

INSOLVENCY & BANKRUPTCY BOARD OF INDIA

The Board & Its Allied Regulations

A Chart-Form Reference

Board • Salary & Allowances • Governing Board Meetings • Employees' Service
Engagement of Research Associates • Advisory Committee — covering salary, gifts & meetings

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IBC Code & Regulations — Knowledge Series | @CARKGUPTA





Six Instruments Governing the Board — At a Glance

| Instrument | Enabling provision | Year | What it governs |
|--|----------------------|------|--|
| The Board (IBBI) | IBC ss. 188–196 | 2016 | Establishment, constitution, powers & functions of the regulator |
| Salary & Allowances Rules | s. 189(8) — Rules | 2016 | Pay, allowances, leave & service terms of Chairperson & Members |
| Procedure for Governing Board Meetings | s. 192 — Regulations | 2017 | How the Governing Board meets, decides & conducts itself |
| Employees' Service Regulations | s. 194(2)/(3) — Regs | 2017 | Service conditions, pay, leave, conduct & discipline of staff |
| Engagement of Research Associates & Consultants | s. 194 r/w 240 | 2017 | Hiring, remuneration & terms for RAs and Consultants |
| Advisory Committee Regulations | s. 197 — Regulations | 2017 | Constitution, meetings, fee & conduct of advisory committees |



Establishment & Constitution of the Board

| Aspect | Provision |
|-----------------------------|--|
| Status | Body corporate with perpetual succession & common seal; may sue / be sued, hold & dispose property (s. 188) |
| Head office | In the National Capital Region, at a place notified by the Central Government; may set up other offices in India (s. 188) |
| Composition (s. 189) | Chairperson + 3 ex-officio members (Joint Secretary rank — Finance, MCA, Law) + 1 ex-officio member nominated by RBI + 5 members nominated by Central Govt., of whom at least 3 are whole-time members |
| Eligibility | Persons of ability, integrity & standing with special knowledge / experience in law, finance, economics, accountancy or administration |
| Appointment route | By Central Government on recommendation of a Selection Committee chaired by the Cabinet Secretary (non-ex-officio members) |



Tenure, Removal & Powers of the Chairperson

| Aspect | Provision |
|---------------------------------------|--|
| Term of office | 5 years or until age 65, whichever is earlier; eligible for re-appointment (s. 189) |
| Removal grounds (s. 190) | Undischarged bankrupt; physically/mentally incapable; convicted of an offence involving moral turpitude; or abuse of position detrimental to public interest |
| Safeguard | No removal for abuse of position without a reasonable opportunity of being heard |
| Powers of Chairperson (s. 191) | General superintendence & direction of the Board's affairs; plus such powers as delegated by the Board |
| Casual vacancy | Person appointed against a casual vacancy holds office for the remainder of the predecessor's term (Salary Rules) |
| Cooling-off | Chairperson / WTM cannot accept employment for 1 year after demitting office, except with prior Central Govt. sanction |



Meetings of the Board & Conduct of Members (Statutory)

| Aspect | Provision under the Code |
|-------------------------------------|---|
| Meetings (s. 192) | Board meets at such times & places and follows such procedure (including quorum) as determined by regulations |
| Who presides | Chairperson; if unable to attend, any member chosen by members present presides |
| Decisions | By majority of members present & voting; on equality of votes the Chairperson / presiding member has a casting vote |
| Interest disclosure (s. 193) | A member with a direct/indirect pecuniary interest in a matter must disclose it; it is recorded, and he takes no part in the deliberation or decision |
| Validity (s. 194) | No act/proceeding is invalid merely due to a vacancy, defect in constitution, defective appointment, or procedural irregularity not affecting merits |
| Officers & employees | Board may appoint officers & employees; their salaries, allowances & service terms are as specified by regulations |



Powers & Functions of the Board

| Function cluster | Illustrative powers |
|--|--|
| Registration & development | Register / renew / suspend / cancel IPAs, IPs & IUs; promote development & regulate their working and practices |
| Standard-setting | Specify minimum eligibility, standards of functioning & minimum exam curriculum for enrolment of IPs |
| Oversight & enforcement | Inspect & investigate; monitor performance; call for information & records; pass orders for compliance |
| Grievances & quasi-judicial | Specify grievance-redressal mechanism; powers of a civil court (CPC, 1908) for discovery, summoning, inspection & commissions |
| Rule-making & guidance | Make regulations, model bye-laws & guidelines; mandate public consultation before notifying regulations |
| Data, research & governance | Publish data & research; maintain IU data standards & registries; promote transparency; constitute committees (incl. s. 197); enter MoUs |



