उस भाग को काट दीजिए, जो सुसंगत नहीं है]*

2. मैं प्रस्तावित नियुक्ति के लिए अपनी सहमति देता हूँ।

3. मेरे पास इस समय निम्नलिखित प्रक्रियाएं हैं:

क्रम सं.	भूमिका	सहमति की तारीख को प्रक्रियाओं की संख्या
I	II	III
1	अंतरिम समाधान व्यावसायिक	

2	क. कारपोरेट व्यक्तियों के लिए दिवाला समाधान प्रक्रियाओं ख. पूर्व निर्धारित दिवाला समाधान प्रक्रियाओं ग. व्यष्टियों के लिए दिवाला समाधान प्रक्रियाओं में समाधान व्यावसायिक	
3	क. समापन प्रक्रियाओं ख. स्वेच्छया समापन प्रक्रियाओं का परिसमापक	
4	शोधन-अक्षमता न्यासी	
5	प्राधिकृत प्रतिनिधि	
6	कोई अन्य (कृपया वर्णन करें)	

## 4. मैं निम्न प्रकार घोषणा और प्रतिज्ञान करता हूँ:-

क. मैं बोर्ड या दिवाला व्यावसायिक एजेंसी द्वारा संस्थित किसी अनुशासनात्मक कार्यवाही के अध्यक्षीन नहीं हूँ।

ख. मैं समाधान व्यावसायिक के रूप में कार्य करने संबंधी किसी निःशक्तता से ग्रस्त नहीं हूँ।

ग. मैं भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 7 और संहिता तथा विनियमों के अन्य लागू उपबंधों के अधीन कारपोरेट ऋणी के अंतरिम समाधान व्यावसायिक/समाधान व्यावसायिक के रूप में नियुक्त किए जाने का पात्र हूँ।

घ. मैं भारतीय दिवाला और शोधन अक्षमता बोर्ड (दिवाला व्यावसायिक) विनियम, 2016 में उपवर्णित दिवाला व्यावसायिकों के लिए आचार संहिता के अनुसार प्रकटन करूंगा।

तारीख:	(दिवाला व्यावसायिक के हस्ताक्षर
स्थान:	रजिस्ट्रीकरण संख्यांक-----
	नियतकार्य के लिए प्राधिकार-पत्र सं.(ए.एफ.ए.) .....
	ए.एफ.ए. के समाप्त होने की तारीख.....
	(स्पष्ट अक्षरों में नाम)
	(दिवाला व्यावसायिक संस्था का नाम, यदि लागू हो)

## [कारपोरेट ऋणी का नाम] के लेनदारों की सूची

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 14 के अधीन]

[तारीख] को यथा-विद्यमान

वित्तीय लेनदारों की सूची (असंबद्ध)			
I	II	III	IV
क्रम सं.	लेनदार का नाम	दावे की रकम	दावे की प्रतिशतता
1.			
2.			

3.			
<b>वित्तीय लेनदारों की सूची (संबद्ध)</b>			
क्रम सं.	लेनदार का नाम	दावे की रकम	दावे की प्रतिशतता
1.			
2.			
3.			
<b>परिचालन लेनदारों की सूची (असंबद्ध)</b>			
क्रम सं.	लेनदार का नाम	दावे की रकम	दावे की प्रतिशतता
1.			
2.			
3.			
<b>परिचालन लेनदारों की सूची (संबद्ध)</b>			
क्रम सं.	लेनदार का नाम	दावे की रकम	दावे की प्रतिशतता
1.			
2.			
3.			
<b>अन्य लेनदारों की सूची (असंबद्ध)</b>			
क्रम सं.	लेनदार का नाम	दावे की रकम	दावे की प्रतिशतता
1.			
2.			
3.			
<b>अन्य लेनदारों की सूची (संबद्ध)</b>			
क्रम सं.	लेनदार का नाम	दावे की रकम	दावे की प्रतिशतता
1.			
2.			
3.			

[कारपोरेट आवेदक की ओर से]

(हस्ताक्षर)

जानकारी प्रस्तुत करने वाले व्यक्ति का नाम

कारपोरेट ऋणी से संबंध

## प्ररूप पी3

## समाधान व्यावसायिक की नियुक्ति के निबंधनों का अनुमोदन

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 14(5) के अधीन]

1. ....(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया के लिए समाधान व्यावसायिक के नाम का प्रस्ताव करने और उसका अनुमोदन करने के लिए उन वित्तीय लेनदारों की, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं, ....(बैठक की तारीख) को .....(बैठक का समय).....(बैठक का स्थान) पर बैठक आयोजित की गई थी।
2. लेनदारों की सूची उक्त बैठक की सूचना के साथ प्ररूप पी2 में उपलब्ध कराई गई थी।
3. उक्त बैठक में उपस्थित लेनदार(लेनदारों) के ब्यौरे उपाबंध-क के रूप में संलग्न हैं।
4. ....[लेनदार(लेनदारों) का नाम], जिनका ऋण\* ....प्रतिशत है, ने.....(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया के लिए .....(प्रस्तावित समाधान व्यावसायिक का नाम), जिसका रजिस्ट्रीकरण संख्यांक..... (रजिस्ट्रीकरण संख्यांक) है, के नाम का समाधान व्यावसायिक के रूप में नियुक्ति के लिए प्रस्ताव किया है।
5. निम्नलिखित लेनदार(लेनदारों) ने .....(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया के लिए .....(प्रस्तावित समाधान व्यावसायिक का नाम), जिसका रजिस्ट्रीकरण संख्यांक..... (रजिस्ट्रीकरण संख्यांक) है, की समाधान व्यावसायिक के रूप में नियुक्ति करने का अनुमोदन कर दिया है:-

क्रम सं.	लेनदार(लेनदारों का(के) नाम	ऋण की रकम*	ऋण की प्रतिशतता*	मत		
				सम्मत	विसम्मत	अनुपस्थित
I	II	III	IV	V	VI	VI
1						
2						
3						
कुल						

6. ऊपर उल्लिखित लेनदार(लेनदारों) ने .....(प्रस्तावित समाधान व्यावसायिक का नाम) की नियुक्ति के निम्नलिखित निबंधनों को भी अनुमोदित कर दिया है:

क्रम सं.	विशिष्टियां	फीस(रकम ₹ में)	टिप्पणियां
I	II	III	IV
1.	धारा 54ख की उपधारा (1) के अधीन कर्तव्यों का पालन करने के लिए समाधान व्यावसायिक को संदेय फीस		
2	धारा 54च के अधीन प्रक्रिया का संचालन करने के लिए समाधान व्यावसायिक को संदेय फीस और उसके द्वारा उपगत किए जाने वाले व्यय		
3	धारा 54ज के अधीन कारपोरेट ऋणी के मामला प्रबंधन के लिए समाधान व्यावसायिक को संदेय फीस और उसके द्वारा उपगत किए जाने वाले व्यय		

7. ....(लेनदार का नाम) पैरा 5 में की सारणी में उल्लिखित समस्त/सम्मत लेनदार(लेनदारों) की ओर से इस प्ररूप पर हस्ताक्षर करने के लिए सम्यक् रूप से प्राधिकृत है।

[लेनदार का नाम]

(हस्ताक्षर)

(स्पष्ट अक्षरों में नाम)

(पदनाम)

\*ऋण से उन वित्तीय लेनदारों को, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं, देय कुल वित्तीय ऋण अभिप्रेत है।

(कृपया प्ररूप में उपयुक्त रूप से उपांतरण कर लें, जहां लेनदार परिचालन लेनदार हैं)

## प्ररूप पी4

.....(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने के लिए अनुमोदन

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 14(7) के अधीन]

1. ....(कारपोरेट ऋणी का नाम) की बाबत पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने का अनुमोदन प्रदान करने के लिए उन वित्तीय लेनदारों की, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं, .....(बैठक की तारीख) को .....(बैठक का समय).....(बैठक का स्थान) पर बैठक आयोजित की गई थी।
2. उक्त बैठक की सूचना के साथ निम्नलिखित दस्तावेज़ संलग्न किए गए थे:
  - क. लेनदारों की सूची प्ररूप पी2 में;
  - ख. सदस्यों/भागीदारों द्वारा घोषणा की प्रति प्ररूप पी6 में;
  - ग. यथास्थिति, सदस्यों के विशेष संकल्प या भागीदारों के संकल्प की प्रति;
  - घ. आधारीक समाधान योजना; और
  - ङ. अन्य सुसंगत जानकारी या दस्तावेज़, यदि कोई हैं।
3. उक्त बैठक में उपस्थित लेनदार(लेनदारों) के ब्यौरे उपाबंध-क के रूप में इससे संलग्न है।
4. निम्नलिखित लेनदार(लेनदारों) ने कारपोरेट ऋणी का नाम) की बाबत पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने के लिए अनुमोदन कर दिया है:-

क्रम सं.	लेनदार(लेनदारों का(के) नाम	ऋण की रकम*	ऋण की प्रतिशतता*	मत		
				सम्मत	विसम्मत	अनुपस्थित
I	II	III	IV	V	V I	VI
1						
2						
3						
कुल						

- 5 .....(लेनदार का नाम) उपर्युक्त सारणी में उल्लिखित समस्त/सम्मत लेनदार(लेनदारों) की ओर से इस प्ररूप पर हस्ताक्षर करने के लिए सम्यक् रूप से प्राधिकृत है।

[लेनदार का नाम]

(हस्ताक्षर)

(स्पष्ट अक्षरों में नाम)

(पदनाम)

\*ऋण से उन वित्तीय लेनदारों को, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं, देय कुल वित्तीय ऋण अभिप्रेत है।

(कृपया प्ररूप में उपयुक्त रूप से उपांतरण कर लें, जहां लेनदार परिचालन लेनदार हैं)

## प्ररूप पी5

## प्राधिकृत प्रतिनिधि के रूप में कार्य करने के लिए लिखित सहमति

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 15(3) के अधीन]

(तारीख)

प्रेषक:

[दिवाला व्यावसायिक का नाम]

[दिवाला व्यावसायिक का रजिस्ट्रीकरण संख्यांक]

[बोर्ड के पास रजिस्ट्रीकृत दिवाला व्यावसायिक का पता]

सेवा में,

[समाधान व्यावसायिक का नाम]

(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया का समाधान व्यावसायिक

विषय: प्राधिकृत प्रतिनिधि के रूप में कार्य करने की लिखित सहमति ।

1. मैं, (नाम) ..... (दिवाला व्यावसायिक एजेंसी का नाम) के पास नामांकित और बोर्ड के पास रजिस्ट्रीकृत दिवाला व्यावसायिक यह नोट करता हूँ कि आपने मुझे .....(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया के लिए .....(वर्ग विनिर्दिष्ट करें) वर्ग में वित्तीय लेनदारों के प्राधिकृत प्रतिनिधि के रूप में नियुक्त करने का प्रस्ताव किया है ।
2. मैं प्रस्तावित नियुक्ति के लिए अपनी सहमति देता हूँ ।
3. मेरे पास इस समय निम्नलिखित प्रक्रियाएं हैं:

क्रम सं.	भूमिका	सहमति की तारीख को प्रक्रियाओं की संख्या
I	II	III
1	अंतरिम समाधान व्यावसायिक	
2	क. कारपोरेट व्यक्तियों के लिए दिवाला समाधान प्रक्रियाओं ख. पूर्व निर्धारित दिवाला समाधान प्रक्रियाओं ग. व्यष्टियों के लिए दिवाला समाधान प्रक्रियाओं में समाधान व्यावसायिक	
3	क. समापन प्रक्रियाओं ख. स्वेच्छया समापन प्रक्रियाओं का परिसमापक	
4	शोधन-अक्षमता न्यासी	
5	प्राधिकृत प्रतिनिधि	
6	कोई अन्य (कृपया वर्णन करें)	

4. मैं निम्न प्रकार घोषणा और प्रतिज्ञान करता हूँ:-

- क). मैं बोर्ड या दिवाला व्यावसायिक एजेंसी द्वारा संस्थित किसी अनुशासनात्मक कार्यवाही के अध्यक्षीन नहीं हूँ।  
 ख). मैं समाधान व्यावसायिक के रूप में कार्य करने संबंधी किसी निःशक्तता से ग्रस्त नहीं हूँ।  
 ग). मैं लेनदारों से मेरे पक्ष में अपनी पसन्द उपदर्शित करने के लिए प्रचार नहीं करूंगा।

तारीख:	(दिवाला व्यावसायिक के हस्ताक्षर
स्थान:	रजिस्ट्रीकरण संख्यांक-----
	नियतकार्य के लिए प्राधिकार-पत्र सं.(ए.एफ.ए.) .....
	ए.एफ.ए. के समाप्त होने की तारीख.....
	(स्पष्ट अक्षरों में नाम)
	(दिवाला व्यावसायिक संस्था का नाम, यदि लागू हो)

### प्ररूप पी6

#### निदेशक/भागीदारों द्वारा घोषणा

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 16(1) के अधीन]  
 (तारीख)

सेवा में,

न्यायनिर्णायक प्राधिकारी

[ न्यायपीठ]

विषय: [कारपोरेट ऋणी का नाम] की बाबत पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने के लिए घोषणा

हम

क्रम सं.	नाम और पदनाम	निदेशक पहचान संख्यांक	पता
I	II	III	IV
1			
2			
3			

जो .....[कारपोरेट ऋणी का नाम] के निदेशकों/भागीदारों में से बहुमत का प्रतिनिधित्व करते हैं और हमारा रजिस्ट्रीकृत कार्यालय.....(पता) स्थित है, निम्न प्रकार घोषणा और प्रतिज्ञान करते हैं:

- कारपोरेट ऋणी .....(दिनों की संख्या अंतःस्थापित करें) के भीतर पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने के लिए आवेदन फाइल करेगा;
- पूर्व निर्धारित दिवाला समाधान प्रक्रिया किसी व्यक्ति के साथ कपट करने के लिए आरंभ नहीं की जा रही है;

iii. लेनदारों ने भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 8 के साथ पठित धारा 54क की उपधारा (2) के खंड (ड) के अधीन बुलाई गई .....(बैठक की तारीख) को आयोजित बैठक में .....(दिवाला व्यावसायिक का नाम), जिसका रजिस्ट्रीकरण संख्यांक.....(रजिस्ट्रीकरण संख्यांक) है, के नाम का अनुमोदन किया है।

iv. कारपोरेट ऋणी के ब्यौरे निम्न प्रकार हैं:

क्रम सं.	शीर्ष	ब्यौरे
I	II	III
1.	कारपोरेट ऋणी का नाम	
2.	कारपोरेट ऋणी का रजिस्ट्रीकृत पता	
3.	कारपोरेट ऋणी के निगमन की तारीख	
4.	पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने के लिए न्यायनिर्णायक प्राधिकारी के पास आवेदन फाइल करने की अनुमानित तारीख	

v. घोषणा की अंतर्वस्तु सही और सत्य है और हमने कुछ भी छिपाया नहीं है तथा इसका कोई भी भाग मिथ्या नहीं है।

तारीख:	(निदेशक/भागीदार के हस्ताक्षर).....
स्थान:	(नाम स्पष्ट आक्षरों में)..... डी.आई.एन..... पता.....
तारीख:	(निदेशक/भागीदार के हस्ताक्षर).....
स्थान:	(नाम स्पष्ट आक्षरों में)..... डी.आई.एन..... पता.....

( बिन्दु 1 में उल्लिखित सभी निदेशकों/भागीदारों द्वारा हस्ताक्षर किए जाने हैं)

### प्ररूप पी7

#### परिवर्जनीय संव्यवहार की विद्यमानता के संबंध में घोषणा

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 16(2) के अधीन]  
(तारीख)

सेवा में,

न्यायनिर्णायक प्राधिकारी

[ न्यायपीठ]

मैं.....(नाम) .....(कारपोरेट ऋणी का नाम) का प्रबंध निदेशक/अध्यक्ष/अभिहित भागीदार/भागीदार (निदेशक, यदि कोई प्रबंध निदेशक और अध्यक्ष नहीं है), जिसका पहचान संख्यांक---- (पहचान संख्यांक) है और जिसका रजिस्ट्रीकृत कार्यालय.....(पता) पर स्थित है, यह घोषणा और प्रतिज्ञान करता हूँ कि –

(उस भाग को काट दीजिए, जो सुसंगत नहीं है)



i. कारपोरेट ऋणी दिवाला और शोधन अक्षमता संहिता, 2016(संहिता) के अध्याय 3 या अध्याय 6 के अर्थान्तर्गत और व्याप्ति के अधीन किसी भी संव्यवहार के अध्यक्षीन नहीं रहा है।

या

ii. कारपोरेट ऋणी अध्याय 3 या अध्याय 6 के अर्थान्तर्गत और व्याप्ति के अधीन निम्नलिखित संव्यवहार(संव्यवहारों) के अध्यक्षीन रहा है।

क्रम सं.	किसके साथ संव्यवहार	धारा(43/45/50/66)	अंतर्वलित रकम (₹ में)	टिप्पणी, यदि कोई है
I	II	III	IV	V
1.				
2.				
3.				

सुसंगत दस्तावेजों सहित ऊपर उल्लिखित संव्यवहार(संव्यवहारों) के ब्यौरे देते हुए एक टिप्पण उपाबंध-क के रूप में संलग्न है।

स्थान:

तारीख:

(हस्ताक्षर)

नाम

पदनाम

डी.आई.एन.

पता

### प्ररूप पी8

#### दिवाला व्यावसायिक की रिपोर्ट

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 17 के अधीन]

मैं.....(दिवाला व्यावसायिक का नाम) जिसे .....(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया की बाबत .....(कारपोरेट ऋणी का नाम) के समाधान व्यावसायिक के रूप में नियुक्ति के लिए प्रस्तावित, निम्न प्रकार घोषणा और प्रतिज्ञान करता हूँ:

1. मैंने ऐसी सभी जानकारी और स्पष्टीकरणों की ईप्सा की है और उन्हें अभिप्राप्त कर लिया है, जो मेरे सर्वोत्तम ज्ञान और विश्वास के अनुसार दिवाला और शोधन अक्षमता संहिता, 2016(संहिता) की धारा 54ख और उसके अधीन बनाए गए विनियमों के अधीन रिपोर्ट तैयार करने के प्रयोजनों के लिए आवश्यक हैं।

2. मैंने कारपोरेट ऋणी की प्रास्थिति का अभिनिश्चय करने के लिए अपेक्षित सुसंगत दस्तावेजों और जानकारी की परीक्षा की है और मैं यह पुष्टि करता हूँ कि .....(कारपोरेट ऋणी का नाम) सूक्ष्म, लघु और मध्यम उद्यम विकास अधिनियम, 2006(2006 का 27) की धारा 7 की उपधारा (1) के अधीन एक सूक्ष्म/लघु/मध्यम उद्यम है।

3. मैं यह पुष्टि करता हूँ कि:

i. कारपोरेट ऋणी ने यह आवेदन किए जाने की तारीख से पिछले तीन वर्षों की अवधि के दौरान पूर्व निर्धारित दिवाला समाधान प्रक्रिया नहीं की है या कारपोरेट दिवाला समाधान प्रक्रिया पूरी नहीं की है;

ii. कारपोरेट ऋणी के विरुद्ध कोई कारपोरेट दिवाला समाधान प्रक्रिया नहीं चल रही है;

iii. कारपोरेट ऋणी की बाबत कोई समापन आदेश नहीं किया गया है;

iv. कारपोरेट ऋणी के अधिकांश निदेशकों/भागीदारों ने धारा 54क की उपधारा (2) के खंड (ङ) के अनुसरण में प्ररूप पी6 में एक घोषणा की है; [संलग्नक]

v. कारपोरेट ऋणी के सदस्यों ने पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने के लिए आवेदन फाइल करने का अनुमोदन करते हुए एक विशेष संकल्प पारित किया है या कारपोरेट ऋणी के भागीदारों की कुल संख्या के तीन चौथाई भागीदारों ने एक संकल्प पारित किया है;

vi. कारपोरेट ऋणी के उन लेनदारों ने, जो ऋण\* के .....प्रतिशत का प्रतिनिधित्व करते हैं, धारा 54क की उपधारा (2) के खंड (ङ) के अधीन यथापेक्षित समाधान व्यावसायिक की नियुक्ति के प्रस्ताव का अनुमोदन प्ररूप पी3 में कर दिया है;

vii. कारपोरेट ऋणी के उन लेनदारों ने, जो ऋण\* के .....प्रतिशत का प्रतिनिधित्व करते हैं, .....(कारपोरेट ऋणी का नाम) की बाबत पूर्व निर्धारित दिवाला समाधान प्रक्रिया आरंभ करने के लिए धारा 54क की उपधारा (3) के अधीन यथापेक्षित प्रस्ताव का अनुमोदन प्ररूप पी4 में कर दिया है;

viii. कारपोरेट ऋणी द्वारा उपगत व्यतिक्रम की रकम संहिता की धारा 4 की उपधारा (2) के अधीन अधिसूचित सीमा के भीतर है।

4. मैंने लेनदार (लेनदारों) को धारा 54क की उपधारा (4) के खंड (ग) के अधीन उपलब्ध की गई आधार्किक समाधान योजना की परीक्षा की है और यह पुष्टि करता हूँ कि वह धारा 30 की उपधारा (1) और (2) और धारा 54क का और भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 और अन्य सभी लागू उपबंधों का अनुपालन करती है।

तारीख:

स्थान:

(हस्ताक्षर)

दिवाला व्यावसायिक का नाम

रजिस्ट्रीकरण संख्यांक

\*ऋण से उन वित्तीय लेनदारों को, जो कारपोरेट ऋणी के संबद्ध पक्षकार नहीं हैं, देय कुल वित्तीय ऋण अभिप्रेत है।

### प्ररूप पी9

#### सार्वजनिक उद्घोषणा

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 19(2) के अधीन]

.....(कारपोरेट ऋणी का नाम) के लेनदारों के ध्यानाकर्षण के लिए

यह सूचना दी जाती है कि न्यायनिर्णायक प्राधिकारी-----न्यायपीठ ने (कारपोरेट ऋणी का नाम) के लिए .....(पूर्व निर्धारित दिवाला प्रारंभ होने की तारीख) को पूर्व निर्धारित दिवाला समाधान प्रक्रिया प्रारंभ करने का आदेश कर दिया है।

सुसंगत विशिष्टियां		
I	II	III
1.	कारपोरेट ऋणी का नाम	
2.	पूर्ववर्ती नाम, यदि पिछले दो वर्षों में बदला गया हो	
3.	कारपोरेट ऋणी के निगमन की तारीख	
4.	वह प्राधिकार, जिसके अधीन कारपोरेट ऋणी निगमित/रजिस्ट्रीकृत है	

5.	पहचान संख्यांक	
6.	कारपोरेट ऋणी के रजिस्ट्रीकृत कार्यालय और प्रधान कार्यालय (यदि कोई है) का पता	
7.	प्री-पैकेज दिवाला प्रक्रिया प्रारंभ होने की तारीख	
8.	समाधान व्यावसायिक का नाम और रजिस्ट्रीकरण संख्यांक	
9.	समाधान व्यावसायिक का, बोर्ड के पास रजिस्ट्रीकृत पता और ई-मेल	
10.	समाधान व्यावसायिक के साथ पत्र-व्यवहार के लिए प्रयुक्त पता और ई-मेल	
11.	दावों की सूची (तारीख अंतःस्थापित करें) से उपलब्ध कराई जाएगी:	

(हस्ताक्षर)

समाधान व्यावसायिक का नाम और पता

तारीख:

स्थान:

## प्ररूप पी10

## दावों की सूची

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 20 के अधीन]

\_\_\_\_\_ को यथा-विद्यमान

(रकम ₹ में)

क्रम सं.	लेनदार का वर्ग	दावों का सार		आकस्मिक दावों की रकम	उपाबंध में ब्यौरे	टिप्पणी, यदि कोई है
		दावों की सं.	रकम			
I	II	III	IV	V	VI	VI
1	लेनदारों के किसी भी वर्ग से संबंधित प्रतिभूत वित्तीय लेनदार				1	
2	लेनदारों के किसी भी वर्ग से संबंधित अप्रतिभूत वित्तीय लेनदार				2	
3	प्रतिभूत वित्तीय लेनदार (किसी भी वर्ग से संबंधित वित्तीय लेनदारों से भिन्न)				3	
4	अप्रतिभूत वित्तीय लेनदार (किसी भी वर्ग से संबंधित वित्तीय लेनदारों से भिन्न)				4	
5	परिचालन लेनदार (कर्मकार)				5	
6	परिचालन लेनदार (कर्मचारी)				6	
7	परिचालन लेनदार (सरकारी देय)				7	
8	परिचालन लेनदार (कर्मकारों, कर्मचारियों और सरकारी देयों से भिन्न)				8	

9	अन्य लेनदार, यदि कोई हैं (वित्तीय लेनदारों और परिचालन लेनदारों से भिन्न)				9	
कुल						

[कारपोरेट ऋणी की ओर से] हस्ताक्षर जानकारी प्रस्तुत करने वाले व्यक्ति का नाम कारपोरेट ऋणी से संबंध	या	[समाधान व्यावसायिक की ओर से] हस्ताक्षर दिवाला व्यावसायिक का नाम रजिस्ट्रीकरण संख्यांक-----
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**उपाबंध 1**

