Part II Regulations

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Contents

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INSOLVENCY & BANKRUPTCY BOARD OF INDIA

Insolvency Resolution Process for Corporate Persons Regulations, 2016

AMENDED UPTO 09 JUNE 2026

A structured walkthrough of the CIRP Regulations — regulation by regulation — with the 2026 amendments (REG135, REG141, REG152 & REG153) flagged throughout.

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OVERVIEW

About these Regulations

10	1 Dec 2016	09-06-2026	S. 240
Chapters + Schedule-I	Date of coming into force	Amended upto	Delegated legislation power

What they govern

- Made by IBBI under ss. 5, 7, 9, 14, 15, 17, 18, 21, 24, 25, 29, 30, 196 & 208 read with s. 240 of the Code.
- Apply to the corporate insolvency resolution process (CIRP) for corporate persons under Chapter II, Part II.
- Operationalise the Code: claims, committee of creditors, meetings, voting, valuation, information memorandum, resolution plan and timelines.
- Words not defined here take their meaning from the Code.

The 2026 amendment wave

- REG135 (25-02-2026): fair value / valuation overhaul; IM enrichment.
- REG141 (20-05-2026): MSME single valuer set.
- REG152 (02-06-2026): the big structural amendment — s.10 disclosures, custody & control, withdrawal, dissolution, restoration, forms shifted to circulars.
- REG153 (09-06-2026): CoC cost approval reforms, observer rights, 'unrelated' operational creditors.

STRUCTURE

How the Regulations are organised

I	**Preliminary**	Reg 1–2E
II	**General**	Reg 3–5
III	**Public Announcement**	Reg 6–6A
IV	**Proof of Claims**	Reg 7–15
V	**Committee of Creditors**	Reg 16–17
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Sch	**Schedule-I — Fees**	Fee structure
★	**2026 amendments flagged**	throughout deck

PART A

Preliminary & General

Chapters I–II • Definitions, information to be furnished, eligibility of the RP, cooperation, access & AR

Key defined terms

Class of creditors [2(aa)]

A class of at least ten financial creditors under s. 21(6A)(b); 'creditors in a class' construed accordingly.

Fair value [2(hb)]

Estimated realisable value of the corporate debtor / its assets on ICD in an arm's-length deal — now computed on all assets incl. intangibles with their synergies.

Liquidation value [2(k)]

Estimated realisable value of the assets if the CD were liquidated on the insolvency commencement date.

Evaluation matrix [2(ha)]

Parameters and the manner of applying them, as approved by the committee, for considering resolution plans.

Filing an application: what must accompany it

2A · Evidence of default (FC)

- Certified copy of bankers' book entries; or
- A court/tribunal order adjudicating non-payment, where the appeal period has expired.

2B · Information by operational creditor

Substituted by REG152 (w.e.f. 02-06-2026) — now a detailed 8-item schedule:

- GSTR-1 / GSTR-3B extracts & e-way bill (where applicable)
- Part payments, assignment, guarantees, statement of account
- Related-party status, pending recovery proceedings & any other relevant info.

2C · Common to FC & OC

While filing under s. 7 or 9, the creditor must also furnish its Permanent Account Number (PAN) and Email-ID.

2D · Debt, default & limitation

Along with evidence, the applicant must submit a chronology of debt and default — date debt became due, date of default, dates of part-payments, last acknowledgment of debt, and the applicable limitation.

Information by the corporate applicant (s. 10)

NEW · 2026

Inserted by REG152 (w.e.f. 02-06-2026). A s. 10 corporate applicant must furnish books-of-account information for the preceding three financial years (or since incorporation) plus an extensive disclosure set.