Pay of Chairperson, Whole-Time & Part-Time Members

| Office | Pay option | Consolidated salary |
|-------------------|--|-------------------------|
| Chairperson | Pay as admissible to a Secretary to the Government of India — OR — a consolidated salary | ₹ 5,62,500 / month |
| Whole-Time Member | Pay as admissible to an Additional Secretary to the Government of India — OR — a consolidated salary | ₹ 5,00,000 / month |
| Part-Time Member | No salary — entitled only to a sitting fee per Board meeting attended, plus TA/DA | ₹ 6,000 / meeting (fee) |



Re-employed pensioners: where a retired Govt. officer is appointed, pay & allowances are reduced by the gross pension and pension-equivalent of gratuity / employer's CPF contribution drawn or drawable. The consolidated-salary option insulates the holder from the perk-linked rules (accommodation/conveyance).



Allowances & Perquisites — Chairperson & WTM

| Head | Entitlement |
|-------------------------------------|---|
| Dearness Allowance | At rates admissible to a Group 'A' officer of equivalent rank of the Central Government (for those on the GoI pay option) |
| Entertainment Allowance | Subject to a maximum of ₹ 6,000 per annum |
| Travelling / Daily Allowance | Chairperson — at Secretary scale; WTM — at equivalent Group 'A' scale (tour, transfer & joining/expiry journeys) |
| Leave Travel Concession | Chairperson — Secretary scale; WTM — equivalent Group 'A' scale |
| Accommodation | Rent-free unfurnished house (Board approves type/rent); water, electricity & fuel borne by occupant. Own/private arrangement → 10% of Basic Pay + HRA. Not applicable to consolidated-salary option |
| Conveyance | Staff car for official purposes; vehicles to be hired, not purchased. Not applicable to consolidated-salary option |



Leave Entitlements of Chairperson & WTM

| Type of leave | Rate / entitlement | Key condition |
|------------------------------------|-------------------------------------|--|
| Earned Leave | 30 days per completed calendar year | Credited 15 days each on 1 Jan & 1 Jul; carry-forward capped at 300 days |
| Half-Pay Leave | 20 days per completed year | On medical certificate / private affairs; credited 10 days each half-year; commutable to full pay on medical grounds |
| Casual Leave | 8 days per calendar year | — |
| Restricted Holidays | 2 days per calendar year | Of the member's choice |
| Extra-Ordinary Leave | Up to 180 days per term | Without pay & allowances; also available out of notified holidays |
| Leave-sanctioning authority | — | Chairperson sanctions WTM's leave; the President of India sanctions the Chairperson's leave |



What Is — and Isn't — Payable

NOT PAYABLE

Bonus

The Chairperson and a whole-time member are not entitled to any bonus.

Sitting fees (WTM & Chairperson)

No sitting fee for attending meetings of the Board.

Perks under consolidated-salary option

Accommodation & conveyance rules do not apply to those who opt for the consolidated salary.

BENEFITS & ENCASHMENT

Provident Fund

Entitled to subscribe to the Contributory Pension Fund.

Encashment of leave

As per Group 'A' rules, capped at 300 days including pre-superannuation encashment.

Medical treatment

Covered under the Health Scheme as prescribed by the Central Government.

Part-time members

₹ 6,000 fee per Board meeting attended + TA/DA at Additional Secretary scale.



Governing Board Business & Convening of Meetings

| Aspect | Provision |
|------------------------------|---|
| Reserved businesses | Regulations (s. 240); annual accounts & audit; annual budget & report; delegation of powers; operations manuals; disposal timelines; expenditure above ₹ 5 crore; office location; staff numbers, categories & compensation; accommodation of Chairperson/WTM |
| Mode | Transacted in meetings as far as possible; a member may attend via video conferencing; urgent items may be passed by circulation, then ratified at the next meeting |
| Frequency | At least four meetings a year and at least one meeting in each quarter |
| Who convenes | Chairperson (or a member nominated by him); any three members may require the Chairperson to convene a meeting |
| Venue & presiding | At times/places in India per the notice — ordinarily at the head office; Chairperson presides, else a member chosen by those present |