कारपोरेट ऋणी का नाम \_\_\_\_\_

पी.पी.आई.आर.पी. के प्रारंभ होने की तारीख \_\_\_\_\_

\_\_\_\_\_ को यथा-विद्यमान लेनदारों की सूची

लेनदारों के किसी भी वर्ग से संबंधित प्रतिभूत वित्तीय लेनदारों की सूची

(रकम ₹ में)

क्रम सं.	लेनदार का नाम	पहचान सं.	दावों के ब्यौरे						आकस्मिक दावे की रकम	किन्हीं पारस्परिक देयों की रकम, जिसका समायोजन किया जा सकेगा	टिप्पणी, यदि कोई है
			दावे की रकम	दावे की प्रकृति	प्रतिभूति हित के अंतर्गत आने वाली रकम	प्रत्याभूति के अंतर्गत आने वाली रकम	क्या संबद्ध पक्षकार है?	समिति में मतदान शेयर की प्रतिशतता			
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1											
2											
3											

**उपाबंध 2**

कारपोरेट ऋणी का नाम \_\_\_\_\_

पी.पी.आई.आर.पी. के प्रारंभ होने की तारीख \_\_\_\_\_

\_\_\_\_\_ को यथा-विद्यमान लेनदारों की सूची

लेनदारों के किसी भी वर्ग से संबंधित अप्रतिभूत वित्तीय लेनदारों की सूची

(रकम ₹ में)

क्रम सं.	लेनदार का नाम	पहचान सं.	दावों के ब्यौरे					आकस्मिक दावे की रकम	किन्हीं पारस्परिक देयों की रकम, जिसका समायोजन किया जा सकेगा	टिप्पणी, यदि कोई है
			दावे की रकम	दावे की प्रकृति	प्रत्याभूति के अंतर्गत आने वाली रकम	क्या संबद्ध पक्षकार है?	समिति में मतदान शेयर की प्रतिशतता			
I	II	III	IV	V	VI	VII	VIII	IX	X	XI
1										
2										
3										

**उपाबंध 3**

कारपोरेट ऋणी का नाम \_\_\_\_\_

पी.पी.आई.आर.पी. के प्रारंभ होने की तारीख \_\_\_\_\_

\_\_\_\_\_ को यथा-विद्यमान लेनदारों की सूची

प्रतिभूत वित्तीय लेनदारों की सूची (लेनदारों के किसी भी वर्ग संबंधित वित्तीय लेनदारों से भिन्न)

(रकम ₹ में)

क्रम सं.	लेनदार का नाम	पहचान सं.	दावों के ब्यौरे						आकस्मिक दावे की रकम	किन्हीं पारस्परिक देयों की रकम, जिसका समायोजन किया जा सकेगा	टिप्पणी, यदि कोई है
			दावे की रकम	दावे की प्रकृति	प्रतिभूति हित के अंतर्गत आने वाली रकम	प्रत्याभूति के अंतर्गत आने वाली रकम	क्या संबद्ध पक्षकार है?	समिति में मतदान शेयर की प्रतिशतता			
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1											
2											
3											

**उपाबंध 4**

कारपोरेट ऋणी का नाम \_\_\_\_\_

पी.पी.आई.आर.पी. के प्रारंभ होने की तारीख \_\_\_\_\_

\_\_\_\_\_ को यथा-विद्यमान लेनदारों की सूची

अप्रतिभूत वित्तीय लेनदारों की सूची (लेनदारों के किसी भी वर्ग संबंधित वित्तीय लेनदारों से भिन्न)









## प्ररूप पी11

## समाधान योजनाओं के लिए आमंत्रण

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 43 के अधीन]

सुसंगत विशिष्टियां		
I	II	III
1.	कारपोरेट ऋणी का नाम	
2.	पूर्ववर्ती नाम, यदि पिछले दो वर्षों में बदला गया हो	
3.	कारपोरेट ऋणी के निगमन की तारीख	
4.	वह प्राधिकार, जिसके अधीन कारपोरेट ऋणी निगमित/रजिस्ट्रीकृत है	
5.	पहचान संख्यांक	
6.	कारपोरेट ऋणी के रजिस्ट्रीकृत कार्यालय और प्रधान कार्यालय (यदि कोई है) का पता	
7.	प्री-पैकेज दिवाला प्रक्रिया प्रारंभ होने की तारीख	
8.	समाधान योजनाओं के लिए आमंत्रण की तारीख	
9.	समाधान आवेदक के लिए पात्रता	
10.	धारा 29क के अधीन लागू अपात्रता के मानदंड	
11.	मूल्यांकन के लिए आधार(जिसके अंतर्गत महत्वपूर्ण रूप से सुधार और टिक आकार से संबंधित ब्यौरे भी हैं)	
12.	'समाधान योजना का आमंत्रण', मूल्यांकन के आधार(जिसके अंतर्गत महत्वपूर्ण रूप से सुधार और टिक आकार से संबंधित ब्यौरे भी हैं), सूचना ज्ञापन और अतिरिक्त जानकारी अभिप्राप्त करने की रीति	
13.	समाधान योजनाएं प्रस्तुत करने की अंतिम तारीख	
14.	समाधान व्यावसायिक को समाधान योजनाएं प्रस्तुत करने की रीति	
15.	समाधान योजना अनुमोदन के लिए न्यायनिर्णायक प्राधिकारी को प्रस्तुत करने की अनुमानित तारीख	
16.	समाधान व्यावसायिक का नाम और रजिस्ट्रीकरण संख्यांक	
17.	समाधान व्यावसायिक का, बोर्ड के पास रजिस्ट्रीकृत पता और ई-मेल	
18.	समाधान व्यावसायिक के साथ पत्र-व्यवहार के लिए प्रयुक्त पता और ई-मेल	
19.	अतिरिक्त जानकारी कहां और किसके पास उपलब्ध है:	
20.	प्ररूप के प्रकाशन की तारीख	

तारीख:

(हस्ताक्षर)

स्थान:

समाधान व्यावसायिक का नाम

रजिस्ट्रीकरण संख्यांक

रजिस्ट्रीकृत पता

## प्ररूप पी11

## अनुपालन प्रमाणपत्र

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 49(1) के अधीन]

मैं, .....(समाधान व्यावसायिक का नाम) ..... (दिवाला व्यावसायिक संस्था का नाम) के पास नामांकित और बोर्ड के पास रजिस्ट्रीकरण संख्यांक.....( रजिस्ट्रीकरण संख्यांक) से रजिस्ट्रीकृत .....(कारपोरेट ऋणी का नाम) की पूर्व निर्धारित दिवाला समाधान प्रक्रिया(पी.पी.आर.पी.पी.) के लिए समाधान व्यावसायिक हूँ।

2. पूर्व निर्धारित दिवाला समाधान प्रक्रिया का विवरण:

क्रम सं.	विशिष्टियां	विवरण
1	कारपोरेट ऋणी का नाम	
2	पी.पी.आई.आर.पी. के आरंभ होने की तारीख	
3	समाधान व्यावसायिक नियुक्त करने की तारीख	
4	सार्वजनिक उद्घोषणा के प्रकाशन की तारीख	
5	समिति के गठन की तारीख	
6	समिति की पहली बैठक की तारीख	
7	रजिस्ट्रीकृत मूल्यांकक की नियुक्ति की तारीख	
8	आधारिक समाधान योजना प्रस्तुत करने की तारीख	
9	परव्यक्ति समाधान आवेदक से समाधान योजनाओं के आमंत्रण की तारीख	
10	कारपोरेट ऋणी को अपनी समाधान योजना में सुधार करने के लिए आमंत्रित करने की तारीख, यदि लागू हो	
11.	समाधान योजना के आमंत्रण जारी करने की तारीख(यदि लागू हो)	
12	समाधान योजना प्रस्तुत करने की अंतिम तारीख	
13	समिति द्वारा समाधान योजना के अनुमोदन की तारीख	
14	न्यायनिर्णायक प्राधिकारी के समक्ष समाधान योजना फाइल करने की तारीख	
15	पी.पी.आई.आर.पी. के एक सौ बीस दिन समाप्त होने की तारीख	
16	उचित मूल्य	
17	समापन मूल्य	
18	समिति की आयोजित बैठकों की संख्या	

3. मैंने कारपोरेट ऋणी/परव्यक्ति समाधान आवेदक ( ..... ) से प्राप्त और..... समिति द्वारा अनुमोदित समाधान योजना की परीक्षा की है।

4. मैं यह प्रमाणित करता हूँ कि –

क. उक्त समाधान योजना दिवाला और शोधन अक्षमता संहिता, 2016(संहिता), भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के समस्त उपबंधों का अनुपालन करती है और यह तत्समय प्रवृत्त विधि के किसी भी उपबंध का उल्लंघन नहीं करती है।

ख. कारपोरेट ऋणी/परव्यक्ति समाधान आवेदक (.....) ने संहिता की धारा 30(1) के अनुसरण में एक शपथपत्र प्रस्तुत किया है जिसके द्वारा समाधान योजना प्रस्तुत करने संबंधी संहिता की धारा 29क के अधीन उसकी पात्रता को पुष्ट किया गया है। उक्त शपथपत्र की अंतर्वस्तु सही है।

ग. उक्त समाधान योजना का समिति द्वारा संहिता और उसके अधीन बनाए गए विनियमों के उपबंधों के अनुसार अनुमोदन कर दिया गया है। समाधान योजना पी.पी.आई.आर.पी. विनियमों द्वारा विनिर्दिष्ट साध्यता और व्यवहार्यता और अन्य अपेक्षाओं पर विचार करने के पश्चात् वित्तीय लेनदारों के ..... प्रतिशत (मतों की संख्या का वर्णन करें, जिसके द्वारा समाधान योजना का समिति द्वारा अनुमोदन किया गया है) मतदान शेयर द्वारा अनुमोदित की गई है।

घ. मतदान का आयोजन समिति की .....(बैठक की तारीख का कथन करें) को हुई बैठक में किया गया था जहां समिति के समस्त सदस्य उपस्थित थे।

या

मैने इलैक्ट्रॉनिक मतदान पद्धति द्वारा समिति के सदस्यों से मतदान की ईप्सा की थी, कम से कम 24/48 घंटे के लिए खुला रखा गया था।

(जो भाग लागू न हो उसे काट दीजिए)

5. (कारपोरेट ऋणी का नाम) के उन वित्तीय लेनदारों की सूची, जो कि समिति के सदस्य हैं और उनके बीच मतदान शेयर का वितरण:-

क्रम सं.	लेनदार का नाम	मतदान शेयर (प्रतिशत)	समाधान योजना के लिए मतदान (पक्ष में मत/विपक्ष में मत/अनुपस्थित)
I	II	II	IV
1			
2			
3			

6. समाधान योजना के अंतर्गत विनियमों के विनियम 44 के अधीन इस संबंध में कथन शामिल है कि इसमें संहिता और उसके अधीन बनाए गए विनियमों के अनुपालन में सभी हितधारकों के हितों पर किस प्रकार विचार किया गया है।

7. समाधान योजना के अधीन हितधारकों के लिए उपबंधित रकम:-

(रकम लाख रुपयों में)

क्रम सं.	हितधारक का प्रवर्ग*	हितधारक का उप-प्रवर्ग	दावे की रकम	स्वीकृत रकम	योजना के अधीन उपबंधित रकम#	दावाकृत रकम के मुकाबले दी गई रकम(%)
I	II	III	IV	V	VI	VII
1	प्रतिभूत वित्तीय लेनदार	(क)वे लेनदार, जिन्हें धारा 21 की उपधारा (2) के अधीन मत का अधिकार नहीं है (ख) उपर्युक्त (क) से भिन्न (i) जिन्होंने समाधान योजना के पक्ष में मत नहीं किया था (ii) जिन्होंने समाधान योजना के पक्ष में मत किया था कुल [(क)+ (ख)]				
2	अप्रतिभूत वित्तीय लेनदार	क)वे लेनदार, जिन्हें धारा 21 की उपधारा (2) के अधीन मत का अधिकार नहीं है (ख) उपर्युक्त (क) से भिन्न				

		(i) जिन्होंने समाधान योजना के पक्ष में मत नहीं किया था (ii) जिन्होंने समाधान योजना के पक्ष में मत किया था				
		कुल [(क)+(ख)]				
3	परिचालन लेनदार	(क) कारपोरेट ऋणी का संबद्ध पक्षकार (ख) ऊपर (क) से भिन्न (i) सरकार (ii) कर्मकार (iii) कर्मचारी (iv).....				
		कुल [(क)+(ख)]				
4	अन्य ऋण और देय					
कुल योग						

\*यदि किसी प्रवर्ग में उप-प्रवर्ग हैं तो कृपया प्रत्येक उप-प्रवर्ग के लिए पंक्ति जोड़े।

#समाधान योजना के अधीन समय-समय पर दी गई रकम और इसमें गैर-नकदी संघटकों का अनुमानित मूल्य भी शामिल है। यह शुद्ध वर्तमान मूल्य नहीं है।

8. समाधान योजना द्वारा विद्यमान शेयरधारकों के हितों में परिवर्तन हुआ है:

क्रम सं.	शेयरधारक का प्रवर्ग	पी.पी.आई.आर.पी. से पूर्व धारित शेयरों की संख्या	पी.पी.आई.आर.पी. के पश्चात् धारित शेयरों की संख्या	पी.पी.आई.आर.पी. से पूर्व धारित मतदान शेयर(%)	पी.पी.आई.आर.पी. के पश्चात् धारित मतदान शेयर(%)
I	II	III	IV	V	VI
1	साधारण पूंजी				
2	अधिमान				
3					

9. समाधान योजना का अनुपालन:-

संहिता की धारा/ विनियम सं.	समाधान योजना की बाबत अपेक्षा	समाधान योजना का खंड	अनुपालन (हां/नहीं)
I	II	III	IV
धारा 29क	क्या समाधान आवेदक, समाधान व्यावसायिक की अंतिम सूची या न्यायनिर्णायक प्राधिकारी के आदेश, यदि कोई है, के अनुसार समाधान योजना प्रस्तुत करने के लिए पात्र है?(जहां लागू हो)		

धारा 30(1ग)	क्या समाधान आवेदक ने यह कथन करते हुए कोई शपथपत्र प्रस्तुत किया है कि वह पात्र है?		
धारा 30(2)	क्या समाधान योजना में- (क) दिवाला समाधान प्रक्रिया की लागत के संदाय के लिए उपबंध है; (ख) परिचालन लेनदारों को संदाय करने के लिए उपबंध है; (ग) उन वित्तीय लेनदारों को, जिन्होंने समाधान योजना के पक्ष में मत नहीं किया था, संदाय करने के लिए उपबंध है; (घ) कारपोरेट ऋणी के कामकाज के प्रबंधन के लिए उपबंध है; (ङ) समाधान योजना के कार्यान्वयन और पर्यवेक्षण के लिए उपबंध है; (च) तत्समय प्रवृत्त किसी विधि के उपबंधों का उल्लंघन किया गया है।		
धारा 54ट(4) या (12) और विनियम 45	क्या समाधान योजना - (क) समिति के अनुसार साध्य और व्यवहार्य है; (ख) समिति द्वारा 66 प्रतिशत मतदान शेयर सहित अनुमोदित है;		
धारा 31(1)	क्या समाधान योजना में समिति के अनुसार उसके प्रभावी कार्यान्वयन योजना के लिए उपबंध हैं;		
विनियम 41	क्या समाधान व्यावसायिक ने दिवाला प्रक्रिया प्रारंभ होने की तारीख से पैंतालीसवें दिन से पूर्व बोर्ड को सूचित करते हुए विनियम 41 के अधीन अवधारण किया है;		
विनियम 45(5)	क्या समाधान योजना के अधीन परिचालन लेनदारों को देय रकम के संदाय के मामले में वित्तीय लेनदारों के मुकाबले प्राथमिकता दी गई है;		
विनियम 45(4)	क्या समाधान योजना में यह कथन शामिल है कि उसमें सभी हितधारकों के हितों पर किस प्रकार विचार किया गया है;		
विनियम 45(1)	(i) क्या समाधान आवेदक या उसका कोई संबद्ध पक्षकार संहिता के अधीन अनुमोदित किसी समाधान योजना को कार्यान्वित करने में असफल रहा है या उसने उसके कार्यान्वयन की असफलता में योगदान किया है; (ii) यदि ऐसा है तो क्या समाधान आवेदक ने ऐसे अकार्यान्वयन के ब्यौरे देते हुए कथन प्रस्तुत		

	किया है		
विनियम 45(2)	क्या समाधान योजना में निम्नलिखित उपबंध हैं- (क) योजना की अवधि और उसकी कार्यान्वयन अनुसूची; (ख) उसकी अवधि के दौरान कारपोरेट ऋणी के कारबार के प्रबंधन और नियंत्रण के लिए; (ग) उसके कार्यान्वयन के पर्यवेक्षण के लिए पर्याप्त साधन		
विनियम 45(3)	क्या समाधान योजना यह प्रदर्शित करती है कि- (क) इसमें व्यतिक्रम के कारण को दूर किया गया है; (ख) यह साध्य और व्यवहार्य है? (ग) इसमें इसके प्रभावी कार्यान्वयन के लिए उपबंध हैं; (घ) इसमें अपेक्षित अनुमोदनों और उसके लिए समय-सीमा के लिए उपबंध हैं; (ङ) समाधान आवेदक, समाधान योजना को कार्यान्वित करने में समर्थ है;		
विनियम 41(3)	क्या समाधान व्यावसायिक ने उसके द्वारा सप्रेक्षित, पाए गए या अवधारित संव्यवहारों की बाबत आवेदन फाइल किए हैं;		
विनियम 43(5)	विनियम 43 के उप-विनियम (5) में यथा-निर्दिष्ट प्राप्त कार्यनिष्पादन प्रतिभूति के ब्यौरे उपलब्ध किए गए हैं।		
धारा 54ट	क्या आधारिक समाधान योजना का समिति द्वारा अनुमोदन किया गया है - (i) क्या ऐसी समाधान योजना में कारपोरेट ऋणी द्वारा देय किन्हीं दावों के ह्रास के लिए उपबंध है; (ii) यदि आधारिक समाधान योजना में कारपोरेट ऋणी द्वारा देय किन्हीं दावों के ह्रास के लिए उपबंध है, तो क्या ऐसी समाधान योजना में कारपोरेट ऋणी में संप्रवर्तक की शेयरधारिता या मतदान या नियंत्रण अधिकारों को कम करने का उपबंध है? यदि ऐसा है, तो क्या समिति ने ऐसी आधारिक योजना का अनुमोदन करने से पूर्व इसके लिए कारण अभिलिखित किए हैं;		

10. सुसंगत अनुमोदन प्राप्त करने के लिए प्रस्तावित समय सीमा:

क्रम सं.	अनुमोदन की प्रकृति	लागू विधि का नाम	उस प्राधिकारी का नाम जो अनुमोदन प्रदान करेगा	कब प्राप्त किया जाना है
I	II	III	IV	V
1				
2				
3				

11. समाधान योजना किसी आकस्मिकता के अध्यक्षीन नहीं है। या

समाधान योजना निम्नलिखित आकस्मिकताओं के अध्यक्षीन है (आकस्मिकताओं का विस्तृत ब्यौरा दें)

i.....

ii.....

12. दिवाला और शोधन अक्षमता संहिता, 2016, उसके अधीन बनाए गए विनियमों के उपबंधों या जारी परिपत्रों के विचलन/अननुपालन निम्नलिखित हैं (यदि कोई विचलन/अननुपालन पाया जाता है तो कृपया उसके ब्यौरे और कारणों का कथन करें)

क्रम सं.	पाया गया विचलन/अननुपालन	संहिता की धारा/ विनियम सं./ परिपत्र सं.	कारण	क्या सुधार किया गया अथवा नहीं
I	II	III	IV	V
1				
2				
3				

13. समाधान योजना पी.पी.आई.आर.पी. की अवधि समाप्त होने से.....दिन पूर्व फाइल की जा रही है।

14. धारा 66 या फाइल किए गए/लंबित परिवर्जन आवेदन, यदि कोई हैं, के ब्यौरे दें।

क्रम सं.	संव्यवहार का प्रकार	न्यायनिर्णायक प्राधिकारी के समक्ष फाइल करने की तारीख	न्यायनिर्णायक प्राधिकारी के आदेश की तारीख	आदेश का संक्षिप्त विवरण
I	II	III	IV	V
1.	धारा 43 के अधीन अधिमानी संव्यवहार			
2.	धारा 45 के अधीन अधोमूल्यांकित संव्यवहार			
3.	धारा 50 के अधीन उद्दीपित प्रत्यय संव्यवहार			
4.	धारा 66 के अधीन कपटपूर्ण संव्यवहार			

15. मैं..... (समाधान व्यावसायिक का नाम) प्रमाणित करता हूँ कि इस प्रमाणपत्र की अंतर्वस्तु मेरी सर्वोत्तम जानकारी और विश्वास के अनुसार सत्य और सही है और इनमें से कुछ भी तात्त्विक छिपाया नहीं गया है।

(हस्ताक्षर)

समाधान व्यावसायिक का नाम:

आई.पी. रजिस्ट्रीकरण सं.

तारीख:

बोर्ड के पास रजिस्ट्रीकृत पता:

स्थान:

बोर्ड के पास रजिस्ट्रीकृत ईमेल आई.डी.:

ए.ए.: न्यायनिर्णायक प्राधिकारी; समिति: लेनदारों की समिति; आई.एफ.आर.पी.: समाधान योजना के लिए आमंत्रण; आई.एम.: सूचना जापन; पी.पी.आई.आर.पी.: पूर्व निर्धारित दिवाला समाधान प्रक्रिया; आर.ए.: समाधान आवेदक; आर.पी.: समाधान व्यावसायिक

### प्ररूप पी13

#### पूर्व निर्धारित दिवाला समाधान प्रक्रिया के पर्यवसान के लिए आवेदन

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 49(4) के अधीन]

[तारीख]

सेवा में,

न्यायनिर्णायक प्राधिकारी

[ न्यायपीठ]

प्रेषक

[दिवाला व्यावसायिक का नाम]

[दिवाला व्यावसायिक का रजिस्ट्रीकरण संख्यांक]

[दिवाला व्यावसायिक का रजिस्ट्रीकृत पता]

.....[कारपोरेट ऋणी का नाम] के मामले में

विषय: [कारपोरेट ऋणी का नाम] की पूर्व निर्धारित दिवाला समाधान प्रक्रिया का पर्यवसान

महोदय/महोदया

[कारपोरेट ऋणी का नाम] ने दिवाला समाधान और शोधन अक्षमता संहिता, 2016 की धारा 54ग के अधीन न्यायनिर्णायक प्राधिकारी के समक्ष एक आवेदन [आवेदन की विशिष्टियां] जिसका डायरी संख्यांक/मामला संख्यांक\_\_\_\_\_ है तारीख\_\_\_\_\_ को फाइल किया था। उक्त आवेदन, जिसका मामला संख्यांक\_\_\_\_\_ है, न्यायनिर्णायक प्राधिकारी द्वारा [तारीख] को ग्रहण कर लिया था।

2. लेनदारों की समिति ने \_\_\_\_\_ को आयोजित बैठक में [कारपोरेट ऋणी का नाम] द्वारा धारा 54ह की उपधारा (2) के अधीन फाइल की गई ऊपर उल्लिखित पूर्व निर्धारित दिवाला समाधान प्रक्रिया का पर्यवसान करने के विनिश्चय किया है।

या

धारा 54घ की उपधारा (3) के अधीन समाधान योजना के अनुमोदन के लिए अनुज्ञात अवधि के भीतर कोई समाधान योजना प्रस्तुत नहीं की गई थी।



या

धारा 54ट की उपधारा (11) के अधीन चयनित समाधान योजना का धारा 54ट की उपधारा (12) के अधीन लेनदारों की समिति द्वारा अनुमोदन नहीं किया गया है।

[उस भाग को काट दीजिए जो सुसंगत नहीं है।]

3. मैं पूर्व निर्धारित दिवाला समाधान प्रक्रिया के पर्यवसान की रिपोर्ट संलग्न करता हूँ।

(हस्ताक्षर)

समाधान व्यावसायिक का नाम:

आई.पी. रजिस्ट्रीकरण सं.

तारीख:

बोर्ड के पास रजिस्ट्रीकृत पता:

स्थान:

बोर्ड के पास रजिस्ट्रीकृत ईमेल आई.डी.:

### प्ररूप पी14

#### प्रबंधतंत्र समाधान व्यावसायिक में निहित करने के लिए आवेदन

[भारतीय दिवाला और शोधन अक्षमता बोर्ड (पूर्व निर्धारित दिवाला समाधान प्रक्रिया) विनियम, 2021 के विनियम 51) के अधीन]

[तारीख]

सेवा में,

न्यायनिर्णायक प्राधिकारी

[ न्यायपीठ]

प्रेषक

[दिवाला व्यावसायिक का नाम]

[दिवाला व्यावसायिक का रजिस्ट्रीकरण संख्यांक]

[दिवाला व्यावसायिक का रजिस्ट्रीकृत पता]

.....[कारपोरेट ऋणी का नाम] के मामले में

**विषय:** [कारपोरेट ऋणी का नाम] के प्रबंधतंत्र का समाधान व्यावसायिक में निहित करना।

महोदय/महोदया,

[कारपोरेट ऋणी का नाम] ने दिवाला समाधान और शोधन अक्षमता संहिता, 2016 की धारा 54ग के अधीन न्यायनिर्णायक प्राधिकारी के समक्ष एक आवेदन [आवेदन की विशिष्टियाँ] जिसका डायरी संख्यांक/मामला संख्यांक \_\_\_\_\_ है तारीख \_\_\_\_\_ को फाइल किया था। उक्त आवेदन, जिसका मामला संख्यांक \_\_\_\_\_ है, न्यायनिर्णायक प्राधिकारी द्वारा [तारीख] को ग्रहण कर लिया था।

2. लेनदारों की समिति ने \_\_\_\_\_ को आयोजित बैठक में [कारपोरेट ऋणी का नाम] के प्रबंधतंत्र को निम्नलिखित कारणों से धारा 54ज के अधीन समाधान व्यावसायिक में निहित करने का विनिश्चय किया है:

क.