Books of account (3 years)

- All bank accounts — numbers, banks, branches, signatories
- Immovable property — fixed assets register with locations
- Movable property & inventory; investments in securities / subsidiaries / JVs
- Intangibles incl. IPR and virtual digital assets
- List of receivables with supporting evidence

Additional disclosures

- Secured & unsecured creditors; full creditor list with claim particulars
- Litigation, arbitration & disputes; employees / workmen dues (PF, gratuity, ESI)
- Subsidiaries, JVs, corporate guarantees, related-party transactions (2 yrs)
- Approvals, licences & statutory compliances (MCA, IT, GST)
- JDAs & co-development arrangements; assets under attachment
- Tax/GST/Customs/Excise demand notices & recovery proceedings
- PMLA / Benami / FEMA / Companies Act proceedings against CD or officers
- All RERA allottees — names, amounts due, units allotted

Eligibility of the interim / resolution professional

Independence test

The IP — and all partners/directors of his IPE — must be independent of the corporate debtor. A person is independent if he:

- Is eligible as an independent director under s. 149 of the Companies Act, 2013;
- Is not a related party of the CD; and
- Is not employee/proprietor/partner of its auditors, secretarial/cost auditors, or a legal/consulting firm with ≥5% turnover dealings in the last 3 FYs.

Appointment & continuity (3(1A)/(1B))

Reworked by REG152 (2026):

- Where CoC resolves in its first meeting to appoint the IRP as RP, the IRP intimates the CD, Board & AA within 3 days.
- To replace the IRP (s. 22) or RP (s. 27), written consent of the proposed RP is taken in the form notified by circular.

Disclosures & conflict bar

- The IRP/RP makes disclosures at appointment and thereafter per the Code of Conduct.
- An IRP/RP who is a director/partner of an IPE cannot continue if that IPE — or any other partner/director of it — represents any other stakeholder in the same CIRP.

Duty to extend assistance & cooperation

Retitled and widened in 2026 — custody & control may now be taken from 'any person covered under section 19' (not just personnel/promoters).

1. Take custody & control

Records under s. 18(a) & reg 36 (in Board's format) and assets in the balance sheet / s. 18(f) records.

2. Hand-over list

The s. 19 person gives a list of assets & records; the IRP/RP may nominate custodians.

3. Self-prepared list

If no list/hand-over, the IRP/RP prepares the list while taking control.

4. Witnessed & signed

Each list is signed by parties present and at least two witnesses to the act.

Requisition & s. 19(2) application

- The IRP/RP may requisition information (s. 18(a) / reg 36) and balance-sheet assets not yet handed over.
- A s. 19(2) application must show the asset/record in the notice of requisition and its absence in the control-and-custody list.

Access, authorised-representative choice & related duties

4 · Access to books

- Access CD's books held with depositories, advisors, IUs, asset registries, members/promoters/JV partners & counterparties.
- Personnel/promoters must supply info in the format & time sought.
- May seek records from any creditor/authority; creditors furnish all relevant info at the first CoC meeting.

4A · Choice of authorised representative

- On examining records, the IRP ascertains any class(es) of creditors.
- Identifies three eligible IPs (not relatives/related parties; located in the State/UT with the most class-creditors) willing to act as AR.
- Obtains their consent in the form notified by circular.

Reg 4B

Disclose former name(s) & registered office if changed within 2 yrs before ICD.

Reg 4C

Process e-mail — IRP opens a dedicated account; credentials handed to RP / liquidator on replacement.

Reg 4D

Separate bank account operated for each real-estate project.

Reg 4E · 5

Hand over possession to allottees (66% CoC vote); a transaction is extortionate (s. 50) if exorbitant or unconscionable.

PART B

Announcement, Claims & Committee

Chapters III–V • Public announcement, proof & verification of claims, and constitution of the CoC

Public announcement & communication

6 · Public announcement

Made immediately — not later than 3 days — from the IRP's appointment. In the form notified by circular, it is:

- Published in one English + one regional newspaper (registered/principal office & material-business locations);
- Put on the CD's website and the Board's designated website;
- States where claim forms can be obtained;
- Offers a choice of three IPs (reg 4A) as AR for each class;
- Fixes the last date for proofs of claim — 14 days from the IRP's appointment.

The applicant bears the cost, reimbursable to the extent the CoC ratifies.

6A · Communication to creditors

The IRP sends the public announcement to all creditors per the last available books, by post or electronic means. Where communication is not possible, the public announcement is deemed communicated.

Announcement timeline

T	IRP appointed / CIRP commences
T+3	Public announcement (latest)
T+14	Last date for submission of claims

Who submits claims, and how

Claim forms are now those notified by the Board through circular (the erstwhile Forms B/C/CA/D/E/F were shifted out by REG152, 2026).