Notice, Quorum, Voting & Minutes

| Aspect | Provision |
|-------------------------|--|
| Notice | Not less than 10 days' notice (with agenda) ordinarily, sent to each member's India address or by e-mail; urgent meetings may dispense with it. Only convened business is transacted, unless the Chairperson permits otherwise |
| Quorum | Five members if the Board has eight or more members; three members if it has fewer than eight |
| Voting | Decided by majority of members present & voting; on equality, the Chairperson / presiding member has a casting vote |
| Leave of absence | The Board may grant leave of absence to an absent member, recorded in the minutes |
| Minutes | Maintained in numbered books; draft minutes circulated for confirmation; confirmed minutes signed by the Chairperson/presiding member at the next meeting |
| Secretary | A senior officer nominated by the Chairperson; custodian of seal, attendance register, agenda & minutes; arranges meetings and ensures compliance |



Charter of Conduct for Members

| Obligation | What the Member must do |
|--------------------------------|--|
| Declaration of fidelity | Chairperson & every WTM take an Oath of Office and Secrecy (Schedule I); every member signs a Charter of Conduct affirming the highest ethical standards (Schedule II) |
| Conflict of interest | A member directly/indirectly interested in an agenda item must disclose it; he takes no part in deliberations or decisions (except professional advice if sought). "Relatives" tested per s. 2(77), Companies Act 2013 |
| Disqualification | A member must promptly inform the Board if he attracts any disqualification under s. 190; the Board then informs the Central Government |
| Outside activities | A Whole-Time Member shall not hold any other office of profit, nor engage in professional activity yielding salary or fees |
| Dealings & seal | No member hears/decides a matter where he has a conflict; common seal affixed only by Board resolution in the presence of at least one signing member |



Staff — Pay, Allowances & Leave

| Aspect | Provision |
|-----------------------------|---|
| Pay & allowances | Board decides pay & allowances for each Position and Grade at its discretion; allowances payable while the conditions for them are met; pay/allowances cease on the employee ceasing to be in service |
| Deputation option | An employee on deputation may draw either the appointed-Grade pay or his parent-organisation pay & benefits |
| Kinds of leave | Casual & special casual; ordinary; sick; maternity / paternity; extraordinary; accident; and any other leave allowed by the Board |
| Casual leave | Up to 12 working days a year; cannot be less than half a day or more than 5 days at a time; 50% of unused CL credited to ordinary leave at year-end |
| Ordinary leave | 30 days per year of service, max accumulation 300 days; encashable once in two years (10–30 days) |
| Not a right | Leave cannot be claimed as of right; the Board may refuse, revoke or recall; not granted under suspension / pending disciplinary proceedings |



Acceptance of Gifts

| Situation | Rule |
|--------------------------------|---|
| General prohibition | An employee shall not solicit or accept — nor permit family or anyone on his behalf to accept — any gift from a person he is likely to have official dealings with, directly or indirectly, or from a subordinate |
| What counts as a "gift" | Includes free transport, boarding, lodging, any other service or pecuniary advantage — unless provided by a near relative or a personal friend having no official dealings with the employee or Board |
| Trivial / casual items | Exempt: small packets of sweets, diaries, calendars on Diwali/New Year, and a casual meal, lift or other social hospitality |
| Social occasions | On marriages, anniversaries, funerals or religious functions, gifts may be accepted from personal friends with no official dealings |
| Reporting threshold | Such a gift must be reported to the Board within 30 days if its value exceeds ₹ 10,000 |



Quick rule: No gift from anyone with official dealings. Social-occasion gifts from non-dealing friends are fine — but report within 30 days if value > ₹ 10,000.