ख.

3. मैं ----- को आयोजित लेनदारों की समिति की बैठक के कार्यवृत्त संलग्न करता हूँ।

(हस्ताक्षर)

समाधान ब्यावसायिक का नाम:

आई.पी. रजिस्ट्रीकरण सं.

तारीख:

बोर्ड के पास रजिस्ट्रीकृत पता:

स्थान:

बोर्ड के पास रजिस्ट्रीकृत ईमेल आई.डी.:

डॉ. एम. एस. साहू, अध्यक्ष

[विज्ञापन-III/4/असा./16/2021-22]

## INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

### NOTIFICATION

New Delhi, the 9th April, 2021

### INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS) REGULATIONS, 2021

**No. IBBI/2021-22/GN/REG071.**—In exercise of the powers conferred under sections 196, 208 and 240 read with provisions of Chapter III-A of Part II of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following Regulations, namely:-

#### CHAPTER I

#### PRELIMINARY

##### 1. Short title and commencement.

- (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021.
- (2) These Regulations shall come into force on the date of their publication in the Official Gazette.

##### 2. Definitions.

- (1) In these Regulations, unless the context otherwise requires,-
  - (a) “applicant” means the corporate applicant, filing an application for initiation of pre-packaged insolvency resolution process under section 54C;
  - (b) “class of creditors” means a class with at least ten financial creditors under clause (b) of sub-section (6A) of section 21 and the expression, “creditors in a class” shall be construed accordingly;
  - (c) “Code” means the Insolvency and Bankruptcy Code, 2016;
  - (d) “committee” means the committee of creditors constituted under section 54I;
  - (e) “electronic form” shall have the meaning assigned to it in the Information Technology Act, 2000 (21 of 2000);
  - (f) “electronic means” means an authorised and secured computer programme which is capable of producing confirmation of sending communication to the participant entitled to receive such communication at the latest electronic mail address as made available by such participant and keeping record of such communication;
  - (g) “fair value” means the estimated realisable value of the assets of the corporate debtor, if they were to be exchanged on the pre-packaged 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;

- (h) “Form” means a Form specified in the Schedule;
- (i) “identification number” means the limited liability partnership identification number or the corporate identity number, as the case may be;
- (j) “insolvency professional entity” means an entity recognised as such under the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016;
- (k) “liquidation value” means the estimated realisable value of the assets of the corporate debtor, if it were to be liquidated on the pre-packaged insolvency commencement date;
- (l) “participant” means a person entitled to attend the meeting of the committee under section 24 or any other person authorised by the committee to attend the meeting;
- (m) “process” means pre-packaged insolvency resolution process for corporate debtors under Chapter III-A of Part II of the Code;
- (n) “registered valuer” means a person registered as such in accordance with the Companies Act, 2013 (18 of 2013) and the rules made thereunder;
- (o) “Schedule” means the schedule to these Regulations;
- (p) “section” means section of the Code;
- (q) “video conferencing or other audio and visual means” means such audio and visual facility which enables the participants in a meeting to communicate concurrently with one another and to participate effectively in the meeting.
- (2) Unless the context otherwise requires, words and expressions used and not defined in these Regulations, but defined in the Code, shall have the meanings respectively assigned to them in the Code.

## CHAPTER II

### GENERAL

#### 3. Meetings and communication.

- (1) The meetings required under these Regulations may be held either in physical or electronic mode or in a combination of both.
- (2) All communications required under these Regulations shall be made by electronic means as far as possible.

#### 4. Essential supplies.

The essential goods and services referred to in sub-section (2) of section 14 shall mean-

- (a) electricity;
- (b) water;
- (c) telecommunication services; and
- (d) information technology services,

to the extent these are not a direct input to the output produced or supplied by the corporate debtor.

*Explanation.-* Water supplied to a corporate debtor will be essential supplies for drinking and sanitation purposes, and not for generation of hydro-electricity.

#### 5. Extortionate credit transaction.

A transaction shall be considered extortionate under sub-section (2) of section 50 where the terms-

- (a) require the corporate debtor to make exorbitant payments in respect of the credit provided; or
- (b) are unconscionable under the principles of law relating to contracts.

#### 6. Pre-packaged insolvency resolution process costs.

For the purposes of sub-clause (e) of clause (23C) of section 5, pre-packaged insolvency resolution process costs shall mean-

- (a) fee payable to authorised representative under sub-regulation (5) of regulation 34;
- (b) out of pocket expenses of authorised representative for discharge of his functions under section 25A; and
- (c) any other cost directly relating to the process and approved by the committee.

**CHAPTER III**  
**RESOLUTION PROFESSIONAL**

**7. Eligibility for resolution professional.**

(1) Subject to consent in Form P1, an insolvency professional shall be eligible to be appointed as an interim resolution professional or resolution professional, as the case may, if he, and all partners and directors of the insolvency professional entity of which he is a partner or director, are independent of the corporate debtor.

*Explanation.-* A person shall be considered independent of the corporate debtor, if he-

(a) is eligible to be appointed as an independent director on the board of the corporate debtor under section 149 of the Companies Act, 2013 (18 of 2013), where the corporate debtor is a company;

(b) is not a related party of the corporate debtor; or

(c) is not an employee or proprietor or a partner-

(i) of a firm of auditors or secretarial auditors or cost auditors of the corporate debtor; or

(ii) of a legal or a consulting firm, that has or had any transaction with the corporate debtor amounting to five per cent. or more of the gross turnover of such firm,

in any of the preceding three financial years.

(2) A resolution professional, who is a director or a partner of an insolvency professional entity, shall be ineligible to continue as a resolution professional in a process, if the insolvency professional entity or any partner or director of such insolvency professional entity represents any of the stakeholders in the same process.

**8. Fee of resolution professional.**

(1) Where the corporate debtor fails to file an application or the application for initiation of the process is rejected, the fee payable to the resolution professional for performing duties under sub-section (3) of section 54B shall be borne by the corporate debtor.

(2) The corporate debtor shall maintain a separate bank account with such amount as may be advised by the committee from time to time and, subject to provisions of clause (23C) of section 5, such account shall be operated by the resolution professional to meet his fee and expenses incurred by him for conducting the process.

**9. Access to books.**

The resolution professional may access the books of account, records, and other documents to the extent relevant for discharging his duties under the Code, of the corporate debtor held with-

(a) members, promoters, partners, directors and joint venture partners of the corporate debtor;

(b) professionals and advisors engaged by the corporate debtor;

(c) depositories of securities;

(d) registries that records the ownership of assets; and

(e) contractual counterparties of the corporate debtor.

**10. Appointment of professionals.**

The resolution professional may appoint a professional under clause (e) of sub-section (3) of section 54F:

Provided that the following persons shall not be appointed as a professional, namely:-

(a) a person who is not registered with the regulator of the profession concerned;

(b) a related party of the corporate debtor;

(c) an auditor of the corporate debtor at any time during the five years preceding the pre-packaged insolvency commencement date;

(d) a partner or director of the insolvency professional entity of which the resolution professional is a partner or director; or

(e) a relative of the resolution professional or of a partner or director of the insolvency professional entity of which the resolution professional is a partner or director.

**11. Disclosure of costs.**

(1) A resolution professional shall make disclosures at the time of his appointment and, thereafter, in accordance with the code of conduct as set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

(2) The resolution professional shall disclose item wise process costs in such manner as may be required by the Board.

**12. Preservation of records.**

The resolution professional shall preserve a physical as well as an electronic copy of the records relating to the process of the corporate debtor as per the record retention schedule, as may be required by the Board in consultation with insolvency professional agencies.

**13. Filing of reports and forms.**

The resolution professional shall file such forms, along with enclosures thereto, on an electronic platform, as may be required by the Board in consultation with insolvency professional agencies.

**CHAPTER IV****INITIATION OF PROCESS****14. Approvals by financial creditors.**

(1) For the purposes of clause (e) of sub-section (2) and sub-section (3) of section 54A, the applicant shall convene meetings of the financial creditors, who are not related parties of the corporate debtor.

(2) The notice of the meeting under sub-regulation (1) shall be served to the financial creditors, who are not related parties of the corporate debtor, at least five days before the date of the meeting, unless a shorter time is agreed to by all of them.

(3) The notice of the meeting under this regulation shall indicate the date, time and venue of the meeting, and enclose a list of creditors along with the amount due to them in Form P2.

(4) The financial creditors who are not related parties of the corporate debtor and have not less than ten per cent. of the value of the total financial debt of such creditors may propose names of insolvency professionals for the purposes of clause (e) of sub-section (2) of section 54A.

(5) The approval of the terms of appointment of resolution professional under clause (e) of sub-section (2) of section 54A shall be in Form P3.

(6) The terms of appointment of the resolution professional under this regulation shall include -

(a) fee payable to him for performing duties under sub-section (1) of section 54B;

(b) fee payable to him and expenses to be incurred by him for conducting the process; and

(c) fee payable to him and expenses to be incurred by him in case management of the corporate debtor is vested with him under section 54J.

(7) The approval for filing of application under sub-section (3) of section 54A shall be in Form P4.

(8) Where the corporate debtor has no financial debt or where all financial creditors are related parties, the applicant shall convene a meeting of operational creditors, who are not related parties of the corporate debtor and provisions of sub-regulations (1) to (7) shall *mutatis mutandis* apply.

**15. Choice of authorised representative.**

On examination of Form P2, the resolution professional shall-

(i) ascertain class(es) of creditors, if any;

(ii) for representation of creditors in a class ascertained under sub-regulation (1) in the committee, identify three insolvency professionals who are-

(a) not relatives or related parties of the applicant or the resolution professional;

(b) having their addresses, as registered with the Board, in the State or Union territory, as the case may be, which has the highest number of creditors in the class as per their addresses in the records of the corporate debtor:

Provided that where such State or Union territory does not have adequate number of insolvency professionals, the insolvency professionals having addresses in a nearby State or Union territory, as the case may be, shall be considered;

- (c) eligible to be appointed under regulation 7; and
- (d) willing to act as authorised representative of creditors in the class;
- (iii) obtain the consent of the insolvency professionals identified under sub-regulation (2) to act as the authorised representative of creditors in the class in Form P5;
- (iv) seek choice of the creditors in the class for an insolvency professional, who has consented under sub-regulation (3):

Provided that the creditors shall communicate their choice to the resolution professional within three days;

- (v) select the insolvency professional, who is the choice of the highest number of creditors in the class to act as the authorised representative of the creditors of the respective class.
- (vi) inform the name of the insolvency professional selected under sub-regulation (5), along with his consent in Form P5, to the applicant.

#### **16. Declarations.**

- (1) The declaration under clause (f) of sub-section (2) of section 54A shall be made in Form P6.
- (2) The declaration under clause (c) of sub-section (3) of section 54C shall be made in Form P7.

#### **17. Report by resolution professional.**

The report under clause (a) of sub-section (1) of section 54B shall be prepared in Form P8.

#### **18. Information to be furnished by the applicant.**

For the purposes of clause (d) of sub-section (3) of section 54C, the applicant shall furnish-

- (a) audited financial statements of the corporate debtor for the last two financial years;
- (b) provisional financial statements for the current financial year made up to the date of declaration under clause (f) of sub-section (2) of section 54A; and
- (c) Form P5 submitted by the authorised representatives selected under sub-regulation (5) of regulation 15.

## **CHAPTER V**

### **PUBLIC ANNOUNCEMENT AND CLAIMS**

#### **19. Public announcement.**

- (1) The resolution professional shall make a public announcement within two days of the commencement of the process.
- (2) The public announcement referred to in sub-regulation (1) shall be-
  - (a) in Form P9;
  - (b) sent to every creditor listed in Form P2;
  - (c) sent to information utilities; and
  - (d) published on the website, if any, of the corporate debtor and the Board.

#### **20. List of claims**

- (1) The corporate debtor shall submit a list of claims under sub-section (1) of section 54G in Form P10 to the resolution professional.
- (2) Based on the records of the corporate debtor and other relevant material available on record, the resolution professional shall confirm the details received in Form P10.
- (3) The resolution professional shall inform every creditor regarding its claims, as confirmed by him, and seek objections, if any.
- (4) A creditor may submit objection along with supporting documents to the resolution professional within seven days from the receipt of communication under sub-regulation (3).
- (5) The resolution professional may call for such other evidence or clarification as he deems fit from a creditor for substantiating the whole or part of its claim.

- (6) The resolution professional shall consider every objection received under sub-regulation (4) and modify the claim of the creditor, if required.
- (7) A creditor shall update its claim, as and when the claim is satisfied, partly or fully, from any source in any manner, after the pre-packaged insolvency commencement date.
- (8) The resolution professional shall maintain a list of claims in Form P10 and update it as and when required.
- (9) Form P10 shall be –
- available for inspection by the creditors, members, partners, directors and guarantors of the corporate debtor;
  - displayed on the website, if any, of the corporate debtor;
  - filed with the Board on electronic platform; and
  - presented at the meetings of the committee, as and when updated.

#### **21. Determination of amount of claim.**

- Where the amount of claim of a creditor is not precise due to any contingency or other reason, the resolution professional shall make the best estimate of the amount of the claim based on the information available with him.
- The resolution professional shall revise the amount of claims confirmed, including the estimates of claims made under sub-regulation (1), as soon as may be practicable, when he comes across additional information warranting such revision.

#### **22. Debt in foreign currency.**

The claims denominated in foreign currency shall be valued in Indian currency at the official exchange rate as on the pre-packaged insolvency commencement date.

*Explanation.*- “official exchange rate” is the reference rate published by the Reserve Bank of India or derived from such reference rates.

#### **23. Transfer of debt due to creditors.**

Where a creditor assigns or transfers the debt due to such creditor to any other person during the process period, both parties shall provide the resolution professional, the terms of such assignment or transfer and the identity of the assignee or transferee for updation under sub-regulation (8) of regulation 20.

### **CHAPTER VI**

#### **COMMITTEE OF CREDITORS**

##### **24. Committee with only creditors in a class.**

Where the corporate debtor has only creditors in a class and no other financial creditor who are not related parties of the corporate debtor, the committee shall consist of only the authorised representative(s).

##### **25. Committee with only operational creditors.**

- Where the corporate debtor has no financial debt or all financial creditors are related parties, the committee shall consist of operational creditors, being not related to the corporate debtor, as under:-
  - ten largest operational creditors by value, and if the number of operational creditors is less than ten, the committee shall include all such operational creditors;
  - one representative elected by all workmen other than those workmen included under clause (a); and
  - one representative elected by all employees other than those employees included under clause(a).
- A member of the committee formed under this regulation shall have voting rights in proportion of the debt due to such creditor or debt represented by such representative, as the case may be, to the total debt.

*Explanation.*– For the purposes of this sub-regulation, ‘total debt’ is the sum of-

- the amount of debt due to the creditors listed in clause (a) of sub-regulation (1);
- the amount of the aggregate debt due to workmen under clause (b) of sub-regulation (1); and
- the amount of the aggregate debt due to employees under clause (c) of sub-regulation (1).

(3) A committee formed in accordance with regulation 24 or regulation 25, as the case may be, and its members shall have the same rights, powers, duties and obligations as a committee comprising financial creditors and its members.

**26. Change in committee.**

Any change in the composition of committee of creditors shall be intimated to all the members of the committee within two days of such change.

**CHAPTER VII**

**MEETINGS OF THE COMMITTEE**

**27. Meetings of the committee.**

- (1) A resolution professional may convene a meeting of the committee as and when he considers necessary.
- (2) A resolution professional shall convene a meeting, if a request to that effect is made by members of the committee representing thirty-three per cent of voting share.

**28. Notice for meetings of the committee.**

- (1) A meeting of the committee shall be convened by giving not less than three days' notice in writing to every participant, at the address provided to the resolution professional by the creditor.
- (2) The committee may reduce the notice period from three days to such other period of not less than twenty-four hours, as it deems fit:

Provided that the committee may reduce the period to such other period of not less than forty-eight hours if there is any authorised representative in the committee.

**29. Service of notice.**

- (1) A notice may be sent to the participants through e-mail as a text or as an attachment to e-mail or as a notification providing electronic link or Uniform Resource Locator for accessing such notice.
- (2) The subject line in e-mail shall state the name of the corporate debtor, the place, if any, the time and the date on which the meeting is scheduled.
- (3) When notice is sent in the form of a non-editable attachment to an e-mail, such attachment shall be in the Portable Document Format or in a non-editable format together with a 'link or instructions' for recipient for downloading relevant version of the software.
- (4) When notice or notifications of availability of notice are sent by an e-mail, the resolution professional shall ensure that it uses a system which produces confirmation of the total number of recipients e-mailed and a record of each recipient to whom the notice has been sent and copy of such record and any notices of any failed transmissions and subsequent re-sending shall be retained as 'proof of sending'.
- (5) The obligation of the resolution professional shall be satisfied when he transmits the e-mail and he shall not be held responsible for a failure in transmission beyond his control.
- (6) The notice made available on the electronic link or Uniform Resource Locator shall be readable, and the recipient should be able to obtain and retain copies and the resolution professional shall give the complete Uniform Resource Locator or address of the website and full details of how to access the document or information.
- (7) If a participant fails to provide or update the relevant e-mail address to the resolution professional, the non-receipt of such notice by such participant of any meeting shall not invalidate the decisions taken at such meeting.

**30. Contents of the notice for meeting.**

- (1) The notice shall inform the participants of the venue, the time and date of the meeting and of the option available to them to participate through video conferencing or other audio and visual means and shall also provide all the necessary information to enable participation through video conferencing or other audio and visual means.
- (2) The notice of the meeting shall provide that a participant may attend and vote in the meeting either in person or through a representative, who is not a related party of the corporate debtor:

Provided that such participant shall inform the resolution professional, in advance of the meeting, of the identity of the representative who will attend and vote at the meeting on its behalf and shall forward an authorisation in favour of the representative.



(3) The notice of the meeting shall contain the following:-

- (a) a list of the matters to be discussed at the meeting;
- (b) a list of the issues to be voted upon at the meeting; and
- (c) copies of all documents relevant to the matters to be discussed and the issues to be voted upon at the meeting.

(4) The notice of the meeting shall-

- (a) state the process and manner for voting by electronic means and the time schedule, including the time period during which the votes may be cast;
- (b) provide the login ID and the details of a facility for generating password and for keeping security and casting of vote in a secure manner; and
- (c) provide contact details of the person who will address the queries connected with the electronic voting.

### **31. Quorum.**

(1) A meeting of the committee shall quorate if members of the committee representing at least thirty three percent of the voting share are present either in person or by video conferencing or other audio and visual means:

Provided that the committee may modify the percentage of voting share required for quorum in respect of any future meetings of the committee.

- (2) Where a meeting of the committee could not be held for want of quorum, unless the committee has previously decided otherwise, the meeting shall automatically stand adjourned at the same time and place on the next day.
- (3) In the event a meeting of the committee is adjourned in accordance with sub-regulation (2), the adjourned meeting shall quorate with the members of the committee attending the meeting.

### **32. Participation through video conferencing.**

- (1) The notice convening the meetings of the committee shall provide the participants an option to attend the meeting through video conferencing or other audio and visual means in accordance with this Regulation.
- (2) The resolution professional shall make necessary arrangements to ensure uninterrupted and clear video or audio and visual connection.
- (3) The resolution professional shall take due and reasonable care-
  - (a) to safeguard the integrity of the meeting by ensuring sufficient security and identification procedures;
  - (b) to ensure availability of proper video conferencing or other audio and visual equipment or facilities for providing transmission of the communications for effective participation of the participants at the meeting;
  - (c) to record proceedings and prepare the minutes of the meeting;
  - (d) to store for safe keeping and marking the physical recording(s) or other electronic recording mechanism as part of the records of the corporate debtor; and
  - (e) to ensure that no person other than the intended participants attends or has access to the proceedings of the meeting through video conferencing or other audio and visual means:

Provided that the persons, who are differently abled, may make a request to the resolution professional to allow a person to accompany them at the meeting.

(4) Where a meeting is conducted through video conferencing or other audio and visual means, the scheduled venue of the meeting as set forth in the notice convening the meeting, which shall be in India, shall be deemed to be the place of the said meeting and all recordings of the proceedings at the meeting shall be deemed to be made at such place.

### **33. Conduct of meeting.**

- (1) The resolution professional shall act as the chairperson of meetings of the committee.
- (2) At the commencement of a meeting, the resolution professional shall take a roll call of every participant attending the meeting at the venue or participating through video conferencing or other audio and visual means and shall state, for record, the following: -
  - (a) his name;
  - (b) whether he is attending in the capacity of a member of the committee or any other participant;
  - (c) whether he is representing a member or group of members;

- (d) the location from where he is participating;
- (e) that he has received the agenda and all the relevant material for the meeting; and
- (f) that no one other than him is attending or has access to the proceedings of the meeting at the location of that person.
- (3) After the roll call, the resolution professional shall inform the participants of the names of all persons who are present for the meeting and confirm if the required quorum is complete.
- (4) The resolution professional shall ensure that the required quorum is present throughout the meeting.
- (5) From the commencement of the meeting till its conclusion, no person other than the participants and any other person whose presence is required by the resolution professional shall be allowed access to the place where meeting is held or to the video conferencing or other audio and visual facility.
- (6) The resolution professional shall ensure that minutes are made in relation to each meeting of the committee and such minutes shall disclose the particulars of the participants who attended the meeting in person, through video conferencing, or other audio and visual means.

#### **34. Committee with creditors in a class.**

- (1) The resolution professional shall provide the list of creditors in each class to the respective authorised representative within three days of the commencement of the process.
- (2) The resolution professional shall provide an updated list of creditors in each class to the respective authorised representative as and when the list is updated.

Clarification.- The authorised representative shall have no role in receipt or confirmation of claims of creditors of the class he represents.

- (3) The resolution professional shall provide electronic means of communication between the authorised representative and the creditors in the class.
- (4) The voting share of a creditor in a class shall be in proportion to the financial debt which includes an interest at the rate of eight per cent per annum unless a different rate has been agreed to between the parties.
- (5) The authorised representative of creditors in a class shall be entitled to receive fee for every meeting of the committee attended by him in the following manner, namely:-

<b>Number of creditors in the class</b>	<b>Fee per meeting of the committee (Rs.)</b>
10-100	15,000
101-1000	20,000
More than 1000	25,000

- (6) The authorised representative shall circulate the agenda to creditors in a class and may seek their preliminary views on any item in the agenda to enable him to effectively participate in the meeting of the committee:

Provided that creditors shall have a time window of at least twelve hours to submit their preliminary views, and the said window opens at least twenty-four hours after the authorised representative seeks preliminary views:

Provided further that such preliminary views shall not be considered as voting instructions by the creditors.

#### **35. Voting by the committee.**

- (1) Any action requiring approval of the committee shall be considered in the meetings of the committee.
- (2) The resolution professional shall take a vote of the members of the committee present in the meeting, on any item listed for voting after discussion on the same.
- (3) At the conclusion of a vote at the meeting, the resolution professional shall announce the decision taken by the members present in the meeting, on items along with the names of the members of the committee who voted for or against the decision or abstained from voting.
- (4) The resolution professional shall-
- (a) circulate the minutes of the meeting by electronic means to all members of the committee and authorised representative, within twenty-four hours of the conclusion of the meeting; and

(b) seek a vote of the members who did not vote at the meeting on the matters listed for voting, by electronic voting system in accordance with regulation 37 where the voting shall be kept open for at least twenty-four hours from the circulation of the minutes.

(5) The authorised representative shall circulate the minutes of the meeting received under sub-regulation (4) to creditors in a class and announce the voting window at least twenty-four hours before the window opens for voting instructions and keep the voting window open for at least twelve hours.

### **36. Voting by authorised representative.**

The authorised representative, if any, shall cast his vote in respect of each financial creditor or on behalf of all financial creditors he represents in accordance with the provisions of sub-section (3) or sub-section (3A) of section 25A, as the case may be.

### **37. Voting through electronic means.**

(1) The resolution professional shall provide each member of the committee the means to exercise its vote by either electronic means or through electronic voting system in accordance with the provisions of this regulation.

*Explanation.* - For the purposes of these Regulations,-

(a) the expressions “voting by electronic means” or “electronic voting system” means a “secured system” based process of display of electronic ballots, recording of votes of the members of the committee and the number of votes polled in favour or against, such that the voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralised server with adequate cyber security;

(b) the expression “secured system” means computer hardware, software, and procedure that—

- (i) are reasonably secure from unauthorised access and misuse;
- (ii) provide a reasonable level of reliability and correct operation;
- (iii) are reasonably suited to perform the intended functions; and
- (iv) adhere to generally accepted security procedures.

(2) At the end of the voting period, the voting portal shall forthwith be blocked.

(3) At the conclusion of a vote held under this regulation, the resolution professional shall announce and make a written record of the summary of the decision taken on a relevant agenda item along with the names of the members of the committee who voted for or against the decision or abstained from voting.