7 · Operational creditors	In person / post / electronic. Proof: IU records or contract, invoice, court order, financial accounts, GST returns & e-way bill.
8 · Financial creditors	Electronic only. Proof: IU records or financial contract, drawdown record, financial statements, or court order.
8A · Creditors in a class	Electronic. Proof: agreement for sale, allotment letter, receipt, or other document. May indicate choice of AR from the three offered.
9 · Workmen & employees	In person / post / electronic — individually or via one authorised representative. Proof: employment contract, demand notice, court order.
9A · Other creditors	Any creditor not covered above. Proof: IU records or documentary demand, bank statements, or court/tribunal order.

Submitting, updating & determining claims

12 · Submission window

- Submit on/before the last date in the public announcement.
- Late claims accepted up to issue of RFRP (reg 36B) or 90 days from ICD, whichever is later — with reasons for delay beyond 90 days.
- A financial creditor's admitted claim brings it onto the CoC from the date of admission (without unsettling prior decisions).

13 · Verification & list of creditors

- Verify every claim (as on ICD) within 7 days of the last date of receipt; maintain & update the list of creditors.
- Admit or reject (wholly/partly) with reasons, communicated within 7 days (reg 13(1A), 2026).
- Claims received later — up to 7 days before the vote — are categorised acceptable / non-acceptable for collation and placed before the CoC / AA.

10–11 · Substantiation & cost

The IRP/RP may call for further evidence to substantiate a claim. Each creditor bears the cost of proving its own debt.

12A · 14 · Updation & estimate

A creditor must update its claim as it is satisfied, partly or fully. Where an amount is imprecise, the IRP/RP makes a best estimate and revises it on new information.

15 · Foreign currency

Foreign-currency claims are valued in Indian rupees at the official RBI reference rate as on the insolvency commencement date.

Committee composition & the authorised representative

16 · Committee with only OCs

Where there is no financial debt (or all FCs are related parties):

- 18 largest unrelated operational creditors by value ('unrelated' added by REG153, 2026) — all of them if fewer than 18;
- One workmen representative + one employee representative;
- Voting share in proportion to debt; same rights/powers as a financial-creditor committee.

16A · Authorised representative

- IRP selects the IP chosen by the highest number of class-creditors (choices after the announcement deadline are ignored).
- Applies to AA within 2 days of verification; acts as interim representative meanwhile.
- Class FCs with ≥10% voting share may seek replacement via a ≥24-hour voting window.
- Voting share proportional to financial debt (incl. 8% p.a. interest unless agreed otherwise).

16A(8) · Authorised representative's fee per meeting (Rs.)

Creditors in the class	Fee per CoC meeting attended	Fee per class-meeting convened
10 – 100	30,000	10,000
101 – 1000	40,000	12,000
More than 1000	50,000	15,000

Class-only committees, facilitators & observers

16B–16D · Class committees & facilitators

- Where only class-creditors exist, the CoC consists solely of the authorised representative(s).
- If a class exceeds 1,000 creditors, the CoC may appoint up to five facilitators for sub-classes (≥100 creditors each) at 20% of the AR's fee.
- Facilitators aid communication and attend CoC meetings as observers.

16E · Non-bank / non-PFI dominated CoC

New — inserted by REG153 (w.e.f. 09-06-2026):

Where creditors other than scheduled banks / public financial institutions hold more than 66% of voting share, the RP shall —

- invite the five largest unrelated operational creditors (incl. the three largest statutory-dues authorities) as non-voting observers; and
- record their observations in the minutes.

17 · Constitution of the committee

- IRP files a report certifying the CoC's constitution to the AA within 2 days of verification (reg 12(1)).
- The CoC and its members discharge functions per any guidelines issued by the Board.
- First CoC meeting held within 7 days of filing that report.
- If the RP's appointment is delayed, the IRP performs the RP's functions from the 40th day of ICD until a RP is appointed under s. 22.

PART C

Meetings & Voting

Chapters VI–VII • Convening and conducting CoC meetings, notice, quorum, and voting by the committee

Convening & noticing meetings

18 · Meetings of the committee

- A meeting is convened before 30 days lapse from the last; the CoC may extend the interval but must meet at least once each quarter.
- The RP must convene / place a proposal on a request from members holding ≥33% of voting rights.
- For a real-estate project, the CoC may invite the RERA 'competent authority' as a non-voting participant.
- The CoC may invite providers of interim finance as non-voting observers.