Property, Secrecy & Other Prohibitions

| Conduct head | Rule |
|--------------------------------------|---|
| Immovable property | No acquisition/disposal (lease, mortgage, purchase, sale, gift, etc.) — in own or family member's name — except with prior intimation to the Board |
| Movable property | Report within 30 days if value exceeds two months' basic pay; prior approval needed if the transaction is with a person having official dealings |
| Secrecy & data use | Maintain strictest secrecy on Board affairs; no use of official information for personal benefit or that of friends/relatives |
| Outside employment | No outside employment/office (paid or honorary) without prior Board sanction; post-retirement commercial employment needs approval for 2 years |
| Politics, press & strikes | No active politics or contesting local-body elections; no trade-union office or strikes; no press contribution/publication without sanction (literary/academic etc. exempt) |
| Other duties | Maintain integrity & discipline; avoid indebtedness/insolvency & intoxication; zero tolerance of sexual harassment (POSH Act, 2013 — Internal Complaints Committee) |



Research Associates & Consultants

| Aspect | Provision |
|---------------------------------|--|
| Numbers & functions | Board decides, from time to time, how many RAs/Consultants to engage; they discharge functions assigned by the Board |
| Disciplines & levels | Economics/Public Policy, Law, Business Management and others (Schedule I); engaged across five levels by experience (Schedule II) |
| Remuneration | Consolidated remuneration per Schedule II (Chairperson may amend for recorded reasons). No other compensation or facility — except annual leave of 12 days |
| Performance review | Reviewed every six months against tasks & output; unsatisfactory performance → engagement discontinued forthwith |
| Selection | Vacancies published on the Board's website; eligibility scrutiny → shortlist if applicants exceed 4x posts → selection committee (Chairperson/WTM + ED or senior officer + external expert) interviews & panels candidates |
| Term | Contractual, 1 to 3 years; extendable by the Chairperson one year at a time up to 5 years total; either side may end with 1 month's notice or salary in lieu |



Advisory Committees — Constitution, Meetings & Fee

| Aspect | Provision |
|------------------------------|---|
| Purpose & types | Constituted by Board order to obtain expert advice — e.g. on Service Providers; Corporate Insolvency & Liquidation; Individual Insolvency & Bankruptcy; or any other subject |
| Composition | Professional Members (eminent academicians/practitioners) and General Members (eminent citizens without interest), roughly in a 2 : 1 ratio; no person on more than one committee at a time |
| Chair & term | A General Member is designated Chairperson; a senior officer is Secretary (may speak, not vote); member's term not exceeding 3 years, re-appointment allowed |
| Meetings & quorum | Meets at times/places it considers expedient; quorum is 50% of existing strength; Secretary convenes & records; Chairperson sets agenda and presides |
| Fee | Sitting fee of ₹ 10,000 per meeting; travel & accommodation reimbursed at par with a Secretary to the Government of India |
| Conduct | No member to communicate to the press/media on matters under consideration; disclose interest and abstain from related deliberations (save professional advice if sought) |



Money & Numbers at a Glance

| Item | Figure / threshold | Source |
|---|--------------------------------|-------------------------|
| Chairperson — consolidated salary | ₹ 5,62,500 / month | Salary Rules, 2016 |
| Whole-Time Member — consolidated salary | ₹ 5,00,000 / month | Salary Rules, 2016 |
| Entertainment allowance (max) | ₹ 6,000 / annum | Salary Rules, 2016 |
| Part-time member — sitting fee | ₹ 6,000 / meeting | Salary Rules, 2016 |
| Chairperson & WTM — sitting fee | Nil | Salary Rules, 2016 |
| Gift reporting threshold (staff) | > ₹ 10,000 → report in 30 days | Employees' Service Regs |
| Advisory Committee — sitting fee | ₹ 10,000 / meeting | Advisory Committee Regs |
| Governing Board — minimum meetings | ≥ 4 / year (1 per quarter) | GBM Regs, 2017 |
| Governing Board — notice period | ≥ 10 days (ordinarily) | GBM Regs, 2017 |



KEY TAKEAWAYS

Five threads that run through every instrument

- 1 Independence by design** Fixed 5-year terms, cooling-off, removal only on specified grounds, and a 2:1 professional-to-general balance on advisory committees keep the regulator at arm's length.
- 2 Disclose, then step back** Across the Code, the GBM Charter and the Advisory Committee Regs, the same rule recurs — disclose any interest and take no part in the related decision.
- 3 Money is capped and transparent** Consolidated salaries, a ₹6,000 entertainment cap, fixed sitting fees, and no bonus or WTM sitting fee — pay is defined, not discretionary.
- 4 Gifts: prohibited where there are dealings** Staff may accept only trivial/social gifts from non-dealing friends, and must report any social gift above ₹10,000 within 30 days.
- 5 Meetings on a rhythm** At least four Governing Board meetings a year — one per quarter — with 10 days' notice, defined quorum and confirmed, signed minutes.