(4) The resolution professional shall circulate a copy of the record made under sub-regulation (3) to all participants by electronic means within twenty-four hours of the conclusion of the voting.

## **CHAPTER VIII**

### **VALUATION AND INFORMATION MEMORANDUM**

#### **38. Appointment of registered valuers.**

The resolution professional shall within three days of his appointment, appoint two registered valuers to determine the fair value and the liquidation value of the corporate debtor:

Provided that the following persons shall not be appointed as registered valuers, namely:-

- (a) a related party of the corporate debtor;
- (b) an auditor of the corporate debtor at any time during the five years preceding the pre-packaged insolvency commencement date;
- (c) a partner or director of the insolvency professional entity of which the resolution professional is a partner or director; or
- (d) a relative of the resolution professional or of a partner or director of the insolvency professional entity of which the resolution professional is a partner or director.

#### **39. Fair value and liquidation value.**

(1) Fair value and liquidation value shall be determined in the following manner:-

(a) the registered valuers appointed under regulation 38 shall submit to the resolution professional an estimate of the fair value and of the liquidation value computed in accordance with internationally accepted valuation standards, after physical verification of the inventory and fixed assets of the corporate debtor;

(b) the average of the value determined by the two registered valuers shall be considered the fair value or the liquidation value, as the case maybe.

(2) After the receipt of resolution plans in accordance with the Code and these Regulations, the resolution professional shall provide the fair value and the liquidation value to every member of the committee in electronic form, on receiving an undertaking from the member to the effect that such member shall maintain confidentiality of the fair value and the liquidation value and shall not use such values to cause an undue gain or undue loss to itself or any other person.

(3) The resolution professional and registered valuers shall maintain confidentiality of the fair value and the liquidation value.

#### **40. Information memorandum.**

(1) The preliminary information memorandum shall provide details required under sub-regulation (2).

(2) The information memorandum shall contain the following details of the corporate debtor: -

(a) assets and liabilities with such description, as are generally necessary for ascertaining their values.

*Explanation.* - 'Description' includes the details such as date of acquisition, cost of acquisition, remaining useful life, identification number, depreciation charged, book value, and any other relevant details;

(b) the latest annual financial statements;

(c) audited financial statements of the corporate debtor for the last two financial years and provisional financial statements for the current financial year.

(d) a list of claims containing the names of creditors, the amounts of their claims and the security interest, if any, in respect of such claims;

(e) particulars of a debt due from or to the corporate debtor with respect to related parties;

(f) details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party;

(g) the names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake;

(h) details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities;

(i) the number of workers and employees and liabilities of the corporate debtor towards them; and

(j) other information, which the corporate debtor or resolution professional deems relevant to the committee.

(3) The resolution professional shall finalise the information memorandum with details under sub-regulation (2) and submit to members of the committee within fourteen days of the pre-packaged insolvency commencement after receiving an undertaking from a member of the committee to the effect that such member or resolution applicant shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person.

(4) A member of the committee may request the resolution professional or corporate debtor for further information of the nature described in this regulation and the resolution professional or the corporate debtor, as the case may be, shall provide such information to all members within reasonable time if such information has a bearing on the resolution plan.

#### **41. Preferential and other transactions.**

(1) On or before the thirtieth day of the pre-packaged insolvency commencement date, the resolution professional shall form an opinion whether the corporate debtor has been subjected to any transaction covered under sections 43, 45, 50 or 66.

(2) Where the resolution professional is of the opinion that the corporate debtor has been subjected to any transactions covered under sections 43, 45, 50 or 66, he shall make a determination on or before the forty-fifth day of the pre-packaged insolvency commencement date, under intimation to the Board.

(3) Where the resolution professional makes a determination under sub-regulation (2), he shall apply to the Adjudicating Authority for appropriate relief on or before the sixtieth day of the pre-packaged insolvency commencement date.

**CHAPTER IX**  
**RESOLUTION PLAN**

**42. Scoring and improvement of resolution plans.**

For the purposes of consideration of resolution plans,-

(i) “basis for evaluation”, includes the parameters to be applied and the manner of applying such parameters, as approved by the committee, for evaluating a resolution plan to assign a score to the plan, and disclosed in the invitation for resolution plans.

*Illustration 1*

The committee may identify three parameters, namely, X, Y and Z for evaluation of resolution plans. It may apply these parameters in the form of a formula, namely,  $1.5 X + 2 Y + 2.5 Z$ . Where the values of X, Y and Z are 20, 25, and 30 respectively, the score of the resolution plan is  $1.5 (20) + 2 (25) + 2.5 (30) = 155$ .

*Illustration 2*

The committee may identify three parameters, namely, X, Y and Z for evaluation of resolution plans. It may apply these parameters in the form of a formula, namely,  $1.5 X + 2 Y + 2.5 Z$ , subject to X being not less than 20. Where the values of X, Y and Z are 20, 25, and 30 respectively, the score of the resolution plan is  $1.5 (20) + 2 (25) + 2.5 (30) = 155$ . It may apply these parameters in the form of a formula, namely,  $2 Y + 2.5 Z$ , subject to X being not less than 20. Where the values of X, Y and Z are 20, 25, and 30 respectively, the score of the resolution plan is  $2 (25) + 2.5 (30) = 125$ . Where the values of X, Y and Z are 15, 40, and 50 respectively, the resolution plan does not meet the minimum value of X and hence this plan will not be evaluated;

(ii) “significantly better” in relation to resolution plan, means that the score of the resolution plan is higher than that of another resolution plan by a certain number or percentage, as approved by the committee and disclosed in the invitation for resolution plans.

*Illustration 1*

The committee may consider a resolution plan to be significantly better than another resolution plan, if the score of the former is higher than that of the latter by 10. Where resolution plans ‘A’ and ‘B’ have scores of 100 and 110 respectively, ‘B’ is significantly better than ‘A’. Where resolution plans ‘A’ and ‘B’ have scores of 100 and 108 respectively, ‘B’ is not significantly better than ‘A’.

*Illustration 2*

The committee may consider a resolution plan to be significantly better than another resolution plan, if the score of the former is higher than that of the latter by 5 per cent. Where resolution plans ‘A’ and ‘B’ have scores of 100 and 107 respectively, ‘B’ is significantly better than ‘A’. Where resolution plans ‘A’ and ‘B’ have scores of 100 and 104 respectively, ‘B’ is not significantly better than ‘A’.

(iii) “tick size” means minimum improvement over another resolution plan in terms of score, as approved by the committee and disclosed in the invitation for resolution plans.

*Illustration 1*

On the basis for evaluation, resolution plans ‘A’ and ‘B’ have scores of 105 and 108, respectively. Resolution applicant of ‘A’ may wish to improve ‘A’ over ‘B’. It must improve ‘A’ such that the score of ‘A’ exceeds that of ‘B’ at least by tick size. If tick size is 5, resolution applicant of ‘A’ must improve ‘A’ such that the score of ‘A’ is at least  $108 + 5 = 113$ .

*Illustration 2*

In the example under Illustration 1, if tick size is 5 per cent., resolution applicant of ‘A’ must improve ‘A’ such that the score of ‘A’ is at least  $108 \times 1.05 = 113.4$ .

**43. Invitation for resolution plans.**

(1) For the purposes of sub-section (5) of section 54K, the resolution professional shall publish brief particulars of the invitation for resolution plans in Form P11 not later than twenty-one days from the pre-packaged insolvency commencement date.

(2) The resolution professional shall publish Form P11-

- (a) on the website, if any, of the corporate debtor;
- (b) on the website, if any, designated by the Board for the purpose; and
- (c) in any other manner as may be decided by the committee.

(3) The Form P11 shall –

- (a) state where the invitation for resolution plans can be downloaded or obtained from, as the case may be; and
- (b) provide the last date for submission of resolution plan which shall not be less than fifteen days from the date of issue of invitation for resolution plan under sub-regulation (2).

(4) The invitation for resolution plans shall-

- (a) detail each step in the process, and the manner and purposes of interaction between the resolution professional and the resolution applicant, along with corresponding timelines;
- (b) include-
  - (i) the basis for evaluation;
  - (ii) basis for considering a resolution plan significantly better than another resolution plan;
  - (iii) tick size; and
  - (iv) the manner of improving a resolution plan; and
- (c) not require any non-refundable deposit for submission of or along with resolution plan.

(5) The resolution professional shall require the resolution applicant, in case its resolution plan is approved under sub-section (13) of section 54K, to provide a performance security within the time specified therein and such performance security shall stand forfeited if the resolution applicant of such plan, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.

*Explanation 1.*– For the purposes of this sub-regulation, “performance security” shall mean security of such nature, value, duration and source, as may be specified in the invitation for resolution plans with the approval of the committee, having regard to the nature of resolution plan and business of the corporate debtor.

*Explanation 2.*– A performance security may be specified in absolute terms such as guarantee from a bank for Rs. X for Y years or in relation to one or more variables such as the term of the resolution plan, amount payable to creditors under the resolution plan, etc.

#### **44. Resolution plan.**

A resolution plan shall provide for the measures, as may be necessary, for maximisation of value of its assets, including the following:-

- (a) transfer of all or part of the assets of the corporate debtor to one or more persons;
- (b) sale of all or part of the assets whether subject to any security interest or not;
- (c) restructuring of the corporate debtor, by way of merger, amalgamation and demerger;
- (d) the substantial acquisition of shares of the corporate debtor;
- (e) cancellation or delisting of any shares of the corporate debtor, if applicable;
- (f) satisfaction or modification of any security interest;
- (g) curing or waiving of any breach of the terms of any debt due from the corporate debtor;
- (h) reduction in the amount payable to the creditors;
- (i) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;
- (j) amendment of the constitutional documents of the corporate debtor;
- (k) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose;
- (l) change in portfolio of goods or services produced or rendered by the corporate debtor;
- (m) change in technology used by the corporate debtor; and
- (n) obtaining necessary approvals from the Central and State Governments and other authorities.

#### **45. Mandatory contents of resolution plan.**

(1) A resolution plan shall include-

- (a) an affidavit that resolution applicant is eligible to submit a resolution plan for resolution of the corporate debtor under the Code;

(b) a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved by the Adjudicating Authority at any time in the past; and

(c) an undertaking that every information and records provided in connection with or in the resolution plan is true and correct and discovery of false information and record at any time will render the resolution applicant ineligible to participate in any resolution process under the Code.

(2) A resolution plan shall provide for-

(a) the term of the plan and its implementation schedule;

(b) the management and control of the business of the corporate debtor during its term; and

(c) adequate means for supervising its implementation.

(3) A resolution plan shall demonstrate that –

(a) it addresses the cause of default;

(b) it is feasible and viable;

(c) it has provisions for its effective implementation;

(d) it has provisions for approvals required and the timeline for the same; and

(e) the resolution applicant has the capability to implement the resolution plan.

(4) A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.

(5) The amount payable under a resolution plan –

(a) to the operational creditors shall be paid in priority over financial creditors; and

(b) to the financial creditors, who have a right to vote under sub-section (2) of section 21 and did not vote in favour of the resolution plan, shall be paid in priority over financial creditors who voted in favour of the plan.

#### **46. Submission of resolution plans.**

(1) A resolution applicant may submit resolution plan or plans prepared in accordance with the Code and these Regulations to the resolution professional through electronic means within the time given in the invitation for resolution plan.

(2) A resolution plan which does not comply with the provisions of sub-regulation (1) shall be rejected.

#### **47. Evaluation of resolution plans.**

(1) The resolution plans received under regulation 46, which comply with the requirements of the Code and these Regulations, shall be evaluated on the basis for evaluation.

(2) The resolution plan which gets the highest score under sub-regulation (1) shall be selected for competition with the base resolution plan.

#### **48. Approval of resolution plan.**

(1) The resolution plan selected under regulation 47 shall be considered by the committee for approval, if it is significantly better than the base resolution plan.

(2) Where no resolution plan is received under regulation 46, which complies with the requirements of the Code and these Regulations, the base resolution plan may be considered by the committee for approval.

(3) In cases not covered under sub-regulations (1) and (2), the resolution professional shall disclose the scores of the resolution plan selected under regulation 46 and the base resolution plan to submitters of these resolution plans and invite them to improve their resolution plans in accordance with sub-regulation (4).

(4) The submitter of the resolution plan under sub-regulation (3) shall have an option to improve its plan in the following manner:-

(a) The submitter of resolution plan, which has lower score, shall have an option to improve its resolution plan by at least a tick size;

(b) then the submitter of the other resolution plan shall have an option to improve its resolution plan by at least a tick size;

(c) then the submitter under clause (a) shall have an option to improve its resolution plan by at least a tick size;

(d) then the submitter under clause (b) shall have an option to improve its resolution plan by at least a tick size, and the process of improvement shall continue till either of the submitters fails to use the option within the time specified in the invitation for resolution plans.

(5) The process under sub-regulations (3) and (4) shall be completed within a time-window of forty-eight hours.

(6) The resolution plan having higher score on completion of process of improvement under sub-regulation (4) shall be considered by the committee for approval.

#### **49. Application to Adjudicating Authority.**

(1) Where a resolution plan is approved by the committee, the resolution professional shall submit an application, along with a compliance certificate in Form P12, to the Adjudicating Authority for approval.

(2) The resolution professional shall forthwith send a copy of the order of the Adjudicating Authority approving or rejecting a resolution plan to the participants and the resolution applicant.

(3) The resolution professional shall, within seven days of the order of the Adjudicating Authority approving a resolution plan, intimate each claimant, the principle or formula, as the case may be, for payment of debts under such resolution plan.

(4) Where no resolution plan is approved by the committee or where the committee has approved the termination of process, the resolution professional shall file an application in Form P13 to the Adjudicating Authority for termination of process.

## **CHAPTER X**

### **MANAGEMENT OF AFFAIRS OF THE CORPORATE DEBTOR**

#### **50. Management during the process.**

(1) The corporate debtor shall not manage the affairs of the corporate debtor in a manner prejudicial to the creditors of the corporate debtor or in a fraudulent manner.

(2) The corporate debtor shall not undertake any of the following actions without obtaining prior approval of the committee, namely:-

(a) transaction above a threshold as decided by the committee; and

(b) any other matter as decided by the committee and not covered under section 28.

(3) The corporate debtor in consultation with the resolution professional shall prepare a monthly report and forward it to the members of the committee with the following details:-

(a) details of legal proceedings having a material impact on the business of the corporate debtor;

(b) details of key contracts executed during the reporting period; and

(c) any other relevant matter(s) that may have a material impact on the business of the corporate debtor.

(4) The resolution professional may-

(a) call for information related to operations of the corporate debtor, including payments made;

(b) visit premise(s) of the corporate debtor;

(c) inspect the assets of the corporate debtor;

(d) call for information related to compliances applicable to the corporate debtor and its status;

(e) ask for details related to litigation initiated by or against corporate debtor; and

(f) ask details for ascertaining the conduct of corporate debtor during the process.

#### **51. Vesting of the management with resolution professional.**

For the purposes of sub-section (1) of section 54J, the resolution professional shall make an application in Form P14.



**SCHEDULE****FORM P1****WRITTEN CONSENT**

(Under regulation 7(1) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

[Date]

To

The Adjudicating Authority

[ \_\_\_\_\_ Bench]

From

[Name of the insolvency professional]

[Registration number of the insolvency professional]

[Address of the insolvency professional registered with the Board]

**Subject: Written consent in the matter of [name of corporate debtor]**

1. I, [name], an insolvency professional enrolled with [name of insolvency professional agency] and registered with the Board. I have been proposed for appointment-

(i) as the interim resolution professional under section 54O of the Insolvency and Bankruptcy Code, 2016 for corporate insolvency resolution process of [name of the corporate debtor].

OR

(ii) resolution professional under sections 54A or 27 of the Insolvency and Bankruptcy Code, 2016 for the pre-packaged insolvency resolution process of [name of the corporate debtor].

*{strike off the part which is not relevant}*

2. I hereby give consent to the proposed appointment.

3. I have the following processes in hand:-

<b>Sl. No.</b>	<b>Role as</b>	<b>Number of processes on the date of consent</b>
<b>I</b>	<b>II</b>	<b>III</b>
1	Interim Resolution Professional	
2	Resolution Professional in- a. Insolvency resolution processes for corporate persons b. Pre-packaged insolvency resolution processes c. Insolvency resolution processes for individuals	
3	Liquidator of- a. Liquidation Processes b. Voluntary Liquidation Processes	
4	Bankruptcy Trustee	
5	Authorised Representative	
6	Any other (Please state)	

4. I declare and affirm as under:-
- a. I am not subject to any disciplinary proceeding initiated by the Board or the Insolvency Professional Agency.
- b. I do not suffer from any disability to act as a resolution professional.
- c. I am eligible to be appointed as interim resolution professional / resolution professional of the corporate debtor under regulation 7 of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021 and other applicable provisions of the Code and the Regulations.
- d. I shall make the disclosures in accordance with the code of conduct for insolvency professionals set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016.

Date:	(Signature of the insolvency professional)
Place:	Registration No. _____
	Authorisation for assignment (AFA)No. _____ Date of expiry of AFA _____
	(Name in block letters)
	(Name of insolvency professional entity, if applicable)

**FORM P2****LIST OF CREDITORS OF [NAME OF CORPORATE DEBTOR]**

(Under regulation 14 of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

**AS ON [DATE]**

(Amount in ₹)

<b>List of financial creditors (unrelated)</b>			
<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>
<b>Sl. No.</b>	<b>Name of creditor</b>	<b>Amount of claim</b>	<b>% of claim</b>
1			
2			
3			
<b>List of financial creditors (related)</b>			
<b>Sl. No.</b>	<b>Name of creditor</b>	<b>Amount of claim</b>	<b>% of claim</b>
1			
2			
3			
<b>List of operational creditors (unrelated)</b>			
<b>Sl. No.</b>	<b>Name of creditor</b>	<b>Amount of claim</b>	<b>% of claim</b>
1			
2			
3			
<b>List of operational creditors (related)</b>			
<b>Sl. No.</b>	<b>Name of creditor</b>	<b>Amount of claim</b>	<b>% of claim</b>

1			
2			
3			
<b>List of other creditors (unrelated)</b>			
<b>Sl. No.</b>	<b>Name of creditor</b>	<b>Amount of claim</b>	<b>% of claim</b>
1			
2			
3			
<b>List of other creditors (related)</b>			
<b>Sl. No.</b>	<b>Name of creditor</b>	<b>Amount of claim</b>	<b>% of claim</b>
1			
2			
3			

[For Corporate Applicant]

(Signature)

Name of person submitting information

Relationship with corporate debtor

**FORM P3****APPROVAL OF TERMS OF APPOINTMENT OF RESOLUTION PROFESSIONAL**

(Under regulation 14(5) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

- The meeting of financial creditors, who are not related parties of the corporate debtor, was held on [date of meeting] at [time of meeting] at [venue of meeting] for proposing and approving the name of resolution professional for pre-packaged insolvency resolution process of [name of corporate debtor].
- The list of creditors in Form P2 was provided with the notice of said meeting.
- The details of creditor(s) present in the said meeting are enclosed as Annexure-A.
- [Name of creditor(s)], having % of debt\*, proposed the name of [name of proposed resolution professional], having registration number [registration number] for appointment as resolution professional for the pre-packaged insolvency resolution process of [name of corporate debtor].
- The following creditor(s) have approved the appointment of [name of proposed resolution professional], having registration number [registration number] for appointment as resolution professional for the pre-packaged insolvency resolution process of [name of corporate debtor].

Sl. No.	Name of creditor(s)	Amount of debt*	Percentage of debt*	Vote		
				Assent	Dissent	Abstain
I	II	III	IV	V	VI	VII
1						
2						
3						
<b>Total</b>						

6. The above-mentioned creditor(s), also approved the following terms of appointment of the [name of proposed resolution professional]:-

Sl. No.	Particulars	Fee (Amount in ₹)	Remarks
I	II	III	IV
1	Fee payable to the resolution professional for performing duties under sub-section (1) of section 54B		
2	Fee payable to the resolution professional and expenses to be incurred by him for conducting the process under section 54F		
3	Fee payable to the resolution professional and expenses to be incurred by him in case management of the corporate debtor is vested with him under section 54J		

7. That [name of creditor], is duly authorised to sign this Form on behalf of all the / assenting creditor(s) mentioned in Table in para 5.

[Name of creditor]

(Signature)

[NAME IN BLOCK LETTERS]

[Designation]

*\*Debt means aggregate financial debt owed to the financial creditors who are not related parties of the corporate debtor.*

*(Please modify the form suitably where the creditors are operational creditor(s))*

#### FORM P4

#### APPROVAL FOR INITIATING PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS OF [NAME OF CORPORATE DEBTOR]

(Under regulation 14(7) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

- The meeting of financial creditors, who are not related parties of the corporate debtor, was held on [date of meeting] at [time of meeting] at [venue of meeting] for approving the initiation of pre-packaged insolvency resolution process in respect of [Name of corporate debtor].
- Following document(s) was/were enclosed with the notice of said meeting:-
  - list of creditors in Form P2;
  - copy of declaration by members/partners in Form P6;
  - copy of members' special resolution or partners' resolution, as the case may be;
  - base resolution plan; and
  - other relevant information or document, if any.
- The details of creditor(s) present in the said meeting are enclosed herewith as Annexure-A.

4. The following creditor(s) have approved the initiation of pre-packaged insolvency resolution process in respect of [name of corporate debtor].

Sl. No.	Name of creditor(s)	Amount of debt*	Percent of debt*	Vote		
				Assent	Dissent	Abstain
I	II	III	IV	V	VI	VII
1						
2						
3						
<b>Total</b>						

5. That [name of creditor], is duly authorised to sign this Form on behalf of all the / assenting creditor(s) mentioned in Table above.

[Name of creditor]

Signature

[NAME IN BLOCK LETTERS]

[Designation]

\*Debt means aggregate financial debt owed to the financial creditors who are not related parties of the corporate debtor.

*(Please modify the form suitably where the creditors are operational creditor(s))*

### FORM P5

#### WRITTEN CONSENT TO ACT AS AUTHORISED REPRESENTATIVE

(Under regulation 15(iii) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

From

[Name of the insolvency professional]

[Registration number of the insolvency professional]

[Registered address of the insolvency professional]

To

[Name of resolution professional], the resolution professional of pre-packaged insolvency resolution process of [name of corporate debtor]

**Subject: Written Consent to act as an authorised representative.**

1. I, [name], an insolvency professional enrolled with [name of insolvency professional agency] and registered with the Board, note that you have proposed to appoint me as the authorised representative of financial creditors in a class [specify class] in the pre-packaged insolvency resolution process of [name of the corporate debtor].

2. I hereby give my consent for the proposed appointment.
3. I am having the following processes in hand:-

Sl. No.	Role as	Number of processes on the date of consent
I	II	III
1	Interim Resolution Professional	
2	Resolution Professional in- a. Insolvency resolution processes for corporate persons b. Pre-packaged insolvency resolution processes c. Insolvency resolution processes for individuals	
3	Liquidator of- a. Liquidation Processes b. Voluntary Liquidation Processes	
4	Bankruptcy Trustee	
5	Authorised Representative	
6	Any other (Please state)	

4. I declare and affirm as under:-
- a. I am not subject to any disciplinary proceeding initiated by the Board or the Insolvency Professional Agency.
- b. I do not suffer from any disability to act as an authorised representative.
- c. I shall not canvass with the creditors to indicate their choice in my favour.

Date:	(Signature of the insolvency professional)
Place:	Registration No. _____
	Authorisation for assignment (AFA) No. _____
	Date of expiry of AFA _____
	(Name in block letters)
	(Name of insolvency professional entity, if applicable)

### FORM P6

### DECLARATION BY DIRECTOR/PARTNERS

(Under regulation 16(1) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

[Date]

To  
The Adjudicating Authority  
[ \_\_\_\_\_ Bench]

**Subject: Declaration for initiating pre-packaged insolvency resolution process in respect of [name of corporate debtor].**

We,-

Sl. No.	Name and Designation	Director Identification Number	Address
I	II	III	IV
1			
2			
3			

representing majority among the directors/partners of the [name of the corporate debtor] “Corporate Debtor”) having [Identification Number] and having registered office at [Address], declare and affirm as under:-

- i. The corporate debtor shall file an application for initiating pre-packaged insolvency resolution process within [insert number of days].
- ii. The pre-packaged insolvency resolution process is not being initiated to defraud any person.;
- iii. The creditors have approved the name of [name of insolvency professional], having registration number [registration number], in the meeting of creditors convened under clause (e) of sub-section (2) of section 54A read with regulation 8 of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021, held on [date of meeting].
- iv. The details of the corporate debtor

Sl. No.	Title	Details
I	II	III
1	Name of the corporate debtor	
2	Registered address of the corporate debtor	
3	Date of incorporation of the corporate debtor	
4	Estimated date for filing the application with adjudicating authority for initiating pre-packaged insolvency resolution process	

- v. The contents of this declaration are true and correct and that we have concealed nothing and that no part of it is false.