19 · Notice for the meeting

- At least 5 days' written notice to every participant (reduced from 7 in 2018).
- Served by hand / post, but in any event by electronic means (reg 20).
- The CoC may shorten notice to not less than 24 hours — or not less than 48 hours where there is any authorised representative.

20–21 · Service & contents of notice

- E-notice may be text, attachment (PDF/non-editable) or a link; subject line states CD name, place, date & time; RP retains proof of sending.
- The notice gives the venue/time/date and the option (with details) to join by video conferencing or other audio-visual means.
- It lists matters to be discussed, issues to be voted on, all relevant documents, and the e-voting process, login and contact details.

Quorum, video-conferencing & conduct

22 · Quorum

- Quorate if members with ≥33% of voting rights are present (in person or by AV means).
- The CoC may modify this percentage for future meetings.
- For want of quorum the meeting stands adjourned to the next day, same time & place — then quorate with members attending.

23 · Video-conferencing

- Notice offers a VC / AV option with joining details.
- RP ensures clear connection, security & identification, records proceedings and safe-keeps recordings.
- The scheduled venue (in India) is deemed the place of the meeting.

24 · Conduct

- RP chairs; takes a roll-call of AV participants.
- Confirms and maintains quorum throughout.
- Ensures minutes are made and circulates them to all participants within 48 hours.

Integrity safeguards

- Only intended participants may access the meeting; the RP controls entry to the venue / AV facility.
- Roll-call captures each participant's name, capacity, whom they represent, location, and confirmation they hold the agenda.
- Differently-abled participants may request an accompanying person.

Voting by the committee

25 · Voting & minutes

- Actions under s. 28(1) and any other matter needing CoC approval are considered in meetings.
- RP takes the vote of members present after discussion, then announces the outcome with names for/against/abstaining.
- Minutes circulated by e-means within 48 hours; members who didn't vote at the meeting vote by e-voting.
- The e-voting window stays open (from circulation of minutes) as the CoC decides — not less than 24 hours and not more than 7 days, with 24-hour extensions on request.

25 · AR window & 25A · AR voting

- The AR circulates minutes to class-creditors, announcing the voting window ≥24 hours before it opens and keeping it open ≥12 hours.
- The AR casts votes for each FC — or on behalf of all FCs represented — per s. 25A(3)/(3A).

26 · Voting through electronic means

- Each member is given the means to vote by electronic means / a secured electronic voting system.
- A 'secured system' is reasonably secure from unauthorised access, reliable, fit-for-purpose and follows accepted security procedures.
- At the end of the period the portal is blocked; the RP records and circulates the decision to all participants within 24 hours.

PART D

Conduct of the Process & Costs

Chapters VIII–IX • Valuers & professionals, transfers, withdrawal, audit, and insolvency-resolution-process costs

Appointment of valuers & professionals

REG135/141 · 2026

Two sets of registered valuers

- Within 7 days of appointment but not later than the 47th day from ICD.
- Appoint two sets of registered valuers to determine fair value and liquidation value (reg 35).
- MSME proviso (REG141, 2026): only one set — unless the CoC records reasons to appoint two.

Other professionals

- The IRP/RP may appoint additional professionals where services aren't available in-house.
- Appointment on an arm's-length, objective & transparent basis.
- Bars: relatives of the RP; related parties of the CD; auditors within the last 5 years; partners/directors of the RP's IPE.
- Each professional's invoice is raised in their own name and paid directly to their account.

28 · Transfer of debt due to creditors

- On assignment/transfer of a debt during the process, both parties inform the IRP/RP of the terms and the assignee's identity within 7 days.
- The RP notifies each participant and the AA of any resultant change in the committee within 2 days.

Transfer of guarantor assets (s. 28A)

NEW · 2026

Inserted by REG152 (w.e.f. 02-06-2026) to operationalise s. 28A — bringing a personal/corporate guarantor's asset into the CD's resolution.

28A · Placing the proposal

Where a creditor has taken possession of a guarantor's asset, the RP may place a transfer proposal before the CoC containing —

- a detailed description of the asset;
- its estimated realisable value (valuer-determined); and
- the creditor's consent / proof of the relevant meeting's approval.

On CoC approval, the RP discloses the transfer in the IM, specifies it in the RFRP, and ensures the plan treats proceeds per s. 28A(3). The CoC weighs the asset value while considering the plan.

28B · Facilitation of transfer

Where the CD is itself a corporate guarantor under CIRP, its RP —

- coordinates with the RP of the CD to whom the guarantee was given, on transfer of assets in that CD's CIRP;
- obtains approval of the guarantor-CD's CoC for the transfer (for s. 28A); and
- on approval, ensures the proposed transfer is appropriately disclosed in the information memorandum.

Interim sales, withdrawal, audit & RE reporting

29–30 · Interim sale & district assistance

- RP may sell unencumbered assets outside the ordinary course for better value — aggregate book value ≤10% of admitted claims — with a 66% CoC vote.
- A bona-fide purchaser gets free & marketable title.
- The IRP/RP may seek AA orders for assistance of the local district administration.

30A · Withdrawal (s. 12A)

Substituted by REG152 (2026):

- RP files the withdrawal application within 3 days of CoC approval, with a bank guarantee / demand draft for estimated expenses.
- Not before the CoC is constituted, and not after the invitation for EoI (reg 36A).
- On AA approval, the actual expenses are deposited to the CD's account.

30B · Audit of the corporate debtor

- Any CoC member may propose an audit — objectives, scope, cost, timeframe & auditor.
- Considered under reg 18(3); conducted by a qualified IP.
- The report goes to the CoC with the RP's comments; costs are IRP costs.

30C · Real-estate development report

- Where the CD has a real-estate project, the RP prepares a report on the status of development rights & permissions.
- Submits it to the CoC for comments, and to the AA — with those comments — on or before the 60th day from ICD.

Insolvency resolution process costs

31 · What counts as IRP cost

- Essential-supply dues (reg 32); AR fee (16A(8)) & out-of-pocket expenses; facilitator fee (16C).
- Amounts to persons prejudiced by the s. 14(1)(d) moratorium.
- Regulatory fee to the Board (reg 31A).
- Ratified IRP expenses (reg 33) and RP expenses fixed by the CoC (reg 34).
- Other CoC-approved costs directly relating to the CIRP.

31A · Regulatory fee to the Board

- 0.25% of the realisable value to creditors under a plan approved under s. 31 (where realisable value exceeds liquidation value; plans approved on/after 01-10-2022).
- Not payable where the plan for a real-estate project is from an association/group of allottees.
- 1% of the cost of hiring professionals/other services booked into IRP costs.

31B · CoC approval of costs & Going-Concern Assessment

Recast by REG153 (w.e.f. 09-06-2026):

- All IRP costs incurred up to the first CoC meeting, with justification, are placed for approval at that meeting.
- The RP prepares a Going-Concern Assessment Report (income, expenditure, cash flows, working-capital needs, value-erosion risks); the CoC decides on continuing operations and their scope.
- After the first meeting, costs are incurred only with prior CoC approval; each meeting sees estimates, an approval-sought statement, and an actual-vs-estimate comparison.

Essential supplies & professional fees

32 · Essential supplies (s. 14(2))

- Electricity, water, telecommunication services and information-technology services —
- to the extent they are not a direct input to the CD's own output.
- Illustration: water for drinking/sanitation is essential; water to generate hydro-electricity is not.

33–34 · IRP & RP costs

- IRP: the applicant fixes expenses (or the AA if not fixed); the applicant bears them, reimbursed to the extent the CoC ratifies.
- RP: the CoC fixes the RP's expenses, which form IRP costs.
- 'Expenses' include the IP's fee, IPE fee and professionals' fees.
- 34A: item-wise cost disclosure as required by the Board.

34B · Fee to the IRP / RP

- The applicant / CoC decides the fee — not less than the minimum fixed fee in Schedule-I (for appointments on/after 01-10-2022), for the period specified there.
- A higher fee may be fixed for recorded reasons (size, sector, activity level, complexity).
- After that period, the fee is as the applicant / CoC decides.
- For plans approved on/after 01-10-2022, the CoC may pay a performance-linked incentive fee up to Rs. 5 crore (Schedule-I) or another structure it deems fit; the fee is part of IRP cost.