Date:	(Signature of the Director/Partner)
Place:	(Name in block letters)
	DIN-_____
	Address:_____
Date:	(Signature of the Director/Partner)
Place:	(Name in block letters)
	DIN-_____
	Address:_____

(To be signed by all the directors/partners mentioned in Point-1)

**FORM P7****DECLARATION REGARDING EXISTENCE OF AVOIDANCE TRANSACTION(S)**

(Under regulation 16(2) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

[Date]

To

The Adjudicating Authority

[\_\_\_\_\_ Bench]

**Subject: Declaration regarding existence of avoidance transaction in respect of [name of corporate debtor].**

I, [name], a managing director/chairperson/designated partner/partner [director, if there is no managing director and chairperson] of the [name of the corporate debtor] (“Corporate Debtor”) having [Identification Number] having registered office at [Address], declare and affirm as under:-

{*strike off the part which is not relevant*}

- i. the corporate debtor has not been subject to any transaction within the meaning and scope of Chapter III or Chapter VI of the Insolvency and Bankruptcy Code, 2016 (Code).

OR

- ii. the corporate debtor has been subject to following transaction(s) within the meaning and scope of Chapter III or Chapter VI of the Code:-

Sl. No	Transaction with	Section (43/45/ 50/66)	Amount involved (in Rs.)	Remarks, if any
I	II	III	IV	V
1				
2				
3				

A note providing detail(s) of above-mentioned transaction(s) along-with relevant document(s) is enclosed as Annexure-A.

Place:

Date:

(Signature)

Name

Designation

DIN

Address



**FORM P8****REPORT OF THE INSOLVENCY PROFESSIONAL**

(Under regulation 17 of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

I [name of insolvency professional], proposed for appointment as resolution professional of [name of corporate debtor] in respect of pre-packaged insolvency resolution process of [name of corporate debtor] hereby declare and affirm as under:-

1. I have sought and obtained all the information and explanations which to the best of my knowledge and belief are necessary for the purposes of preparation of report under section 54B of the Insolvency and Bankruptcy Code, 2016 (Code) and Regulations thereunder.
2. I have examined the relevant documents and information required to ascertain the status of the corporate debtor and I hereby confirm that [name of corporate debtor] is a micro/ small/medium enterprise under sub-section (1) of section 7 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);
3. I hereby confirm that-
  - a. the corporate debtor has not undergone pre-packaged insolvency resolution process or completed corporate insolvency resolution process, during the period of three years preceding the date of making of the application;
  - b. the corporate debtor is not undergoing a corporate insolvency resolution process;
  - c. no liquidation order has been made in respect of the corporate debtor;
  - d. majority of directors / partners of the corporate debtor have made a declaration in Form P6 pursuant to clause (e) of sub-section (2) of section 54A; [Attachment]
  - e. the members of the corporate debtor have passed a special resolution or three-fourth of the total number of partners of the corporate debtor have passed a resolution approving the filing of the application for initiating pre-packaged insolvency resolution process;
  - f. the creditors of the corporate debtor representing [percent] of debt\* have approved the proposal for appointment of resolution professional, as required under clause (e) of sub-section (2) of section 54A in Form P3;
  - g. the creditors of the corporate debtor representing [percent] of debt\* have approved the proposal for initiation of pre-packaged insolvency resolution process in respect of [name of corporate debtor], as required under sub-section (3) of section 54A in Form P4;
  - h. the amount of default incurred by the corporate debtor is within the limit notified under sub-section (2) of section 4 of the Code; and
  - i. I have examined the base resolution plan provided to creditor(s) under clause (c) of sub-section (4) of section 54A, and hereby confirm that it complies with sub-sections (1) and (2) of section 30, section 54K of Code and the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021 and all other applicable provisions.

Place: \_\_\_\_\_ (Signature)

Date: \_\_\_\_\_ Name of insolvency professional  
Registration number

\*Debt means aggregate financial debt owed to the financial creditors who are not related parties of the corporate debtor.

**FORM P9****PUBLIC ANNOUNCEMENT**

(Under regulation 19(2) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

FOR THE ATTENTION OF THE CREDITORS OF [NAME OF CORPORATE DEBTOR]

Notice is hereby given that the Adjudicating Authority, \_\_\_Bench has ordered for the commencement of pre-packaged insolvency resolution process for [name of the corporate debtor] on [pre-packaged insolvency commencement date].

RELEVANT PARTICULARS		
I	II	III
1	Name of corporate debtor	
2	Former name(s), if changed in last two years	
3	Date of incorporation of corporate debtor	
4	Authority under which corporate debtor is incorporated / registered	
5	Identification number	
6	Address of the registered office and principal office (if any) of corporate debtor	
7	Pre-packaged insolvency commencement date	
8	Name and registration number of the resolution professional	
9	Address and e-mail of the resolution professional, as registered with the Board	
10	Address and e-mail to be used for correspondence with the resolution professional	
11	List of claims shall be made available from [insert date] at:	

(Signature)

Name and of resolution professional:

Date:

Place:

**FORM P10****LIST OF CLAIMS**

(Under regulation 20 of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

As on \_\_\_\_\_

(Amount in ₹)

Sl. No.	Category of creditor	Summary of claims		Amount of contingent claims	Details in Annexure	Remarks, if any
		No. of claims	Amount			
I	II	III	IV	V	VI	VII
1	Secured financial creditors belonging to any class of creditors				1	
2	Unsecured financial creditors belonging to any class of creditors				2	
3	Secured financial creditors (other than financial creditors belonging to any class of creditors)				3	
4	Unsecured financial creditors (other than financial creditors belonging to any class of creditors)				4	

5	Operational creditors (Workmen)				5	
6	Operational creditors (Employees)				6	
7	Operational creditors (Government dues)				7	
8	Operational creditors (other than Workmen, Employees and Government dues)				8	
9	Other creditors, if any, (other than financial creditors and operational creditors)				9	
<b>Total</b>						

[For Corporate Debtor] Signature Name of person submitting the information Relationship with corporate debtor	<b>OR</b>	[For Resolution Professional] Signature Name of Insolvency Professional Registration Number _____
--	-----------	--

**Annexure-1**

Name of the corporate debtor: .....

Date of commencement of PPIRP:.....

List of creditors as on: .....

**List of secured financial creditors belonging to any class of creditors**

(Amount in ₹)

Sl. No.	Name of creditor	Identification No.	Details of claims						Amount of contingent claim	Amount of any mutual dues, that may be set-off	Remarks, if any
			Amount of claim	Nature of claim	Amount covered by security interest	Amount covered by guarantee	Whether related party.	% of voting share in committee			
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1											
2											
3											

**Annexure-2**

Name of the corporate debtor: .....

Date of commencement of PPIRP:.....

List of creditors as on: .....



3										

**Annexure – 5**

Name of the corporate debtor: .....

Date of commencement of PPIRP:.....

List of creditors as on: .....

**List of operational creditors (Workmen)**

(Amount in ₹)

Sl. No.	Name of workman	Identification No.	Details of claims				Amount of contingent claim	Amount of any mutual dues, that may be set-off	Remarks, if any
			Amount of claim	Nature of claim	Whether related party.	% voting share in committee, if applicable			
I	II	III	IV	V	VI	VII	VIII	IX	X
1									
2									
3									

**Annexure – 6**

Name of the corporate debtor: .....

Date of commencement of PPIRP:.....

List of creditors as on: .....

**List of operational creditors (Employees)**

(Amount in ₹)

Sl. No.	Name of employee	Identification No.	Details of claims				Amount of contingent claim	Amount of any mutual dues, that may be set-off	Remarks, if any
			Amount of claim	Nature of claim	Whether related party.	% of voting share in committee, if applicable			
I	II	III	IV	V	VI	VII	VIII	IX	X
1									
2									
3									

**Annexure – 7**

Name of the corporate debtor: .....

Date of commencement of PPIRP:.....

List of creditors as on: .....

**List of operational creditors (Government dues)**

(Amount in ₹)

Sl. No	Details of Government organisation			Details of claims					Amount of	Amount of any mutual dues, that may be set-off	Remarks, if any
	Department	Government	Identification	Amount of claim	Nature of Claim	Amount covered by security interest	Amount covered by guarantee	% of voting share in committee, if applicable			
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1											
2											
3											

**Annexure – 8**

Name of the corporate debtor: .....

Date of commencement of PPIRP:.....

List of creditors as on: .....

**List of operational creditors (Other than Workmen and Employees and Government dues)**

(Amount in ₹)

Sl. No.	Name of creditor	Identification No.	Details of claim						Amount of contingent claim	Amount of any mutual dues, that may be set-off	Remarks, if any
			Amount of claim	Nature of claim	Amount covered by security interest	Amount covered by guarantee	Whether related party.	% of voting share in committee			
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1											
2											
3											

**Annexure – 9**

Name of the corporate debtor: .....

Date of commencement of PPIRP:.....

List of creditors as on: .....

**List of other creditors (Other than financial creditors and operational creditors)**

(Amount in ₹)

Sl. No.	Name of creditor	Identification No.	Details of claim					Amount of contingent claim	Amount of any mutual dues, that may be set-off	Remarks, if any
			Amount of claim	Nature of claim	Amount covered by security interest	Amount covered by guarantee	Whether related party.			
I	II	III	IV	V	VI	VII	VIII	IX	X	XI
1										
2										
3										

**FORM P11****INVITATION FOR RESOLUTION PLANS**

(Under regulation 43 of the Insolvency and Bankruptcy (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

RELEVANT PARTICULARS		
I	II	III
1	Name of the corporate debtor	
2	Former name(s), if changed in last two years	
3	Date of incorporation of corporate debtor	
4	Authority under which corporate debtor is incorporated /registered	
5	Identification number	
6	Address of the registered office and principal office (if any) of corporate debtor	
7	Pre-packaged insolvency commencement date	
8	Date of invitation for resolution plans	
9	Eligibility for resolution applicants	
10	Norms of ineligibility applicable under section 29A	
11	Basis for evaluation (including details related to significant improvement and tick size)	
12	Manner of obtaining 'invitation of resolution plan', basis for evaluation (including details related to significant improvement and tick size), information memorandum and further information	
13	Last date for submission of resolution plans	
14	Manner of submitting resolution plans to resolution professional	
15	Estimated date for submission of resolution plan to the Adjudicating Authority for approval	

16	Name and registration number of the resolution professional	
17	Name, address and e-mail of the resolution professional, as registered with the Board	
18	Address and email to be used for correspondence with the resolution professional	
19	Further details are available at or with	
20	Date of publication of Form	

(Signature)

Name of the resolution professional

Registration number

Registered address

Date:

Place:

**FORM P12****COMPLIANCE CERTIFICATE**

(Under regulation 49 (1) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021]

I, [Name of the resolution professional], am the resolution professional for the pre-packaged insolvency resolution process (PIRP) of [name of the corporate debtor].

2. The details of the pre-packaged insolvency resolution process

Sl. No.	Particulars	Description
I	II	III
1	Name of the corporate debtor	
2	Date of commencement of PIRP	
3	Date of appointment of resolution professional	
4	Date of publication of public announcement	
5	Date of constitution of committee	
6	Date of first meeting of committee	
7	Date of appointment of registered valuers	
8	Date of submission of base resolution plan	
9	Date of invitation of resolution plans from third party resolution applicant, if applicable	
10	Date of inviting corporate debtor to improve its resolution plan, if applicable	
11	Date of issue of invitation for resolution plan (if applicable)	
12	Last date of submission of resolution plan	
13	Date of approval of resolution plan by committee	
14	Date of filing of resolution plan with Adjudicating Authority	
15	Date of expiry of one hundred and twenty days of PIRP	
16	Fair value	



17	Liquidation value	
18	Number of meetings of committee held	

3. I have examined the resolution plan received from corporate debtor/third party resolution applicant (.....) and approved by the committee of [Name of the corporate debtor].

4. I hereby certify that-

- the said resolution plan complies with all the provisions of the Insolvency and Bankruptcy Code 2016 (Code), the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021 and does not contravene any of the provisions of the law for the time being in force.
- the corporate debtor/third party resolution applicant )..... (..has submitted an affidavit pursuant to section 30)1 (of the Code confirming its eligibility under section 29A of the Code to submit resolution plan .The contents of the said affidavit are in order.
- the said resolution plan has been approved by the committee in accordance with the provisions of the Code and the Regulations made thereunder .The resolution plan has been approved by ]state the number of votes by which resolution plan was approved by committee % [of voting share of financial creditors after considering its feasibility and viability and other requirements specified by the PPIRP Regulations.
- the voting was held in the meeting of the committee on ]state the date of meeting [where all the members of the committee were present.

or

I sought vote of members of the committee by electronic voting system which was kept open at least for 24/48 hours.

{strike off the part which is not relevant}

5 .The list of financial creditors of the ]name of CD [being members of the committee and distribution of voting share among them

Sl. No.	Name of creditor	Voting share (%)	Voting for resolution plan (voted for / dissented / abstained)
I	II	III	IV
1			
2			
3			

6 .The resolution plan includes a statement under regulation 45 of the regulations as to how it has dealt with the interests of all stakeholders in compliance with the Code and Regulations made thereunder.

7 .The amounts provided for the stakeholders under the resolution plan

(Amount in Rs .Lakh)

Sl. No.	Category of stakeholder*	Sub-category of stakeholder	Amount of claim	Amount admitted	Amount provided under the plan#	Amount provided to the amount claimed (%)
I	II	III	IV	V	VI	VII
1	Secured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21				

		(b) Other than (a) above - (i) who did not vote in favour of the resolution plan (ii) who voted in favour of the resolution plan Total[(a) + (b)]				
2	Unsecured Financial Creditors	(a) Creditors not having a right to vote under sub-section (2) of section 21 (b) Other than (a) above - (i) who did not vote in favour of the resolution plan (ii) who voted in favour of the resolution plan Total[(a) + (b)]				
3	Operational Creditors	(a) Related Party of Corporate Debtor (b) Other than (a) above - (i) Government (ii) Workmen (iii) Employees (iv) ..... Total[(a) + (b)]				
4	Other debts and dues					
Grand Total						

\*If there are sub-categories in a category, please add rows for each sub-category .

# Amount provided over time under the resolution plan and includes estimated value of non-cash components .It is not Net Present Value.

8. The interests of existing shareholders have been altered by the resolution plan

Sl.No.	Category of shareholder	No .of shares held before PPIRP	No .of shares held after the PPIRP	Voting share (%) held before PPIRP	Voting share (%) held after PPIRP
I	II	III	IV	V	VI
1	Equity				
2	Preference				
3					

9 .The compliance of the resolution plan

Section of the Code / regulation No .	Requirement with respect to resolution plan	Clause of resolution plan	Compliance (Yes / No)
I	II	III	IV
section 29A	Whether the resolution applicant is eligible to submit resolution		

	plan as per final list of Resolution Professional or Order, if any, of the Adjudicating Authority. (whereas applicable)		
section 30(1c)	Whether the Resolution Applicant has submitted an affidavit stating that it is eligible. (if applicable)		
section 30(2)	Whether the resolution plan- (a) provides for the payment of insolvency resolution process costs; (b) provides for the payment to the operational creditors; (c) provides for the payment to the financial creditors who did not vote in favour of the resolution plan; (d) provides for the management of the affairs of the corporate debtor; (e) provides for the implementation and supervision of the resolution plan; (f) contravenes any of the provisions of the law for the time being in force.		
section 54K (4) or (12) and regulation 45	Whether the resolution plan- (a) is feasible and viable, according to the committee; (b) has been approved by the committee with 66% voting share.		
section 31(1)	Whether the resolution plan has provisions for its effective implementation plan, according to the committee.		
regulation 41	Whether the resolution professional has made a determination under regulation 41, before the forty fifth day of the insolvency commencement date, under intimation to the Board.		
regulation 45(5)	Whether the amount due to the operational creditors under the resolution plan has been given priority in payment over financial creditors.		
regulation 45(4)	Whether the resolution plan includes a statement as to how it has dealt with the interests of all stakeholders.		
regulation 45(1)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation.		
regulation 45(2)	Whether the resolution plan provides for - (a) the term of the plan and its implementation schedule; (b) the management and control of the business of the corporate debtor during its term; (c) adequate means for supervising its implementation.		
regulation 45(3)	Whether the resolution plan demonstrates that – (a) it addresses the cause of default; (b) it is feasible and viable; (c) it has provisions for its effective implementation; (d) it has provisions for approvals required and the timeline for the same; (e) the resolution applicant has the capability to implement the resolution plan.		

regulation 41(3)	(a) Whether the RP has filed applications in respect of transactions observed, found or determined by him.		
regulation 43(5)	Provide details of performance security received, as referred to in sub-regulation (5) of regulation 43.		
section 54K	Where the base resolution plan has been approved by committee,-  (i) whether such resolution plan provides for impairment of any claims owed by the corporate debtor;  (ii) if the base resolution plan provides for impairment of any claims owed by the corporate debtor, whether the such resolution plan provides for dilution of promoter shareholding or voting or control rights in the corporate debtor. If no, has the committee recorded the reasons for the same prior to approval of such base plan.		

10 .The time frame proposed for obtaining relevant approvals

Sl. No.	Nature of approval	Name of applicable law	Name of authority who will grant approval	When to be obtained
I	II	III	IV	V
1				
2				
3				

11 .The resolution plan is not subject to any contingency; or

the resolution plan is subject to the following contingencies (Elaborate the contingencies):-

i.....

ii.....

12 .Following are the deviations / non-compliances of the provisions of the Insolvency and Bankruptcy Code, 2016, Regulations made, or Circulars issued thereunder (If any deviation/ non-compliances were observed, please state the details and reasons for the same):-

Sl. No.	Deviation/Non-compliance observed	Section of the Code / regulation No. / circular No.	Reasons	Whether rectified or not
I	II	III	IV	V
1				
2				
3				

13 .The resolution plan is being filed ..... days before the expiry of the period of PPIRP.

14 .Provide details of section 66 or avoidance application filed /pending, if any.

Sl. No.	Type of transaction	Date of filing with Adjudicating Authority	Date of order of the Adjudicating Authority	Brief of the order
I	II	III	IV	V
1	Preferential transactions under section 43			
2	Undervalued transactions under section 45			
3	Extortionate credit transactions under section 50			
4	Fraudulent transactions under section 66			

15 .I )name of resolution professional (hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed therefrom .

(Signature)

Name of the resolution professional:

IP Registration No:

Address as registered with the Board:

Email Id as registered with the Board:

AA: Adjudicating Authority; Committee: Committee of Creditors; IFRP: Invitation for Resolution Plan; IM: Information Memorandum; PPIRP: Pre-packaged insolvency resolution process; RA: Resolution Applicant; RP: Resolution Professional.

### FORM P13

#### APPLICATION FOR TERMINATION OF PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS

(Under regulation 49(4) of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021]

[Date]

To

The Adjudicating Authority

[ \_\_\_\_\_ Bench]

From

[Name of the insolvency professional]

[Registration number of the insolvency professional]

[Registered address of the insolvency professional]

In the matter of [name of the corporate debtor]

**Subject:** Termination of pre-packaged insolvency resolution process of [name of corporate debtor]

Madam/Sir,

The [name of the corporate debtor], had filed an application bearing [particulars of application, having, [diary number/ case number] on [date of filing] before the Adjudicating Authority under [under section 54C,] of the

Insolvency and Bankruptcy Code, 2016. The said application was admitted by the Adjudicating Authority on [date] bearing [case number].

2. The committee of creditors has, in its meeting held on \_\_\_\_\_, decided to terminate the aforementioned pre-packaged insolvency resolution process filed by the [name of the corporate debtor] under sub-section (2) of section 54N.

OR

No resolution plan was submitted within the period permitted for approval of resolution plan under sub-section (3) of section 54D.

OR

The resolution plan selected under sub-section (11) of section 54K has not been approved by the committee of creditors under sub-section (12) of section 54K

*{strike off the part which is not relevant}*

3. I hereby attach the report of termination of the pre-packaged insolvency resolution process.

(Signature)

Name of the resolution professional:

IP Registration No:

Address as registered with the Board:

Email Id as registered with the Board:

Date:

Place:

#### FORM P14

#### APPLICATION FOR VESTING MANAGEMENT WITH RESOLUTION PROFESSIONAL

)Under regulation 51 of the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021)

[Date]

To

The Adjudicating Authority

( \_\_\_\_\_ Bench)

From [Name of the insolvency professional]

[Registration number of the insolvency professional]

[Registered address of the insolvency professional]

In the matter of [name of the corporate debtor]

**Subject:** Vesting of management of [name of corporate debtor] with resolution professional.

Madam/Sir,

[Name of the corporate debtor], had filed an application bearing [particulars of application, having, diary number/ case number] on [date of filing] before the Adjudicating Authority under [under section 54C,] of the Insolvency and Bankruptcy Code, 2016 (Code). The said application was admitted by the Adjudicating Authority on [date] bearing [case number].

2. The committee of creditors has, in its meeting held on \_\_\_\_\_, decided to vest the management of the [Name of the Corporate Debtor] with the resolution professional under section 54J of the Code for the following reason(s):-

a.

b.

3. I hereby attach the minutes of the meeting of committee of creditors held on \_\_\_\_\_ .

(Signature)

Name of the Resolution Professional:

IP Registration No:

Address as registered with the Board:

Email Id as registered with the Board:

Date:

Place:

Dr. M. S. SAHOO, Chairperson

[ADVT.-III/4/Exty./16/2021-22]

# **Insolvency and Bankruptcy Board of India (Engagement of Research Associates and Consultants) Regulations, 2017<sup>1</sup>**

[AMENDED UPTO 01-06-2022]

In exercise of the powers conferred by section 240 read with section 194 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations, namely: –

## **1. Short title and commencement.**

- (1) These regulations may be called the Insolvency and Bankruptcy Board of India (Engagement of Research Associates and Consultants) Regulations, 2017.
- (2) They shall come into force on the date of their publication in the Official Gazette.

## **2. Definitions.**

- (1) In these regulations, unless the context otherwise requires, –
  - (a) “Code” means the Insolvency and Bankruptcy Code, 2016 (31 of 2016);
  - (b) “Chairperson” means the Chairperson of the Board;
  - (c) “Board” means the Insolvency and Bankruptcy Board of India established under section 188(1) of the Code;
  - (d) “Executive Director” means an officer of the Board appointed as such and having the responsibility to manage human resources of the Board and includes an officer of the Board authorized by the Chairperson to function as Executive Director (Human Resources);
- (2) Words and expressions used but not defined in these regulations shall have the same meanings respectively assigned to them in the Code.

## **3. Research Associates and Consultants.**

- (1) The Board may decide, from time to time, the number of the Research Associates and Consultants to be engaged.
- (2) The Board may engage such number of Research Associates and Consultants, as it may deem fit.

## **4. Functions of Research Associates and Consultants.**

The Research Associates and Consultants engaged by the Board shall discharge such functions, as may be assigned to them by the Board.

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<sup>1</sup> Vide Notification No. IBBI/2016-17/GN/REG006 dated 30<sup>th</sup> January, 2017 published in the Gazette of India Extraordinary, Part III, Sec. 4, vide no. 424, dated 31<sup>st</sup> January, 2017 (w.e.f. 31.01.2017).



## **5. Qualifications, experience and remuneration.**

- (1) The eligibility for Research Associates and Consultants for different disciplines shall be as given in Schedule I:

Provided that the Board may also engage Research Associates and Consultants from any other discipline as deemed necessary to assist the Board in the discharge of its functions under the Code.

- (2) Depending upon the experience in respective discipline, a person shall be engaged as Research Associate or Consultant in one of five levels given in Schedule II.
- (3) The Research Associates and Consultants of different levels shall be paid a consolidated remuneration in accordance with Schedule II.

<sup>2</sup>[Provided that the Chairperson may amend the consolidated remuneration given in Schedule II for reasons to be recorded in writing.]

- (4) A Research Associate or Consultant shall not be entitled to any other compensation or facility in any form except an annual leave of 12 days.

## **6. Evaluation of performance.**

- (1) The performance of each Research Associate and Consultant shall be reviewed every six months with reference to tasks assigned and output delivered.
- (2) If performance is unsatisfactory, the engagement of the Research Associate or Consultant, as the case may be, shall be discontinued forthwith.

## **7. Selection of Research Associates and Consultants.**

- (1) The Executive Director shall publish discipline-wise and level-wise number of the Research Associates and Consultants to be engaged with details of qualifications and experience required and the remuneration payable on the website of the Board and invite applications for each discipline and level by a stipulated date:

Provided that the Executive Director may also invite the applications by suitable public notice, for each discipline and level of Research Associates and Consultants.

- (2) On expiry of the last date for receipt of applications under sub-regulation (1), the Executive Director shall scrutinise the applications in accordance with these regulations and prepare lists of eligible candidates for each discipline and level to be called for interview.
- (3) In case the number of candidates in a list of eligible candidates prepared under sub-regulation (2) is more than four times the number of Research Associates or Consultants to be engaged in that discipline and or level, a committee of officers will prepare a short list of candidates based on higher standards of eligibility, as may be approved by the Board, for interview.

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<sup>2</sup> Ins. by Notification No. IBBI/2022-23/GN/REG083, dated 1<sup>st</sup> June., 2022 (w.e.f. 01.06.2022).

- (4) For selecting Research Associates and Consultants for each discipline and level, the Board shall constitute a selection committee comprising:
  - a) Chairperson or Whole Time Member,
  - b) Executive Director or a Senior Officer of the Board, if the position of Executive Director is vacant, and
  - c) An External expert.
- (5) The selection committee mentioned in sub-regulation (4) shall interview the candidates in the list of eligible candidates prepared under sub-regulation (2) or in the short list of candidates prepared under sub-regulation (3), as the case may be, and based on the interview, submit to the Board a panel of candidates for engagement as Research Associates and Consultants.
- (6) On approval of the panel of candidates by the Board, the Executive Director shall inform each candidate in writing by an offer letter of engagement giving not less than ten days' time to accept the offer of engagement.
- (7) After receipt of acceptance from the selected candidates as per sub-regulation (7), the Executive Director shall issue a letter of engagement to each candidate giving not less than thirty days' time to join:

Provided that the joining time may be extended by the Executive Director on being satisfied that extension is sought on circumstances beyond the control of the candidate.