PART E

Resolution Plan, Timeline & Fees

Chapter X + Schedule-I • Valuation, information memorandum, EoI & RFRP, plan approval, timelines, forms and the fee schedule

Fair value & liquidation value

Substituted by REG135 (w.e.f. 25-02-2026) — an asset-class based valuation architecture with coordinating valuers.

How value is determined

- Each set has one registered valuer per asset class; one is designated coordinating valuer for that set.
- The RP facilitates a meeting where valuers explain their methodology to the CoC before estimates.
- Each valuer submits fair value of assets and liquidation value per Board-notified standards after physical verification.
- The coordinating valuer computes the CD's fair value (assets + underlying synergies).
- A third set may be appointed where estimates differ significantly (≥25%) or the CoC so decides (recorded).

Averaging & confidentiality

- Fair value = average of the two closest coordinating-valuer estimates.
- Liquidation value = average of the two closest estimates per asset class.
- Valuers prepare reports and documentation in the Board-notified format (reg 35(1A)).
- After receipt of plans, the RP shares fair value, liquidation value and valuation reports with each CoC member against a confidentiality undertaking (s. 29(2)).
- The RP and valuers maintain confidentiality of both values.

Preferential & other (avoidance) transactions

The RP must scrutinise the CD for transactions under ss. 43 (preferential), 45 (undervalued), 50 (extortionate) and 66 (fraudulent), on a fixed timeline.

T + 75

Form an opinion whether the CD was subjected to any ss. 43/45/50/66 transaction.

T + 115

Make a determination where such an opinion is formed.

T + 130

Apply to the AA for appropriate relief; forward a copy to the prospective resolution applicant.

Downstream effect

- Creditors provide relevant audit extracts (stock / transaction / forensic audit) to the RP.
- Identified avoidance transactions are disclosed in the IM (reg 36(2)(ha)); the plan must state how such proceedings will be pursued post-approval and how proceeds are distributed (reg 38(2)/(2A)).

Information memorandum

Contents (indicative)

- Assets & liabilities incl. contingent, with description (cost, useful life, book value, geo-coordinates of fixed assets);
- Receivables; JDAs / co-development arrangements; assets under attachment (added 2026);
- Latest & audited financials; related-party debts; guarantees;
- Members holding ≥1% stake; material litigation & investigations;
- Identified avoidance / wrongful-trading transactions & filings;
- Workforce numbers & liabilities; company overview & going-concern value drivers;
- RERA allottees who haven't filed claims; any s. 28A guarantor-asset transfer;
- Business evolution & growth drivers (assets > Rs.100 cr); fair value (CoC may withhold, recorded).

Timeline & sharing

- Submitted electronically to each CoC member on or before the 95th day from ICD, and updated thereafter.
- Shared only against a confidentiality undertaking (s. 29(2)).
- Highlights key selling propositions; conveys comprehensive information to prospective resolution applicants.

Members & creditors

- A CoC member may seek further information; the RP shares it with all members within reasonable time if it bears on the plan.
- Creditors provide the latest financial statements & information of the CD available with them.

Invitation for expression of interest

Publishing the invitation

- Brief particulars published (form notified by circular) at the earliest — not later than the 60th day from ICD.
- EoI may be invited for the CD as a whole, for sale of one or more assets, or both.
- Published in one English + one regional newspaper, on the CD's & Board's websites, and as the CoC decides.
- The detailed invitation states eligibility criteria (s. 25(2)(h)), s. 29A ineligibility, basic CD info, and MSME status — with no fee/non-refundable deposit.
- Last date for EoI ≥15 days from issue of the detailed invitation.

Unconditional EoI

- Accompanied by undertakings on eligibility, s. 29A, truthfulness, ongoing eligibility & confidentiality — with supporting records.
- EoI received late is rejected.

Due diligence & lists

- RP conducts due diligence on s. 25(2)(h), s. 29A and invitation criteria.
- Provisional list within 10 days of the last date for EoI; objections within 5 days.
- Final list within 10 days of the last date for objections.