## **8. Terms and condition of engagement.**

- (1) <sup>3</sup>[A selected candidate shall ordinarily be engaged as a Research Associate or Consultant, as the case may be, on contractual basis for a period not less than one year and up to three years:

Provided that the Chairperson may extend the term of such engagement, one year at a time, up to a maximum of total five years.]

- (2) The engagement of a Research Associate or a Consultant may be discontinued by giving one months' notice or one month's salary in lieu of the notice, to the other party.
- (3) A selected candidate at the time of joining the Board shall enter into a contract which details the terms and conditions of engagement, including the confidentiality, with the Executive Director acting on behalf of the Board.
- (4) The terms and conditions of engagement may be modified, in a specific case, where the Board deems it necessary.
- (5) Without prejudice and in addition to the legal remedies available to the Board, the breach of agreement executed under sub-regulation (2) by or on behalf of any

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<sup>3</sup> Substituted by Notification No. IBBI/2022-23/GN/REG083., dated 1<sup>st</sup> June, 2022 (w.e.f. 01-06-2022). Before substitution, it stood as: "(1) A selected candidate shall be engaged as Research Associates or Consultants on contractual basis for not less than six months and not more two years."

Research Associate or Consultant shall be considered a sufficient ground for termination of the engagement made under the contract and may further debar such person from future engagement by the Board.

## 9. Power to relax.

The Board may relax any of these regulations as may be deemed necessary, after recording the reasons for the same, in the discharge of its functions under the Code.

### <sup>4</sup>[Schedule I (See regulation 5)

Discipline of Research Associate / Consultant	Qualifications	
	Essential	Desirable
(1)	(2)	(3)
a. Economics / Public Policy	Post Graduate degree in Economics or Public Policy from a recognised University or Institution.	(a) Consistent high academic performance; (b) Doctoral degree from a reputed University or Institution in Economics or a closely related area; (c) Degree / Diploma / Certification in Regulatory / Business Law / Economics.
b. Law	(i) LL. B or equivalent from a recognised University or Institution, and (ii) Qualified to be enrolled as an Advocate in a Bar Council constituted under the Advocate's Act, 1961 (25 of 1961).	(a) Consistent high academic performance; (b) LL. M. / Doctoral degree from a reputed University or Institution in Law or a closely related area; (c) Degree / Diploma / Certification in Regulatory / Business Law / Economics.
c. Business Management	Post graduate degree / Post graduate diploma / Master of Business Management from a recognised University or Institute / A Member of the Institute of Chartered Accountants of India / A Member of Institute of Cost Accountants of India / A Member of Institute of Company Secretaries of India.	(a) More than one of the qualifications mentioned in the essential column; (b) Consistent high academic performance; (c) Doctoral degree from a reputed University / Institution in law / management / accounts/ finance / a closely related area; (d) Degree / Diploma / Certification in Regulatory / Business Law / Economics.
d. Insolvency	(i) Qualifications and experience as required under regulation 5(c) of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016; and (ii) Pass in the Limited Insolvency Examination.	(a) Consistent high academic performance; (b) Degree / Diploma / Certification in Regulatory / Business Law / Economics; (c) Experience as an insolvency professional.

<sup>4</sup> Substituted by Notification No. IBBI/2019-20/GN/REG041 dated 23<sup>rd</sup> July, 2019 (w.e.f. 23.07.2019) .

e. Valuation	(i) Qualification and experience as required under rule 4 of the Companies (Registered Valuers and Valuation) Rules, 2017; and (ii) Pass in the Valuation Examination of the relevant asset class (Land and Building / Plant and Machinery / Securities or Financial Assets)	(a) Consistent high academic performance; (b) Degree / Diploma / Certification in Regulatory / Business Law / Economics; (c) Experience as a registered valuer of the relevant asset class.
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<sup>5</sup>[**SCHEDULE II**  
(See regulation 5)]

<b>Level</b>	<b>Experience (Employment / Practice/ Research) in the relevant discipline (Years)</b>	<b>Consolidated Monthly Remuneration + 10 percent annual increase</b>
Level I (Research Associate)	Up to three years	Rs. 60,000
Level II (Research Associate)	Minimum three years	Rs. 80,000
Level III (Research Associate)	Minimum five years	Rs. 1,05,000
Level IV (Consultant)	Minimum ten years	Rs. 1,30,000
Level V (Consultant)	Minimum fifteen years	Rs. 1,55,000]

Dr. M. S. Sahoo  
Chairperson  
Insolvency and Bankruptcy Board of India

<sup>5</sup> Substituted by Notification No. IBBI/2022-23/GN/REG083., dated 1<sup>st</sup> June, 2022 (w.e.f. 01-06-2022).

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (VOLUNTARY LIQUIDATION PROCESS) REGULATIONS, 2017<sup>1</sup>**

[AMENDED UPTO 16.09.2022]

IBBI/2016-17/GN/REG010. -In exercise of the powers conferred by sections 59, 196 and 208 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Board hereby makes the following Regulations, namely: -

**CHAPTER I**  
**PRELIMINARY**

**1. Short title and commencement.**

- (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.
- (2) These Regulations shall come into force on 1<sup>st</sup> April, 2017.
- (3) These Regulations shall apply to the voluntary liquidation of corporate persons under Chapter V of Part II of the Insolvency and Bankruptcy Code, 2016.

**2. Definitions.**

- (1) In these Regulations, unless the context otherwise requires-
  - (a) “Code” means the Insolvency and Bankruptcy Code, 2016;
  - (b) “contributory” means a member of a company, partner of a limited liability partnership, and any other person liable to contribute towards the assets of the corporate person in the event of its liquidation;
  - <sup>2</sup>[(ba) “Corporate Voluntary Liquidation Account” means the Corporate Voluntary Liquidation Account operated and maintained by the Board under regulation 39;]
  - (c) “liquidation commencement date” means the date on which the proceedings for voluntary liquidation commence as per section 59(5) and Regulation <sup>3</sup>[3(3)];
  - (d) “Registrar” shall have the same meaning assigned to it under section 2(75) of the Companies Act, 2013 or section 2(1)(s) of the Limited Liability Partnership Act, 2008 or the authority administering the Act under which the corporate person is incorporated, as applicable;

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<sup>1</sup>Vide Notification No. IBBI/2016-17/GN/REG010, dated 31<sup>st</sup> March, 2017, published in the Gazette of India, Extraordinary, Part III, Sec.4, vide No. 130, dated 31<sup>st</sup> March, 2017 (w.e.f. 01.04.2017).

<sup>2</sup> Ins. by Notification No. IBBI/2019-20/GN/REG054, dated 15<sup>th</sup> Jan., 2020 (w.e.f. 15.01.2020).

<sup>3</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5<sup>th</sup> April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as: “3(4)”.

- (e) “section” means a section of the Code; and
  - (f) “stakeholders” mean the stakeholders entitled to proceeds from the sale of liquidation assets under section 53.
- (2) The term liquidation in these Regulations refers to voluntary liquidation.
- (3) Unless the context otherwise requires, words and expressions used and not defined in these Regulations, but defined in the Code, shall have the meanings assigned to them in the Code.

## **CHAPTER II**

### **COMMENCEMENT OF LIQUIDATION**

#### **3. Initiation of Liquidation**

- (1) Without prejudice to section 59(2), liquidation proceedings of a corporate person shall meet the following conditions, namely: —
- (a) a declaration from majority of
    - (i) the designated partners, if a corporate person is a limited liability partnership,
    - (ii) individuals constituting the governing body in case of other corporate persons,as the case may be, verified by an affidavit stating that-
    - (i) they have made a full inquiry into the affairs of the corporate person and they have formed an opinion that either the corporate person has no debt or that it will be able to pay its debts in full from the proceeds of assets to be sold in the liquidation; and
    - (ii) the corporate person is not being liquidated to defraud any person;
  - (b) the declaration under sub-clause (a) shall be accompanied with the following documents, namely: —
    - (i) audited financial statements and record of business operations of the corporate person for the previous two years or for the period since its incorporation, whichever is later;
    - (ii) a report of the valuation of the assets of the corporate person, if any prepared by a registered valuer;
  - (c) within four weeks of a declaration under sub-clause (a), there shall be-

- (i) a resolution passed by a special majority of the partners or contributories, as the case may be, of the corporate person requiring the corporate person to be liquidated and appointing an insolvency professional to act as the liquidator; or
- (ii) a resolution of the partners or contributories, as the case may be, requiring the corporate person to be liquidated as a result of expiry of the period of its duration, if any, fixed by its constitutional documents or on the occurrence of any event in respect of which the constitutional documents provide that the corporate person shall be dissolved, as the case may be, and appointing an insolvency professional to act as the liquidator:

*Provided* that the corporate person owes any debt to any person, creditors representing two-thirds in value of the debt of the corporate person shall approve the resolution passed under sub-clause (c) within seven days of such resolution.

- (2) The corporate person shall notify the Registrar and the Board about the resolution under sub-regulation (1) to liquidate the corporate person within seven days of such resolution or the subsequent approval by the creditors, as the case may be.
- (3) Subject to approval of the creditors under sub-regulation (1), the liquidation proceedings in respect of a corporate person shall be deemed to have commenced from the date of passing of the resolution under sub-clause (c) of sub-regulation (1):

*Explanation:* For the purposes of sub-regulations (1) to (3), corporate person means a corporate person other than a company.

- (4) The declaration under sub-regulation (1)(a) or under section 59(3)(a) shall list each debt of the corporate person as on that date and state that the corporate person will be able to pay all its debts in full from the proceeds of assets to be sold in the liquidation.

- (5) <sup>4</sup>[The declaration under sub-regulation (1)(a) or under section 59(3)(a) shall provide that the corporate person has made provision for preservation of its records after its dissolution.]

#### **4. Effect of liquidation.**

- (1) The corporate person shall from the liquidation commencement date cease to carry on its business except as far as required for the beneficial winding up of its business.
- (2) Notwithstanding the provisions of sub-section (1), the corporate person shall continue to exist until it is dissolved under section 59(8).

### **CHAPTER III**

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<sup>4</sup> Ins. by Notification No. IBBI/2022-23/GN/REG095, dated 16<sup>th</sup> September, 2022, (w.e.f. 16.09.2022).

## APPOINTMENT AND REMUNERATION OF LIQUIDATOR

### 5. <sup>5</sup>[Appointment of liquidator.

- (1) Subject to regulation 6, the corporate person shall appoint an insolvency professional as liquidator, and, wherever required, may replace him by appointing another insolvency professional as liquidator, by a resolution passed under clause (c) of sub-section (3) of section 59 or clause (c) of sub-regulation (1) of regulation 3, as the case may be:

Provided that such resolution shall contain the terms and conditions of appointment of the liquidator, including the remuneration payable to him.

- (2) The insolvency professional shall, within <sup>6</sup>[seven] days of his appointment as liquidator, intimate the Board about such appointment.]

### 6. Eligibility for appointment as liquidator.

- (1) An insolvency professional shall be eligible to be appointed as a liquidator if he, and every partner or director of the insolvency professional entity of which he is a partner or director is independent of the corporate person:

*Explanation:* A person shall be considered independent of the corporate person, if he-

- (a) is eligible to be appointed as an independent director on the board of the corporate person under section 149 of the Companies Act, 2013 (18 of 2013), where the corporate person is a company;
- (b) is not a related party of the corporate person; or
- (c) has not been an employee or proprietor or a partner-
  - (i) of a firm of auditors or <sup>7</sup>[secretarial auditors] or cost auditors of the corporate person; or
  - (ii) of a legal or a consulting firm, that has or had any transaction with the corporate person contributing ten per cent or more of the gross turnover of such firm,

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<sup>5</sup> Substituted by Notification No. IBBI/2020-21/GN/REG.063, dated 5<sup>th</sup> August, 2020 (w.e.f. 05-08-2020). Before substitution, it stood as:

**“5. Appointment of Liquidator.**

- (1) An insolvency professional shall not be appointed by a corporate person if he is not eligible under Regulation 6.
- (2) The resolution passed under regulation 3(2)(c) or under section 59(3)(c), as the case may be, shall contain the terms and conditions of the appointment of the liquidator, including the remuneration payable to him.”

<sup>6</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5<sup>th</sup> April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as: “three”.

<sup>7</sup> Substituted by Notification No. IBBI/2019-20/GN/REG039, dated 15<sup>th</sup> January, 2019 (w.e.f. 15-01-2019). The words, before substitution stood as: “company secretaries”.



at any time in the last three years.

- (2) An insolvency professional shall not be eligible to be appointed as a liquidator if he, or the insolvency professional entity of which he is a partner or director is under a restraint order of the Board.
- (3) A liquidator shall disclose the existence of any pecuniary or personal relationship with the concerned corporate person or any of its stakeholders as soon as he becomes aware of it, to the Board and the Registrar.
- (4) An insolvency professional shall not continue as a liquidator if the insolvency professional entity of which he is a director or partner, or any other partner or director of such insolvency professional entity represents any other stakeholder in the same liquidation.

**7. Liquidator's remuneration.**

The remuneration payable to the liquidator shall form part of the liquidation cost.

**CHAPTER IV**  
**POWERS AND FUNCTIONS OF THE LIQUIDATOR**

**8. Reporting.**

- (1) The liquidator shall prepare and submit-
  - (a) Preliminary Report;
  - (b) Annual Status Report;
  - (c) Minutes of consultations with stakeholders; and
  - (d) Final Reportin the manner specified under these Regulations.
- (2) Subject to other provisions of these Regulations, the liquidator shall make the reports and minutes referred to sub-regulation (1) available to a stakeholder in either electronic or physical form, on receipt of-
  - (a) an application in writing;
  - (b) cost of making such reports available to it; and
  - (c) an undertaking from the stakeholder that it shall maintain confidentiality of such reports and shall not use these to cause an undue gain or undue loss to itself or any other person.

## **9. Preliminary Report.**

(1) The liquidator shall submit a Preliminary Report to the corporate person within forty five days from the liquidation commencement date, detailing-

- (a) the capital structure of the corporate person;
- (b) the estimates of its assets and liabilities as on the liquidation commencement date based on the books of the corporate person:

*Provided* that if the liquidator has reasons to believe, to be recorded in writing, that the books of the corporate person are not reliable, he shall also provide such estimates based on reliable records and data otherwise available to him;

- (c) Whether he intends to make any further inquiry in to any matter relating to the promotion, formation or failure of the corporate person or the conduct of the business thereof; and
- (d) the proposed plan of action for carrying out the liquidation, including the timeline within which he proposes to carry it out and the estimated liquidation costs.

## **10. Registers and books of account.**

(1) Where the books of account of the corporate person are incomplete on the liquidation commencement date, the liquidator shall have them completed and brought up-to-date, with all convenient speed.

(2) The liquidator shall maintain the following registers and books, as may be applicable, in relation to the liquidation of the <sup>8</sup>[corporate person]:-

- (a) Cash Book;
- (b) Ledger;
- (c) Bank Ledger;
- (d) Register of Fixed Assets and Inventories;
- (e) Securities and Investment Register;
- (f) Register of Book Debts and Outstanding Debts;
- (g) Tenants Ledger;

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<sup>8</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as: “corporate debtor”.

- (h) Suits Register;
  - (i) Decree Register;
  - (j) Register of Claims and Dividends;
  - (k) Contributories Ledger;
  - (l) Distributions Register;
  - (m) Fee Register;
  - (n) Suspense Register;
  - (o) Documents Register;
  - (p) Books Register;
  - (q) <sup>9</sup>[Register of unclaimed dividends and undistributed proceeds; and]
  - (r) such other books or registers as may be necessary to account for transactions entered into by him in relation to the <sup>10</sup>[corporate person].
- (3) The registers and books under sub-regulation (2) may be maintained in the forms indicated in Schedule II, with such modifications as the liquidator may deem fit in the facts and circumstances of the liquidation.
- (4) The liquidator shall keep receipts for all payments made or expenses incurred by him.

#### **11. Engagement of professionals.**

- (1) A liquidator may engage professionals to assist him in the discharge of his duties, obligations and functions for a reasonable remuneration and such remuneration shall form part of the liquidation cost.
- (2) The liquidator shall not engage a professional under sub-regulation (1) who is his relative, is a related party of the corporate person or has served as an auditor to the corporate person at any time during the five years preceding the liquidation commencement date.
- (3) A professional engaged or proposed to be engaged under sub-regulation(1) shall disclose the existence of any pecuniary or personal relationship with any of the stakeholders, or the corporate person as soon as he becomes aware of it, to the liquidator.

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<sup>9</sup> Subs. by Notification No. IBBI/2019-20/GN/REG054, dated 15<sup>th</sup> Jan., 2020 (w.e.f. 15.01.2020). Before substitution, it stood as: “Register of unclaimed dividends and undistributed properties deposited in accordance with Regulation 39; and”.

<sup>10</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as: “corporate debtor”.

**12. Consultation with stakeholders.**

- (1) The stakeholders consulted under section 35(2) shall extend all assistance and cooperation to the liquidator to complete the liquidation of the corporate person.
- (2) The liquidator shall maintain the particulars of any consultation with the stakeholders made under this Regulation.

**13. Extortionate credit transactions.**

A transaction shall be considered an extortionate credit transaction under section 50(2) where the terms-

- (a) require the corporate person to make exorbitant payments in respect of the credit provided; or
- (b) are unconscionable under the principles of law relating to contracts.

**14. Public announcement by the liquidator.**

- (1) The liquidator shall make a public announcement in Form A of Schedule I within five days from his appointment.
- (2) The public announcement shall-
  - (a) call upon stakeholders to submit their claims as on the liquidation commencement date; and
  - (b) provide the last date for submission of claim, which shall be thirty days from the liquidation commencement date.
- (3) The announcement shall be published-
  - (a) in one English and one regional language newspaper with wide circulation at the location of the registered office and principal office, if any, of the corporate person and any other location where in the opinion of the liquidator, the corporate person conducts material business operations;
  - (b) on the website, if any, of the corporate person; and
  - (c) on the website, if any, designated by the Board for this purpose.

**CHAPTER V**  
**CLAIMS**

**15. Proof of claim.**

A person, who claims to be a stakeholder, shall prove his claim for debt or dues to him, including interest, if any, as on the liquidation commencement date.

**16. Claims by operational creditors.**

- (1) A person claiming to be an operational creditor of the corporate person, other than a workman or employee, shall submit proof of claim to the liquidator in person, by post or by electronic means in Form B of Schedule I.
- (2) The existence of debt due to an operational creditor under this Regulation may be proved on the basis of-
  - (a) the records available with an information utility; or
  - (b) other relevant documents which adequately establish the debt, including any of the following -
    - (i) a contract for the supply of goods or services with corporate person, supported by an invoice demanding payment for the goods and services supplied to the corporate person;
    - (ii) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any; and
    - (iii) financial accounts of the corporate person.

**17. Claims by financial creditors.**

- (1) A person claiming to be a financial creditor of the corporate person shall submit proof of claim to the liquidator in electronic means in Form C of Schedule I.
- (2) The existence of debt due to the financial creditor may be proved on the basis of-
  - (a) the records available in an information utility; or
  - (b) other relevant documents which adequately establish the debt, including any or all of the following -
    - (i) a financial contract supported by financial statements as evidence of the debt;
    - (ii) a record evidencing that the amounts committed by the financial creditor to the corporate person under a facility has been drawn by the corporate person;
    - (iii) financial statements showing that the debt has not been repaid; and
    - (iv) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any.

**18. Claims by workmen and employees.**

- (1) A person claiming to be a workman or an employee of the corporate person shall submit proof of claim to the liquidator in person, by post or by electronic means in Form D of Schedule I.
- (2) Where there are dues to numerous workmen or employees of the corporate person, an authorized representative may submit one proof of claim for all such dues on their behalf in Form E of Schedule I.
- (3) The existence of dues to workmen or employees may be proved by them, individually or collectively, on the basis of-
  - (a) records available in an information utility; or
  - (b) other relevant documents which adequately establish the dues, including any or all of the following -
    - (i) a proof of employment such as contract of employment for the period for which such workman or employee is claiming dues;
    - (ii) evidence of notice demanding payment of unpaid amount and any documentary or other proof that payment has not been made; and
    - (iii) an order of a court or tribunal that has adjudicated upon the non-payment of dues, if any.
- (4) The liquidator shall admit the claims of a workman or an employee on the basis of the books of account of the corporate person if such workman or employee has not made a claim.

**19. Claims by other stakeholders.**

- (1) A person, claiming to be a stakeholder other than those under Regulations 16, 17 or 18 shall submit proof of claim to the liquidator in person, by post or by electronic means in Form F of Schedule I.
- (2) The existence of the claim of the stakeholder may be proved on the basis of -
  - (a) the records available in an information utility; or
  - (b) other relevant documents which adequately establish the claim, including any or all of the following-
    - (i) documentary evidence of notice demanding payment of unpaid amount or bank statements of the claimant showing that the claim has not been paid and an affidavit that the documentary evidence and bank statements are true, valid and genuine;
    - (ii) documentary or electronic evidence of his shareholding; and
    - (iii) an order of a court, tribunal or other authority that has adjudicated upon the non-payment of a claim, if any.

**20. Proving security interest.**

The existence of a security interest may be proved by a secured creditor on the basis of-

- (a) the records available in an information utility;
- (b) certificate of registration of charge issued by the Registrar of Companies;
- (c) proof of registration of charge with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India; or
- (d) other relevant documents which adequately establish the security interest.

**21. Production of bills of exchange and promissory notes.**

Where a person seeks to prove a debt in respect of a bill of exchange, promissory note or other negotiable instrument or security of a like nature for which the corporate person is liable, such bill of exchange, note, instrument or security, as the case may be, shall be produced before the liquidator before the claim is admitted.

**22. Substantiation of claims.**

The liquidator may call for such other evidence or clarification as he deems fit from a claimant for substantiating the whole or part of its claim.

**23. Cost of proof.**

- (1) A claimant shall bear the cost of proving its claim.
- (2) Costs incurred by the liquidator for verification and determination of a claim shall form part of liquidation cost:  
*Provided* that if a claim or part of the claim is found to be false, the liquidator shall endeavor to recover the costs incurred for verification and determination of claim from such claimant, and shall provide the details of the claimant to the Board.

**24. Determination of amount of claim.**

Where the amount claimed by a claimant is not precise due to any contingency or any other reason, the liquidator shall make the best estimate of the amount of the claim, based on consultation with the claimant and the corporate person and the information available with him.

**25. Debt in foreign currency.**

The claims denominated in foreign currency shall be valued in Indian currency at the official exchange rate as on the liquidation commencement date.

*Explanation-* “The official exchange rate” is the reference rate published by the Reserve Bank of India or derived from such reference rates.

**26. Periodical payments.**

In the case of rent, interest and such other payments of a periodical nature, a person may claim only for any amounts due and unpaid up to the liquidation commencement date.

**27. Debt payable at future time.**

- (1) A person may prove for a claim whose payment was not yet due on the liquidation commencement date and is entitled to distribution in the same manner as any other stakeholder.
- (2) Subject to any contract to the contrary, where a stakeholder has proved for a claim under sub-regulation (1), and the debt has not fallen due before distribution, he is entitled to distribution of the admitted claim reduced as follows-

$$X / (1+r)^n$$

where—

- (a) “X” is the value of the admitted claim;
- (b) “r” is the closing yield rate (%) of government securities of the maturity of “n” on the date of distribution as published by the Reserve Bank of India; and
- (c) “n” is the period beginning with the date of distribution and ending with the date on which the payment of the debt would otherwise be due, expressed in years and months in a decimalized form.

**28. Mutual credits and set-off.**

Where there are mutual dealings between the corporate person and another party, the sums due from one party shall be set off against the sums due from the other to arrive at the net amount payable to the corporate person or to the other party.

*Illustration:* X owes Rs.100 to the corporate person. The corporate person owes Rs.70 to X. After set off, Rs.30 is payable by X to the corporate person.

**29. Verification of claims**

- (1) The liquidator shall verify the claims submitted within thirty days from the last date for receipt of claims and may either admit or reject the claim, in whole or in part, as the case may be, as per section 40 of the Code.



- (2) A creditor may appeal to the Adjudicating Authority against the decision of the liquidator as per section 42 of the Code.

**30. List of stakeholders.**

- (1) The liquidator shall prepare a list of stakeholders on the basis of proofs of claims submitted and accepted under these Regulations, with-
- (a) the amounts of claim admitted, if applicable,
  - (b) the extent to which the debts or dues are secured or unsecured, if applicable,
  - (c) the details of the stakeholders, and
  - (d) the proofs admitted or rejected in part, and the proofs wholly rejected.
- (2) The liquidator shall prepare the list of stakeholders within forty-five days from the last date for receipt of claims.

<sup>11</sup>[Provided that where no claim from creditors has been received till the last date for receipt of claims, the liquidator shall prepare the list of stakeholders within fifteen days from the last date for receipt of claims.]

- (3) The list of stakeholders, as modified from time to time, shall be-
- (a) available for inspection by the persons who submitted proofs of claim;
  - (b) available for inspection by members, partners, directors and guarantors of the corporate person;
  - (c) displayed on the website, if any, of the corporate person;
  - (d) displayed on the website, if any, designated by the Board for this purpose.