Request for resolution plans & marketing

36B · Request for resolution plans

- Issued with the IM & evaluation matrix within 5 days of the final list, to every applicant on it.
- Details each step, interactions & timelines; allows a minimum of 30 days to submit plans.
- No non-refundable deposit; requires a performance security if the plan is approved (s. 30(4)) — forfeited on failure to implement.
- A modification is a fresh issue (min. 30 days) — not more than once; the CoC may extend timelines or re-issue the RFRP to all final-list applicants.

36C · Marketing of assets

- The RP prepares a strategy for marketing the CD's assets in consultation with the CoC where total assets exceed Rs. 100 crore (and may in other cases).
- Deciding to implement the strategy, with its cost, is subject to CoC approval.
- CoC members may also take measures to market the CD's assets.

37 · Measures a resolution plan may provide

- Transfer / sale of assets; restructuring by merger, amalgamation or demerger; substantial acquisition of shares or delisting;
- Satisfaction/modification of security; curing breaches; reduction / rescheduling of debt; amendment of constitutional documents;
- Issue of securities; change of product portfolio or technology; sale of assets to multiple successful applicants; and obtaining approvals.

Mandatory contents of the resolution plan

Priority & disclosures

- Operational creditors paid in priority over financial creditors;
- Dissenting FCs (who didn't vote in favour) paid in priority over assenting FCs — at least pro-rata & in priority at each stage of staged payments;
- A statement of how the plan deals with all stakeholders' interests;
- Disclosure if the applicant/related party failed to implement any earlier approved plan;
- How avoidance / wrongful-trading proceedings will be pursued and proceeds distributed;
- No assignment of avoidance transactions not disclosed in the IM & intimated to applicants.

Feasibility & new 2026 items

- Term & implementation schedule; management/control during the term; means of supervision.
- Must demonstrate it addresses the default, is feasible & viable, and is implementable.
- Beneficial-ownership statement + s. 32A eligibility affidavit (reg 38(3A), added 23-12-2025).

38(4) · Monitoring committee & 38A

- The CoC shall consider setting up a monitoring committee (RP / IP / others) to supervise implementation; it reports quarterly to the AA.
- 38A: where the IM lists allottees who didn't file claims, the plan must provide for their treatment.

Approval of the resolution plan

Submission & scrutiny

- Final-list applicants submit plans electronically with a s. 29A eligibility affidavit and a truthfulness undertaking.
- The RP may allow one modification or run a challenge mechanism (if envisaged in the RFRP).
- The CoC won't consider plans that are late, from persons off the final list, or non-compliant with s. 30(2).
- The RP submits all plans with details of non-compliant plans and any ss. 43/45/50/66 transactions observed.

Evaluation & simultaneous voting

- The CoC evaluates compliant plans per the evaluation matrix and records deliberations on feasibility/viability, realisable value vs fair & liquidation value, and adequacy of market discovery (REG153, 2026).
- All plans are voted on simultaneously; the plan with the highest votes (≥ requisite) is approved.
- Ties are broken by a formula announced before voting; if none reaches the requisite votes, the highest is re-voted.
- In case of multiple plans, at least one must provide resolution as a going concern.

Filing, order & post-approval

- The RP endeavours to submit the CoC-approved plan to the AA at least 30 days before the maximum CIRP period (amended 2026), with a compliance certificate & performance-security evidence.
- The RP sends the AA's approval/rejection order to participants & the applicant, and intimates each claimant of the payment formula within 15 days.
- A creditor aggrieved by non-implementation of an approved plan may apply to the AA for directions.

Records, liquidation cost & compromise

39A · Preservation of records

- Preserve copies giving a complete account of the CIRP — appointment, claims, CoC, IM, filings, plan, costs, avoidance actions, etc.
- Electronic copies for at least 8 years; physical copies for at least 3 years,
- from completion of the CIRP or conclusion of related proceedings, whichever is later.

39B · Meeting liquidation cost

- While approving a plan (s. 30(4)) or deciding to liquidate (s. 33(2)), the CoC may best-estimate the liquidation cost and the liquid assets available to meet it.
- If liquid assets fall short, the CoC approves a contribution plan for the difference, filed with the AA.

39BA · Compromise or arrangement

- While deciding to liquidate under s. 33, the CoC examines whether to explore a compromise or arrangement (reg 2B, Liquidation Regs).
- The RP submits the CoC's recommendation to the AA and keeps exploring it while the liquidation application is pending.