**CHAPTER VI**  
**REALISATION OF ASSETS**

**31. Manner of sale.**

The liquidator may value and sell the assets of the corporate person in the manner and mode approved by the corporate person in compliance with provisions, if any, in the applicable statute.

*Explanation:* “assets” include an asset, all assets, a set of assets or parcel of assets, as the case may be, in relation to sale of assets.

**32. Recovery of monies due.**

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<sup>11</sup> Inserted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022).

The liquidator shall endeavor to recover and realize all assets of and dues to the corporate person in a time-bound manner for maximization of value for the stakeholders.

**33. Liquidator to realize uncalled capital or unpaid capital contribution.**

- (1) The liquidator shall realize any amount due from any contributory to the corporate person.
- (2) Notwithstanding any charge or encumbrance on the uncalled capital of the corporate person, the liquidator shall be entitled to call and realize the uncalled capital of the corporate person and to collect the arrears if any due on calls made prior to the liquidation commencement date, by providing a notice to the contributory to make the payments within fifteen days from the receipt of the notice, but shall hold all moneys so realized subject to the rights, if any, of the holder of any such charge or encumbrance.
- (3) No distribution shall be made to a contributory, unless he makes his contribution to the uncalled or unpaid capital as required in the constitutional documents of the corporate person.

**CHAPTER VII**

**PROCEEDS OF LIQUIDATION AND DISTRIBUTION OF PROCEEDS**

**34. All money to be paid in to bank account.**

- (1) The liquidator shall open a bank account in the name of the corporate person followed by the words 'in voluntary liquidation', in a scheduled bank, for the receipt of all moneys due to the corporate person.
- (2) The liquidator shall pay to the credit of the bank account opened under sub-regulation (1) all moneys, including cheques and demand drafts received by him as the liquidator of the corporate person, and the realizations of each day shall be deposited into the bank account without any deduction not later than the next working day.
- (3) The money in the credit of the bank account shall not be used except in accordance with section 53(1).
- (4) All payments out of the account by the liquidator above five thousand rupees shall be made by cheques drawn or online banking transactions against the bank account.

**35. Distribution.**

- (1) The liquidator shall distribute the proceeds from realization within <sup>12</sup>[thirty days] from the receipt of the amount to the stakeholders.
- (2) The liquidation costs shall be deducted before such distribution is made.
- (3) The liquidator may, with the approval of the corporate person, distribute amongst the stakeholders, an asset that cannot be readily or advantageously sold due to its peculiar nature or other special circumstances.

### **36. Return of money.**

A stakeholder shall forthwith return any monies received by him in distribution, which he was not entitled to at the time of distribution, or subsequently became not entitled to.

### **37. Completion of liquidation.**

<sup>13</sup>[

- (1) The liquidator shall endeavour to complete the liquidation process of the corporate person and submit the Final Report under regulation 38 within: -
  - (a) two hundred and seventy days from the liquidation commencement date where the creditors have approved the resolution under clause (c) of sub-section (3) of section 59 or clause (c) of sub-regulation (1) of regulation 3, and
  - (b) ninety days from the liquidation commencement date in all other cases.]
- (2) In the event of the liquidation process continuing for more than twelve months, the liquidator shall-
  - (a) hold a meeting of the contributories of the corporate person within fifteen days from the end of the twelve months from the liquidation commencement date, and at the end every succeeding twelve months till dissolution of the corporate person; and
  - (b) shall present an Annual Status Report(s) indicating progress in liquidation, including-
    - (i) settlement of list of stakeholders,
    - (ii) details of any assets that remains to be sold and realized,
    - (iii) distribution made to the stakeholders, and

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<sup>12</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as: “six months”.

<sup>13</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as:

“(1) The liquidator shall endeavor to complete the liquidation process of the corporate person within twelve months from the liquidation commencement date”.

- (iv) distribution of unsold assets made to the stakeholders;
  - (v) developments in any material litigation, by or against the corporate person; and
  - (vi) filing of, and developments in applications for avoidance of transactions in accordance with Chapter III of Part II of the Code.
- (3) The Annual Status Report shall enclose the audited accounts of the liquidation showing the receipts and payments pertaining to liquidation since the liquidation commencement date.

### **38. Final Report.**

- (1) On completion of the liquidation process, the liquidator shall prepare the Final Report consisting of -
- (a) audited accounts of the liquidation, showing receipts and payments pertaining to liquidation since the liquidation commencement date; and
  - (b) a statement demonstrating that-
    - (i) the assets of the corporate person has been disposed of;
    - (ii) the debt of the corporate person has been discharged to the satisfaction of the creditors;
    - (iii) no litigation is pending against the corporate person or sufficient provision has been made to meet the obligations arising from any pending litigation.
  - (c) a sale statement in respect of all assets containing -
    - (i) the realized value;
    - (ii) cost of realization, if any;
    - (iii) the manner and mode of sale;
    - (iv) an explanation for the shortfall, if the value realized is less than the value assigned by the registered valuer in the report of the valuation of assets under section 59(3)(b)(ii) or Regulation 3(1)(b)(ii), as the case may be;
    - (v) the person to whom the sale is made; and
    - (vi) any other relevant details of the sale.
- (2) The liquidator shall send the Final Report forthwith, to the Registrar and the Board.

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- (3) The liquidator shall submit the Final Report and the compliance certificate in Form-H along with the application under sub-section (7) of section 59 to the Adjudicating Authority.]

**15[39. Corporate Voluntary Liquidation Account.**

- (1) The Board shall operate and maintain an Account to be called the Corporate Voluntary Liquidation Account in the Public Accounts of India:

Provided that until the Corporate Voluntary Liquidation Account is operated as part of the Public Accounts of India, the Board shall open a separate bank account with a Scheduled bank for the purposes of this regulation.

- (2) A liquidator shall deposit the amount of unclaimed dividends, if any, and undistributed proceeds, if any, in a liquidation process along with any income earned thereon till the date of deposit, into the Corporate Voluntary Liquidation Account before he submits an application under sub-section (7) of section 59.
- (3) A liquidator, who holds any amount of unclaimed dividends or undistributed proceeds in a liquidation process on the date of commencement of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2020, shall deposit the same within fifteen days of the date of such commencement, along with any income earned thereon till the date of deposit.
- (4) A liquidator, who fails to deposit any amount into the Corporate Voluntary Liquidation Account under this regulation, shall deposit the same along with interest

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<sup>14</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as:

“(3) The liquidator shall submit the Final Report to the Adjudicating Authority along with the application under section 59(7)”.

<sup>15</sup> Subs. by Notification No. IBBI/2019-20/GN/REG054, dated 15<sup>th</sup> Jan., 2020 (w.e.f. 15.01.2020). Before substitution, it stood as:

**“39. Unclaimed proceeds of liquidation or undistributed assets.**

- (1) Before the order of dissolution is passed under section 59(8), the liquidator shall apply to the Adjudicating Authority for an order to pay into the Companies Liquidation Account in the Public Account of India any unclaimed proceeds of liquidation or undistributed assets or any other balance payable to the stakeholders in his hands on the date of the order of dissolution.
- (2) Any liquidator who retains any money which should have been paid by him into the Companies Liquidation Account under this Regulation shall pay interest on the amount retained at the rate of twelve per cent per annum, and also pay such penalty as may be determined by the Board.
- (3) The liquidator shall, when making any payment referred to in sub-regulation (1), furnish to the Registrar and the Board, a statement setting forth the nature of the sums included, the names and last known addresses of the stakeholders entitled to participate therein, the amount to which each is entitled to and the nature of their claim.
- (4) The liquidator shall be entitled to a receipt from the Reserve Bank of India for any money paid to it under sub-regulation (2), and such receipt shall be an effectual discharge of the liquidator in respect thereof.
- (5) A person claiming to be entitled to any money paid into the Companies Liquidation Account may apply to the Board for an order for payment of the money claimed; which may, if satisfied that such person is entitled to the whole or any part of the money claimed, make an order for the payment to that person of the sum due to him, after taking such security from him as it may think fit.
- (6) Any money paid into the Companies Liquidation Account in pursuance of this Regulation, which remains unclaimed thereafter for a period of fifteen years shall be transferred to the general revenue account of the Central Government.”

thereon at the rate of twelve percent per annum from the due date of deposit till the date of deposit.

(5) A liquidator shall submit to the authority with which the corporate person is registered and the Board, the evidence of deposit of the amount into the Corporate Voluntary Liquidation Account under this regulation, and a statement in Form-G setting forth the nature of the amount deposited into the Corporate Voluntary Liquidation Account, and the names and last known addresses of the stakeholders entitled to receive the unclaimed dividends or undistributed proceeds.

(6) The liquidator shall be entitled to a receipt from the Board for any amount deposited into the Corporate Voluntary Liquidation Account under this regulation.

(7) A stakeholder, who claims to be entitled to any amount deposited into the Corporate Voluntary Liquidation Account, may apply to the Board in <sup>16</sup>[Form-I] for an order for withdrawal of the amount:

Provided that if any other person other than the stakeholder claims to be entitled to any amount deposited to the Corporate Voluntary Liquidation Account, he shall submit evidence to satisfy the Board that he is so entitled.

(8) The Board may, if satisfied that the stakeholder or any other person referred to under sub-regulation (7) is entitled to withdrawal of any amount from the Corporate Voluntary Liquidation Account, make an order for the same in favour of that stakeholder or that other person.

(9) The Board shall maintain a corporate person-wise ledger of the amount deposited into and the amount withdrawn from the Corporate Voluntary Liquidation Account under this regulation.

(10) The Board shall nominate an officer of the level of Executive Director of the Board as the custodian of the Corporate Voluntary Liquidation Account and no proceeds shall be withdrawn without his approval.

(11) The Board shall maintain proper accounts of the Corporate Voluntary Liquidation Account and get the same audited annually.

(12) The audit report along with the statement of accounts of the Corporate Voluntary Liquidation Account referred to in sub-regulation (11) shall be placed before the Governing Board and shall be forwarded to the Central Government.

(13) Any amount deposited into the Corporate Voluntary Liquidation Account in pursuance of this regulation, which remains unclaimed or undistributed for a period of fifteen years from the date of order of dissolution of the corporate person and any amount of income or interest received or earned in the Corporate Voluntary Liquidation Account shall be transferred to the Consolidated Fund of India.]

#### **40. Detection of Fraud or Insolvency**

(1) Where the liquidator is of the opinion that the liquidation is being done to defraud a person, he shall make an application to the Adjudicatory Authority to suspend the process of liquidation and pass any such orders as it deems fit.

(2) Where the liquidator is of the opinion that the corporate person will not be able to pay its debts in full from the proceeds of assets to be sold in the liquidation, he shall make an application to the Adjudicating Authority to suspend the process of liquidation and pass any such orders as it deems fit.

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<sup>16</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as: "Form-H".

**<sup>17</sup>[41. Preservation of records.**

- (1) The liquidator shall preserve copies of all such records which are required to give a complete account of the voluntary liquidation process.
- (2) Without prejudice to the generality of the obligations under sub-regulation (1), the liquidator shall preserve copies of records relating to or forming the basis of:-
  - (a) his appointment as liquidator, including the terms of appointment;
  - (b) handing over / taking over of the assignment;
  - (c) initiation of voluntary liquidation process;
  - (d) public announcement;
  - (e) claims, verification of claims, and list of stakeholders;
  - (f) engagement of professionals, registered valuers, etc. including work done, reports etc., submitted by them;
  - (g) all filings with the Adjudicating Authority, Appellate Authority, High Courts, Supreme Court, whichever applicable and their orders;
  - (h) statutory filings with Board and insolvency professional agencies;
  - (i) correspondence during the voluntary liquidation process;
  - (j) cost of voluntary liquidation process;
  - (k) all reports, registers, documents such as preliminary report, annual status report, final report prior to dissolution, various registers and books, etc. mentioned in Regulation 8 and 10 of principal regulations; and
  - (l) any other records, which is required to give a complete account of the process.
- (3) The liquidator shall preserve:
  - (a) electronic copy of all records (physical and electronic) for a minimum period of eight years; and
  - (b) a physical copy of records for a minimum period of three years;from the date of dissolution of the corporate person, before the Board, the Adjudicating Authority, Appellate Authority or any Court, whichever is later.
- (4) In case of replacement of liquidator during the process, the outgoing liquidator shall handover the records under sub-regulation (1) and (2) to the new liquidator.

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<sup>17</sup> Substituted by Notification No. IBBI/2022-23/GN/REG095., dated 16<sup>th</sup> September 2022 (w.e.f. 16-09-2022). Before substitution, it stood as: “The liquidator shall preserve a physical or an electronic copy of the reports, registers and books of account referred to in Regulations 8 and 10 for at least eight years after the dissolution of the corporate person, either with himself or with an information utility”

- (5) The liquidator shall preserve the records at a secure place and shall be obliged to produce records as may be required under the Code and the principal regulations.
- (6) The liquidator shall, along with the application filed under sub-section (7) of section 59 to the Adjudicating Authority, provide the details and manner of preservation of records under sub-regulation (1) and (2).

*Explanation* - The records referred to in this regulation includes records pertaining to the period of a liquidation process during which the liquidator acted as such, irrespective of the fact that he did not take up the assignment from its commencement or continue the assignment till its conclusion.]

**SCHEDULE I**  
**FORM A**  
**PUBLIC ANNOUNCEMENT**

*(Regulation 14 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)*

**FOR THE ATTENTION OF THE STAKEHOLDERS OF [Name of Corporate person]**

1.	NAME OF CORPORATE PERSON	
2.	DATE OF INCORPORATION OF CORPORATE PERSON	
3.	AUTHORITY UNDER WHICH CORPORATE PERSON IS INCORPORATED/REGISTERED	
4.	CORPORATE IDENTITY NUMBER/LIMITED LIABILITY IDENTITY NUMBER OF CORPORATE PERSON	
5.	ADDRESS OF THE REGISTERED OFFICE AND PRINCIPAL OFFICE (IF ANY) OF CORPORATE PERSON	
6.	LIQUIDATION COMMENCEMENT DATE OF CORPORATE PERSON	
7.	NAME, ADDRESS, EMAIL ADDRESS, TELEPHONE NUMBER AND THE REGISTRATION NUMBER OF THE LIQUIDATOR	
8.	LAST DATE FOR SUBMISSION OF CLAIMS	

Notice is hereby given that the [name of the corporate person] has commenced voluntary liquidation on [liquidation commencement date].

The stakeholders of [name of the corporate person] are hereby called upon to submit a proof of their claims, on or before <sup>18</sup>[insert the date falling thirty days from the liquidation commencement date], to the liquidator at the address mentioned against item 7.

<sup>18</sup> Substituted by Notification No. IBBI/2019-20/GN/REG039, dated 15<sup>th</sup> January, 2019 (w.e.f. 15-01-2019). The words, before substitution stood as under:

“insert the date falling thirty days after the liquidation commencement date”.



The financial creditors shall submit their proof of claims by electronic means only. All other stakeholders may submit the proof of claims in person, by post or by electronic means.

Submission of false or misleading proofs of claim shall attract penalties.

Name and Signature of the Liquidator:

Date and Place:

## FORM B

### PROOF OF CLAIM BY OPERATIONAL CREDITORS EXCEPT WORKMEN AND EMPLOYEES

*(Under Regulation 16 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)*

[Date]

To

The Liquidator

[Name of the Liquidator]

[Address as set out in the public announcement]

From

[Name and address of the operational creditor]

**Subject:** Submission of proof of claim in respect of the voluntary liquidation of [name of corporate person] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the operational creditor] hereby submits this proof of claim in respect of the voluntary liquidation of [name of corporate person]. The details for the same are set out below:

1.	NAME OF OPERATIONAL CREDITOR  (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION, IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
2.	ADDRESS OF OPERATIONAL CREDITOR FOR CORRESPONDENCE	
3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST, AS AT VOLUNTARY LIQUIDATION PROCESS COMMENCEMENT DATE AND DETAILS OF NATURE OF CLAIM	
4.	DETAILS OF ANY DISPUTE AS WELL AS THE RECORD OF PENDENCY OF SUIT OR ARBITRATION PROCEEDINGS	

5.	DETAILS OF HOW AND WHEN DEBT INCURRED	
6.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE PERSON AND THE OPERATIONAL CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM	
7.	DETAILS OF ANY RETENTION OF TITLE IN RESPECT OF GOODS OR PROPERTIES TO WHICH THE DEBT REFERS OR ANY OTHER SECURITY	
8.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
9.	DETAILS OF THE BANK ACCOUNT TO WHICH THE OPERATIONAL CREDITOR'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
10.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	

Signature of operational creditor or person authorised to act on his behalf (Please enclose the authority if this is being submitted on behalf of the operational creditor)	
Name in BLOCK LETTERS	
Position with or in relation to creditor	
Address of person signing	

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

#### AFFIDAVIT

I, [*name of deponent*], currently residing at [*address of deponent*], do solemnly affirm and state as follows:

1. The above named corporate person was, at liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_ and still is, justly and truly indebted to me [or to me and [*insert name of co-partners*], my co-partners in trade, or, as the case may be] for a sum of Rs. \_\_\_\_\_ for \_\_\_\_\_ [*please state consideration*].

2. In respect of my claim of the said sum or any part thereof, I have relied on and the documents specified below:

*[Please list out the documents relied on as evidence of debt.]*

3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.

4. In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/ our use, had or received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate person and the operational creditor which may be set-off against the claim.]*

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,

Notary / Oath Commissioner

Deponent's signature

#### VERIFICATION

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_\_

Deponent's signature

#### FORM C PROOF OF CLAIM BY FINANCIAL CREDITORS

*(Under Regulation 17 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)*

*[Date]*

To  
The Liquidator  
*[Name of the Liquidator]*  
*[Address as set out in the public announcement]*

From

*[Name and address of the registered office and principal office of the financial creditor]*

**Subject:** Submission of proof of claim in respect of the voluntary liquidation of *[name of corporate person]* under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

*[Name of the financial creditor]* hereby submits this proof of claim in respect of the voluntary liquidation of *[name of corporate person]*. The details for the same are set out below:

1.	NAME OF FINANCIAL CREDITOR  (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION, IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
2.	ADDRESS AND EMAIL OF FINANCIAL CREDITOR FOR CORRESPONDENCE.	
3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST, AS AT THE LIQUIDATION COMMENCEMENT DATE AND DETAILS OF NATURE OF CLAIM (WHETHER TERM LOAN, SECURED, UNSECURED)	
4.	DETAILS OF ANY ORDER OF A COURT OF TRIBUNAL THAT HAS ADJUDICATED ON THE NON-PAYMENT OF DEBT	
5.	DETAILS OF HOW AND WHEN DEBT INCURRED	
6.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE PERSON AND THE FINANCIAL CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM	
7.	DETAILS OF ANY SECURITY HELD, THE VALUE OF THE SECURITY, AND THE DATE IT WAS GIVEN	
8.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
9.	DETAILS OF THE BANK ACCOUNT TO WHICH THE FINANCIAL CREDITOR'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
10.	LIST OUT AND ATTACH THE DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED AND IN SUPPORT OF THE CLAIM.	

Signature of financial creditor or person authorised to act on his behalf	
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(please enclose the authority if this is being submitted on behalf a financial creditor)	
Name in BLOCK LETTERS	
Position with or in relation to creditor	
Address of person signing	

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

### AFFIDAVIT

I, [*name of deponent*], currently residing at [*address of deponent*], do solemnly affirm and state as follows:

1. The above named corporate person was, at the voluntary liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and still is, justly and truly indebted to me [or to me and [*insert name of co-partners*], my co-partners in trade, or, as the case may be] for a sum of Rs. \_\_\_\_\_ for ..... [*please state consideration*].

2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:  
 [*Please list the documents relied on as evidence of debt and of non-payment.*]

3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.

4. In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/ our use, had or received any manner of satisfaction or security whatsoever, save and except the following:  
 [*Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate person and the financial creditor which may be set-off against the claim.*]

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature.

## VERIFICATION

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_.

Deponent's signature.

## FORM D PROOF OF CLAIM BY A WORKMAN OR EMPLOYEE

*(Under Regulation 18(1) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)*

[Date]

To  
The Liquidator  
[Name of the Liquidator]  
[Address as set out in public announcement]

From  
[Name and address of the workman / employee]

**Subject:** Submission of proof of claim in respect of voluntary liquidation of (Name of corporate person) under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the workman / employee], hereby submits this proof of claim in respect of the voluntary liquidation of [name of corporate person]. The details for the same are set out below:

1.	NAME OF WORKMAN / EMPLOYEE	
2.	PAN, PASSPORT, THE IDENTITY CARD ISSUED BY THE ELECTION COMMISSION OF INDIA OR AADHAAR CARD OF WORKMAN / EMPLOYEE	
3.	ADDRESS AND EMAIL ADDRESS (IF ANY) OF WORKMAN / EMPLOYEE FOR CORRESPONDENCE	
4.	TOTAL AMOUNT OF CLAIM (INCLUDING ANY INTEREST AS AT THE VOLUNTARY LIQUIDATION COMMENCEMENT DATE)	
5.	DETAILS OF ANY DISPUTE AS WELL AS THE RECORD OF PENDENCY OR ORDER OF SUIT OR ARBITRATION PROCEEDINGS	

6.	DETAILS OF HOW AND WHEN CLAIM AROSE	
7.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE PERSON AND THE WORKMAN / EMPLOYEE WHICH MAY BE SET-OFF AGAINST THE CLAIM	
8.	DETAILS OF THE BANK ACCOUNT TO WHICH THE WORKMAN / EMPLOYEE'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
9.	LIST OUT AND ATTACH THE DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED AND RELIED ON IN SUPPORT OF THE CLAIM.	

Signature of workman / employee or person authorised to act on his behalf [Please enclose the authority if this is being submitted on behalf of an operational creditor]
Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

#### AFFIDAVIT

I, [name of deponent], currently residing at [insert address], do solemnly affirm and state as follows:

1. [Name of corporate person], the corporate person was, at the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_, justly and truly indebted to me for a sum of Rs. [insert amount of claim].

2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:

[Please list the documents relied on as evidence of claim]

The said documents are true, valid and genuine to the best of my knowledge, information and belief.

3. In respect of the said sum or any part thereof, I have not nor has any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate person and the workman/ employee which may be set-off against the claim.]*

Solemnly, affirmed at *[insert place]* on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,

Notary/ Oath Commissioner  
Deponent's signature

### VERIFICATION

I, the Deponent hereinabove, do hereby verify and affirm that the contents of paragraph \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief and no material facts have been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_

Deponent's signature.

### FORM E

### PROOF OF CLAIM BY AUTHORISED REPRESENTATIVE OF WORKMEN OR EMPLOYEES

*(Under Regulation 18(2) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)*

*[Date]*

To  
The Liquidator  
*[Name of the Liquidator]*  
*[Address as set out in the public announcement]*

From  
*[Name and address of the authorised representative of workmen/ employees]*

**Subject:** Submission of proof of claim in respect of the voluntary liquidation of *[name of corporate person]* under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

I, *[name of duly authorised representative of the workmen/ employees]* currently residing at *[address of duly authorised representative of the workmen/ employees]*, on



behalf of the workmen and employees employed by the above named corporate person, solemnly affirm and say:

1. That the abovenamed corporate person was, on the voluntary liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_ and still is, justly truly indebted to the several persons whose names, addresses, and descriptions appear in the Annexure below for amounts severally set against their names in such Annexure for wages, remuneration and other amounts due to them respectively as workmen or/ and employees in the employ of the corporate person in respect of services rendered by them respectively to the corporate person during such periods as are set out against their respective names in the said Annexure.
2. That for which said sums or any part thereof, they have not, nor has any of them, had or received any manner of satisfaction or security whatsoever, save and except the following:  
*[Please state details of any mutual credits, mutual debts, or other mutual dealings between the corporate person and the workmen / employees which may be set-off against the claim.]*

Signature :

#### ANNEXURE

1. Particulars of how dues were incurred by the corporate person, including particulars of any dispute as well as the record of pendency of suit or arbitration proceedings.
2. Particulars of any mutual credit, mutual debts, or other mutual dealings between the corporate person and the workmen / employee which may be set-off against the claim.
3. Please list out and attach the documents relied on to prove the claim.

#### 1. Details of Employees/ Workmen

S No.	NAME OF EMPLOYEE/ WORKMEN	IDENTIFICATION NUMBER (PAN/, PASSPORT NUMBER/, AADHAAR NO. / ID CARD ISSUED BY THE ELECTION COMMISSION AND EMPLOYEE NO.,IF ANY	TOTAL AMOUNT DUE AND DETAILS ON NATURE OF CLAIM	PERIOD OVER WHICH AMOUNT DUE	DETAILS OF EVIDENCE OF DEBT INCLUDING EMPLOYMENT CONTRACTS AND OTHER PROOFS

1.					
2.					
3.					

**AFFIDAVIT**

I, *[insert full name, address and occupation of deponent]* do solemnly affirm and state as follows:

1. The above named corporate person was, at the liquidation commencement date that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ and still is, justly and truly indebted to the workmen and employees for a sum of Rs. \_\_\_\_\_ for \_\_\_\_\_ *[please state the nature and duration of employment]*.

2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:

*[Please list the documents relied on as evidence of proof]*

3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.

4. In respect of the said sum or any part thereof, the workmen / employees have not, nor has any person, by my order, to my knowledge or belief, for my use, had or has received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate person and the workmen / employees which may be set-off against the claim.]*

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature

**VERIFICATION**

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_\_ to \_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_

Deponent's signature

**FORM F**  
**PROOF OF CLAIM BY ANY OTHER STAKEHOLDER**

*(Under Regulation 19 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)*

[Date]

To  
The Liquidator  
[Name of the Liquidator]  
[Address as set out in the public announcement]

From  
[Name and address of the other stakeholder]

**Subject:** Submission of proof of claim in respect of the voluntary liquidation of [name of corporate person] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the stakeholder] hereby submits this proof of claim in respect of the liquidation in the case of [name of corporate person]. The details for the same are set out below:

1.	NAME OF STAKE-HOLDER  (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION. IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
2.	ADDRESS AND EMAIL OF THE STAKEHOLDER FOR CORRESPONDENCE.	
3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST AS AT LIQUIDATION COMMENCEMENT AND DETAILS OF NATURE OF CLAIM	

4.	DETAILS OF HOW AND WHEN CLAIM AROSE	
5.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE PERSON AND THE OTHER STAKEHOLDER WHICH MAY BE SET-OFF AGAINST THE CLAIM	
6.	DETAILS OF ANY RETENTION OF TITLE IN RESPECT OF GOODS OR PROPERTIES TO WHICH THE CLAIM REFERS	
7.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
8.	DETAILS OF THE BANK ACCOUNT TO WHICH THE OTHER STAKEHOLDER'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
9.	LIST OUT AND ATTACH THE DOCUMENTS BY REFERENCE TO WHICH THE CLAIM CAN BE SUBSTANTIATED OR WHICH CAN BE RELIED UPON IN SUPPORT OF THE CLAIM.	

Signature of stakeholder or person authorised to act on his behalf (Please enclose the authority if this is being submitted on behalf of the other stakeholder)
Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

**AFFIDAVIT**

I, *[insert full name, address and occupation of deponent to be given]* do solemnly affirm and state as follows:

1. The above named corporate person was, at the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ and still is, justly and truly indebted to me [or to me and *[insert name of co-partner]*], my co-partners in trade, or, as the case may be,] for a sum of Rs. \_\_\_\_\_ for \_\_\_\_\_ *[please state consideration]*.

2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:

*[Please list the documents relied on as evidence of proof.]*

3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.

4. In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/ our use, had or received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate person and the other stakeholder which may be set-off against the claim.]*

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature.

**VERIFICATION**

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_

Deponent's signature.

<sup>19</sup>[FORM-G

**Deposit of Unclaimed Dividends and/or Undistributed Proceeds**

[Under Regulation 39(5) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017]

**A. Details of Voluntary Liquidation Process**

Sl. No.	Description	Particulars
(1)	(2)	(3)
1	Name of the Corporate Person	
2	Identification Number of Corporate Person (CIN/LLPIN)	
3	Voluntary Liquidation Commencement Date	
4	Date of Deposit into the Corporate Voluntary Liquidation Account	
5	Amount deposited into the Corporate Voluntary Liquidation Account (Rs.)	
6	Bank Account from which the amount is transferred to Corporate Voluntary Liquidation Account a. Account No: b. Name of Bank: c. IFSC: d. MICR: e. Address of Branch of the Bank:	
7	Details of the Amount (Rs.) deposited into Corporate Voluntary Liquidation Account a. Unclaimed dividends b. Undistributed proceeds c. Income earned till the due date of deposit d. Interest at the rate of twelve per cent on the amount retained beyond due date (Please show computation of interest amount) <b>Total</b>	

**B. Details of Stakeholders entitled to Unclaimed Dividends or Undistributed Proceeds**

Sl. No.	Name of stakeholder entitled to receive unclaimed dividends or undistributed proceeds	Address, phone number and email address of the stakeholder	Identification Number of the stakeholder (PAN, CIN/LLPIN/DIN, Aadhaar No.) (Please attach Identification proof.)	Amount due to the stakeholder (Rs.)	Nature of Amount due	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1						
2						
3						

**C. Details of Deposit made into the Corporate Voluntary Liquidation Account**

I (*Name of Liquidator*) have deposited Rs..... (Rupees ....only) into the Corporate Voluntary Liquidation Account on .... vide acknowledgment no.. ... dated .....

I (*Name of Liquidator*) hereby certify that the details provided in this Form are true and correct to the best of my knowledge and belief, and nothing material has been concealed.

(Signature)

<sup>19</sup> Ins. by Notification No. IBBI/2019-20/GN/REG054, dated 15<sup>th</sup> Jan., 2020 (w.e.f. 15.01.2020).

Name of the Liquidator  
IP

Date:.....

Registration No:

Place:.....

Address as registered with the

Board:

Email id as registered with the Board:

<sup>20</sup>**[FORM-H**

**COMPLIANCE CERTIFICATE**

*[Under Regulation 38(3) of the Insolvency and Bankruptcy Board of India  
(Voluntary Liquidation Process) Regulations, 2017]*

I, *[Name of the Liquidator]*, an insolvency professional enrolled with *[name of insolvency professional agency]* and registered with the Board with registration number *[registration number]*, am the Liquidator for the Voluntary Liquidation Process of *[name of the corporate person]*.

1. The details of the Voluntary Liquidation Process are as under:

Sl. No.	Particulars	Description
(1)	(2)	(3)
1	Name of the corporate person	
2	CIN/LLPIN of the corporate person	
3	NCLT Bench	
4	Date of initiation of voluntary liquidation process	
5	Date of appointment of Liquidator	
6	Liquidator's Registration No. as IP	
7	Whether the Liquidator was replaced during the process (Yes / No)	
If yes	Name of previous Liquidator and his registration No.	
	Date of replacement of previous Liquidator	

<sup>20</sup> Inserted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022).

8	Date of opening of bank account for liquidation (with account details)	
9	Date of notice for uncalled capital/unpaid capital contribution	
10	Date of realization of uncalled capital/unpaid capital contribution	
11	Date of intimation to statutory authority as applicable.  a. PF b. ESI c. Income Tax d. Inspector of Factory e. GST/VAT f. RBI g. Others	
12	Amount deposited into Corporate Voluntary Liquidation Account:  a. Amount of unclaimed dividends b. Amount of undistributed proceeds c. Income referred to in sub-regulation (2) and (3) of regulation 39 d. Interest referred to in sub-regulation (4) of regulation 39  <b>Total</b>	
13	Remuneration of Liquidator (Rs.)	

3. Details of the corporate person:

Sl. No.	Particulars	Description
(1)	(2)	(3)
1	Year of Incorporation	
2	Objects in brief	



3	Paid up Share Capital / Capital (Amount in Rs.)	
4	Assets as on Liquidation Commencement date (Amount in Rs.)	
5	Debt payable as on Liquidation Commencement date (Amount in Rs.)	
6	Net-worth of the Corporate Person (Amount in Rs.)	
7	Reasons for initiating voluntary liquidation, in brief	

4. Details of realisation during Voluntary Liquidation Process:

Sl. No.	Particulars	Amount (Rs)
(1)	(2)	(3)
1	Sale of Assets	
2	Refund from Statutory Authorities	
3	Cash / Bank balance	
4	Realisation of uncalled/unpaid capital contribution	
5	Distribution of unsold asset	
6	Any other (Please specify)	
<b>Total</b>		

5. Details of distribution to stakeholders as per section 52 or 53 of the Code

(Amount in Rs. lakh)

Sl. No.	Stakeholders* under section 52 and 53 (1)	Amount Claimed	Amount Admitted	Amount Distributed	Amount Distributed to the Amount Claimed (%)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Realization of Security					

	Interest [Sec. 52(1)(b)]					
2	Liquidation Cost [Sec. 53(1)(a)]					
3	Workmen's Dues [Sec. 53(1)(b)(i)]					
4	Debts of Secured Creditors [Sec. 53(1)(b)(ii)]					
5	Wages and Unpaid Dues to Employees [Sec. 53(1)(c)]					
6	Debts of Unsecured Financial Creditors [Sec. 53(1)(d)]					
7	Government Dues + Amount Unpaid following Enforcement of Security Interest [Sec.53(1)(e)]					
8	Any remaining Debts and Dues [Sec. 53(1)(f)]					

9	Preference Shareholders [Sec. 53(1)(g)]					
10	Equity Shareholders [Sec.53(1)(h)]					
Total						

\*If there are sub-categories in a category, please add rows for each sub-category.

6. The Voluntary Liquidation Process has been conducted as per the stipulated timeline:

Sl. No.	Section / Regulation	Description of Task	Norm (Number of Days)	Compliance Date	Actual Timeline (Number of days)
(1)	(2)	(3)	(4)	(5)	(6)
1	Section 59(3)(a), Regulation 3(1) (a)	Declaration from majority of directors / partners regarding solvency of corporate person and it not being liquidated to defraud any person	T – 28		
2	Section 59[(3)(c) and (5)], Regulation 3(1)(c) and 3(3)	Passing of resolution / special resolution by members / partners about commencement of voluntary liquidation process and appointment of insolvency professional as liquidator	T = 0		
3	Proviso to Section 59(3)(c),	Approval of creditors representing two-third in value of debt, if the corporate person	T + 7		

	Regulation 3(1)(c)	owes any debt, of the resolution passed under section 59(3)(c) or regulation 3(1)(c)			
4	Regulation 5(2)	Intimation by Insolvency Professional regarding his appointment as Liquidator, to the Board	T + 7		
5	Regulation 14(1)	Public Announcement in Form A by the Liquidator	T + 5		
6	Section 59(4), Reg. 3(2)	Notification to Registrar of Companies and Board about the resolution passed under section 59(3)(c) and regulation 3(1)(c) or subsequent approval of creditors thereto, as the case may be, by corporate person	T + 7 or T + 14		
7	Section 38(1), Regulation 14(2)	Submission of claims by stakeholders	T + 30		
8	Section 38(5)	Withdrawal/ modification of claim by stakeholders	T + 44		
9	Regulation 9(1)	Submission of preliminary report to the corporate person by the Liquidator	T + 45		
10	Regulation 29(1)	Verification of claims by the Liquidator	T + 60		
11	Section 40 (2)	Intimation about decision of acceptance/ rejection of claim to	T + 67		

		the stakeholders by the Liquidator			
12	Regulation 30(2)	Preparation of list of stakeholders by the Liquidator	T + 45*/75		
13	Section 42	Appeal by creditor against the decision of the Liquidator	T + 81		
14	Regulation 35(1)	Distribution of the proceeds to stakeholders by the Liquidator	Date of realization + 30		
15	Regulation 39(2)	Deposit of amount of unclaimed dividends and undistributed proceeds in Corporate Voluntary Liquidation Account by the Liquidator	Prior to submission of application under subsection (7) of section 59		
16	Regulation 38(2)	Submission of Final Report to the Board and Registrar of Companies by the Liquidator	T + 90*/270		
17	Section 59(7), Regulation 38(3)	Submission of Final Report, along with the application for dissolution, to AA	T + 90*/270		
18	Regulation 37(1)	Completion of Voluntary Liquidation Process	T + 90*/270		
19	Regulation 37(2)	Meeting of Contributories and presentation of Annual Status Report	T + 365		

T=Liquidation Commencement Date

\*Applicable where approval of creditors was not required under section 59(3)(c) or regulation 3(1)(c)

7. The following are deviations / non-compliances with the provisions of the Insolvency and Bankruptcy Code, 2016, regulations made, or circulars issued thereunder (If any deviation/ non- compliances were observed, please state the details and reasons for the same):

<b>Sl. No.</b>	<b>Deviation / Non-compliance observed</b>	<b>Section of the Code / Regulation No. / Circular No.</b>	<b>Reasons</b>	<b>Whether rectified or not</b>
(1)	(2)	(3)	(4)	(5)
1				
2				
3				

8. The details of application(s) filed / pending in respect of avoidance of transactions.

<b>Sl. No.</b>	<b>Type of Transaction</b>	<b>Date of Filing with Adjudicating Authority</b>	<b>Date of Order of the Adjudicating Authority</b>	<b>Brief of the Order</b>
(1)	(2)	(3)	(4)	(5)
1	Preferential transactions under section 43			
2	Undervalued transactions under section 45			
3	Extortionate credit transactions under section 50			
4	Fraudulent transactions under section 66			

9. If the process has taken more than 90 / 270 days, as the case may be, for completion, please state reasons thereof.

10. All undischarged matters pending, if any, before any Court or Tribunal relating to corporate person have been reported to AA, along with the details of provision made to sufficiently meet the obligations arising from such pending litigations.

11. The records referred to in regulations 8 and 10 shall be preserved as mandated under regulation 41.

12. Any other information which the Liquidator may like to submit.

13. I [Name of Liquidator], hereby certify that the contents of this certificate are true and correct to the best of my knowledge and belief, and nothing material has been concealed there from.

(Signature)

Name of the Liquidator:

IP Registration No:

Address as registered with the Board:

Email id as registered with the Board:

Date:.....

Place: .....]

**<sup>21</sup>[FORM-I]**

**Withdrawal from Corporate Voluntary Liquidation Account**

*[Under Regulation 39(7) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017]*

<b>Sl. No.</b>	<b>Description</b>	<b>Particulars</b>
(1)	(2)	(3)
1	Name of the Corporate Person	
2	Identification Number of Corporate Person (CIN/LLPIN)	
3	Voluntary Liquidation Commencement Date	
4	Date of Dissolution Order	
5	Date of Deposit into the Corporate Voluntary Liquidation Account	
6	Name of the Stakeholder seeking withdrawal	

<sup>21</sup> Substituted by Notification No. IBBI/2022-23/GN/REG.081., dated 5th April, 2022 (w.e.f. 05-04-2022). Before substitution, it stood as: “Form-H”.

7	Identification Number of the Stakeholder a. PAN b. CIN/LLPIN/DIN c. Aadhaar No.	
8	Address and Email Address of Stakeholder	
9	Amount of Claim of the Stakeholder, admitted by the Liquidator	
10	Amount of unclaimed dividends / undistributed proceeds deposited by the Liquidator in the Corporate Voluntary Liquidation Account against the stakeholder	
11	Amount of unclaimed dividends / undistributed proceeds the Stakeholder seeks to withdraw from the Corporate Voluntary Liquidation Account	
12	Bank Account to which the amount is to be transferred from the Corporate Voluntary Liquidation Account, if withdrawal is approved (a) Account No.: (b) Name of Bank: (c) IFSC: (d) MICR: (e) Address of Branch of the Bank:	
13	Reasons for not taking dividend or proceeds during the Voluntary Liquidation Process	
14	Any legal disability in applying for withdrawal? (Yes / No), If yes, please provide details	

#### DECLARATION

I, *[Name of stakeholder]*, currently residing at *[insert address]*, hereby declare and state as follows:

1. I am entitled to receive a sum of Rs.... (Rupees ... only) from the Corporate Voluntary Liquidation Account, as presented above.
2. In respect of the said sum or any part thereof, neither I nor any person, by my order, to my knowledge or belief, for my use, has received any manner of satisfaction or security whatsoever, save and except the following: .....
3. I undertake to refund the entire amount with interest as decided by the Board, in case the Board finds that I am not entitled to this amount.
4. I authorise the Board to initiate appropriate legal action against me if my claim is found false at any time.

Date:

Place:  
Stakeholder)

(Signature of the

#### VERIFICATION

I, *[Name]* the stakeholder hereinabove, do hereby verify that the contents of this Form are true and correct to my knowledge and belief and no material fact has been concealed therefrom.

Verified at ... on this ..... day of ....., 20...

(Signature of the  
Stakeholder)

*[Note: In the case of a company or limited liability partnership, the declaration and verification shall be made by the director/manager/secretary/ designated partner and in the case of other entities, an officer authorised for the purpose by the entity]]*



## SCHEDULE II

(Under Regulation 10 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017)

**The formats contained in this Schedule are indicative in nature, and the liquidator may make such modifications to them as he deems fit in view of the facts and circumstances of the liquidation.**

### CASH BOOK

Name of Corporate person.....(in liquidation)

Date	Particulars	Ledger Folio No.	Receipt				Payments				Balance		
			Voucher No.	Cash	Bank	Total	Voucher No.	Cash	Bank	Total	Cash	Bank	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Under column 'particulars', the head of account to which the entry relates to should be indicated so that the entry may be posted under the proper head in the General Ledger.

### GENERAL LEDGER

Name of Corporate person.....(in liquidation)  
.....(Head of account)

Date	Particulars	Dr. (Rs.)	Cr. (Rs.)	Balance (Rs.)
1	2	3	4	5

*Instructions:*

1. A General Ledger should be maintained with such heads of account as the liquidator may think necessary and appropriate. The following heads of account may be found suitable:

- (1) Asset account
- (2) Investments account
- (3) Book Debts and Outstandings account
- (4) Calls
- (5) Rent Collected/rent receivable

- (6) Interest on Securities and Deposits
- (7) Advances received
- (8) Miscellaneous receipts payments
- (9) Establishment
- (10) Legal charges
- (11) Rents, Rates and Taxes payable
- (12) Fees and Commission account
- (13) Other expenses
- (14) Suspense account
- (15) Secured creditors
- (16) Dividend account.

2. The entries in the General Ledger should be posted from the Cash Book.

3. The total of the debit balances and the total of the credit balances of the several heads of account in the General Ledger should agree, after taking into consideration the cash and bank balances as shown in the Cash Book. The totals should be tallied once a month.

### BANK LEDGER

**Corporate person's (in voluntary liquidation) account with the Scheduled Bank**

<i>Date</i>	<i>Particulars</i>	<i>Deposits</i>		<i>Withdrawals</i>		<i>Balance</i>
		<i>Challan Number</i>	<i>Rs.</i>	<i>Cheque Number</i>	<i>Rs.</i>	<i>Rs.</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>

### REGISTER OF ASSETS

<i>Sl. No.</i>	<i>Description of assets</i>	<i>Date of taking possession</i>	<i>Serial number of Sales Register</i>	<i>Date of sale</i>	<i>Date of realization</i>	<i>Amount</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.							
2.							

*Instructions:*

1. All the assets of the corporate person except the liquidator's investments in securities and outstanding to be realized should be entered in this Register.

### SECURITIES AND INVESTMENTS REGISTER

<i>Sl. No.</i>	<i>Petition number and name of the corporate person</i>	<i>Date of investment</i>	<i>Nature and particulars of security in which investment is made</i>	<i>Amount Invested (Rs.)</i>	<i>Dividend or interest received with date of receipt (Rs.)</i>	<i>Date of disposal</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.							
2.							

### REGISTER OF BOOK DEBTS AND OUTSTANDINGS

<i>Sl. No.</i>	<i>Name and address of debtor</i>	<i>Particulars of debt</i>	<i>Amount due (Rs.)</i>	<i>Date of bar by limitation</i>	<i>Amount realized (Rs.)</i>	<i>Action taken</i>	<i>Date of realization</i>	<i>Reference to Suits Register</i>	<i>Remarks</i>
<i>1.</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
1.									
2.									
3.									

*Instructions:*

1. All debts due to the corporate person, both secured and unsecured, including amounts due for arrears of calls made prior to the liquidation, should be entered in this Register.

### TENANTS LEDGER

1. Description of assets:
2. Name and address of tenant:
3. Date of tenancy:
4. Period of tenancy:
5. Rent (monthly or annual):
6. Special terms, if any:
7. Arrears on date of taking charge of assets:
8. Advance received, if any:

<i>Month</i>	<i>Demand</i>	<i>Realization</i>	<i>Balance</i>	<i>Remarks</i>

	<i>Amount (Rs.)</i>	<i>Date</i>	<i>Amount (Rs.)</i>	<i>Amount (Rs.)</i>	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
January					
February					

### SUITS REGISTER

<i>Sl. No.</i>	<i>Nu mb er of suit or ap peal an d cour t</i>	<i>Nam e and addr ess of plain tiff/ appel lant and his advo cate</i>	<i>Name and adres s of defend ant/ respon dent and his advoc ate</i>	<i>Amo unt of clai m</i>	<i>Da te of fili ng</i>	<i>Date s of hear ing</i>	<i>Dat e of dec ree or fina l ord er</i>	<i>Natu re of relie f gran ted</i>	<i>Amo unt decr eed</i>	<i>Cost s decr eed</i>	<i>Referen ce to Decree Registe r</i>	<i>Re mar ks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
1.												
2.												

*Instructions:*

1. Applications made by or against the corporate person which are in the nature of suits should also be entered in this Register.

### DECREE REGISTER

<i>Number of suit or appeal and court</i>	<i>Name and address of judgment debtor</i>	<i>Amount Decreed (Rs.)</i>	<i>Date of decree</i>	<i>Action taken</i>	<i>Amount realized (Rs.)</i>	<i>Date of realization</i>	<i>Reference to Suits Register</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.							
2.							

*Instructions:*

1. The purpose of the Register is to enable the liquidator to keep watch on the progress of the realization of decrees in favor of the corporate person in his charge.
2. Every decree or order for payment of money or delivery of assets in favor of the corporate person including an order for payment of costs whether made in a suit, appeal or application, should be entered in this Register.

**REGISTER OF CLAIMS AND DISTRIBUTIONS**

<i>Claims</i>						<i>Distributions declared and paid</i>								<i>Remarks</i>	
<i>Sl. No.</i>	<i>Name and Address of creditor</i>	<i>Amount claimed (Rs.)</i>	<i>Nature of claim (Rs.)</i>	<i>Amount admitted (Rs.)</i>	<i>Whether preferred</i>	<i>Date</i>	<i>Amount</i>	<i>Date</i>	<i>Rate</i>	<i>Amount</i>	<i>Date</i>	<i>Rate</i>	<i>Amount</i>	<i>Date</i>	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>15</i>	<i>16</i>
1.															
2.															

*Instructions:*

1. Only claims admitted either wholly or in part should be entered in this Register.
2. The page on the left side should be reserved for claims and the page on the right side for Distributions.

### CONTRIBUTORY'S LEDGER

Sl. No.	Name and address of contributory	Number of shares or extent of interest held, and amount paid thereon	Calls			Remarks	Returns of share capital			Remarks
			First call		2 <sup>nd</sup> call/ 3 <sup>rd</sup> call		Date of return	Date of Payment	Amount paid (Rs.)	
			Date of call and amount paid	Amount paid and date of payment						
1	2	3	4	5	6 to 9	10	11	12	13	14
1.										
2.										

*Instructions:*

Only contributories settled on the list should be entered in this Register and they should be entered in the same order as in the list.

### DISTRIBUTIONS REGISTER

Date on which distribution is made:

Total amount payable in this round of distribution:

Date	Number on list of stakeholders	Particulars	Receipts	Payments
1	2	3	4	5
1.				
2.				

*Instructions:*

1. Separate pages should be set apart for preferential and ordinary distributions.
2. The payments should be entered as and when they are made. Any amount which is returned unpaid should be re-entered in the account under 'Receipts'.
3. The number in column 2 should be the number of the stakeholders in the list of stakeholders as finally settled.

4. The total amount of unclaimed distribution payable into the <sup>22</sup>[Corporate Voluntary Liquidation Account], and the amount paid into the Bank with the date of payment, should be shown at the end of the account.

### FEE REGISTER

<i>Amount realized on which fee are payable</i>	<i>Amount distributed on which fee are payable</i>	<i>Fee payable on the amounts in the two preceding columns</i>	<i>Total fee payable</i>	<i>Date of payment</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>5</i>	<i>6</i>
1.				
2.				

*Instructions:*

1. There should be a fresh opening for each year.
2. The fees due to the liquidator should be entered in the Register as soon as the audit of the account for a quarter is completed.

### SUSPENSE REGISTER

<i>Date</i>	<i>Particulars</i>	<i>Debit (Rs.)</i>	<i>Credit(Rs.)</i>	<i>Balance (Rs.)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1.				
2.				

*Instructions:*

1. Advances made by the liquidator to any person should be entered in this Register.
2. There should be a separate opening for each person.

### DOCUMENTS REGISTER

<i>Sl. No.</i>	<i>Description of document</i>	<i>Date of receipt</i>	<i>From whom received</i>	<i>Reference number of shelf in which document is kept</i>	<i>How disposed of</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

<sup>22</sup> Subs. by Notification No. IBBI/2019-20/GN/REG054 dated 15<sup>th</sup> January, 2020 (w.e.f. 15.01.2020). Before substitution, the words stood as: "Public Account of India"

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*Instruction:* All documents of title like title-deeds, shares, promissory notes, etc., should be entered in this Register.

### **BOOKS REGISTER**

<i>Date</i>	<i>From whom received</i>	<i>Serial Number</i>	<i>Description of books, including files</i>	<i>Shelf number</i>	<i>How disposed of</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

*Instruction:* All books and files of the corporate person which come into the hands of the liquidator should be entered in this Register.

### **REGISTER OF UNCLAIMED DIVIDENDS AND UNDISTRIBUTED 23[PROCEEDS] DEPOSITED**

<i>Sl. No.</i>	<i>Name of person entitled to the dividend or return</i>	<i>Whether Creditor or Contributory</i>	<i>Number on list of stakeholders</i>	<i>Date of declaration of dividend or return</i>	<i>Rate of dividend or return</i>	<i>Total amount payable (Rs.)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

Dr. M.S. Sahoo  
Chairperson  
Insolvency and Bankruptcy Board of India

<sup>23</sup> Subs. by Notification No. IBBI/2019-20/GN/REG054 dated 15<sup>th</sup> January, 2020 (w.e.f. 15.01.2020). Before substitution, the words stood as: "ASSETS".