39D · Fee of the liquidator

- While approving a plan (s. 30) or deciding to liquidate (s. 33), the CoC may (with the RP) fix the liquidator's fee for —
- the period used for a s. 230 compromise/arrangement, and the balance period of liquidation.
- (Reg 39C — sale-as-going-concern assessment — omitted w.e.f. 14-10-2025.)

Model timeline for the CIRP (180 days)

Activity	Norm	Latest
Commencement of CIRP & appointment of IRP	—	T
Public announcement inviting claims	Within 3 days	T+3
Submission of claims	14 days from appointment	T+14
Verification of claims	—	T+21
Application for AR / report certifying CoC	Within 2 days of verification	T+23
First meeting of the CoC	Within 7 days of report	T+30
IRP performs RP functions (if RP not appointed)	By 40th day	T+40
Appointment of valuers	≤47th day	T+47
Publish invitation for EoI	Within 60 days	T+60
Opinion / determination / filing on avoidance	75 / 115 / 130 days	T+130
Submission of IM to CoC	Within 95 days	T+95
Final list of resolution applicants	—	T+100
Issue of RFRP (with matrix & IM)	Within 5 days of final list	T+105
Receipt of resolution plans	≥30 days from RFRP	T+135
CoC-approved plan submitted to AA	As soon as approved	T+150
Approval of resolution plan by AA	**—**	**T+180**

Filing of forms on the Board's platform

Substituted by REG126 (w.e.f. 01-06-2025). Late filing attracts Rs. 500 per form per month of delay; inaccuracy or delay can invite Board action, including refusal to issue/renew Authorisation for Assignment.

Form	Covers	By	Timeline
CP-1	Commencement of CIRP till constitution of CoC	IRP	By 10th of the next month, after filing the CoC-constitution report
CP-2	Constitution of CoC till issue of RFRP	RP	By 10th of the next month, after issuing RFRP
CP-3A	Resolution plan / liquidation / closure application filed with AA	RP	By 10th of the next month, after filing with AA
CP-3B	Approval of plan / liquidation / closure by AA	RP	Within 7 days of disposal by AA
CP-4	Avoidance transactions reported to AA	RP	By 10th of the next month, after filing / disposal
CP-5	Monthly update on CIRP status, CoC meetings, expenses, delays	IRP/RP	By 10th of every month, for the preceding month

Extension, liquidation, dissolution & restoration

40 · Extension of CIRP period

- The CoC may instruct the RP to apply to the AA under s. 12 to extend the CIRP period.
- The RP continues to discharge his responsibilities until the extension application is decided.

40D · Decision for liquidation

- The CoC may weigh factors such as three years' non-operation, obsolete goods/technology, absence of assets or intangibles, accumulated losses, and unmatured investments.
- Such consideration is recorded and submitted with the RP's liquidation application.

40E · Dissolution during CIRP

New (REG152, 2026):

- Where assets can't meet IRP + likely liquidation costs, or can't be effectively realised, the CoC may resolve (≥66%) to seek dissolution.
- The RP applies to the AA within 10 days with the resolution, asset/claim details and a statement that liquidation would not be economically beneficial.

40F · Restoration of CIRP

New (REG152, 2026):

- For s. 33(1A), the CoC gets an opportunity to seek restoration before the liquidation order is passed.
- The RP files an application with the CoC's resolution, reasons for restoration and a proposed timeline; he continues his duties until it is decided.

SCHEDULE-I

Fee structure for the IRP / RP

Minimum fixed fee per month (Rs. lakh)

Quantum of claims admitted	Rs. lakh / month
≤ Rs. 50 crore	1.00
> 50 – 500 crore	2.00
> 500 – 2,500 crore	3.00
> 2,500 – 10,000 crore	4.00
> Rs. 10,000 crore	5.00

Performance-linked incentive — timely resolution

Days from ICD to plan submission	% of realisable value
≤ 165 days	1.00%
> 165 – 270 days	0.75%
> 270 – 330 days	0.50%
> 330 days	0.00%

Period, value-maximisation & cap

- Minimum fixed fee runs from appointment until the earliest of: submission of the plan-approval application (s. 30), the liquidation application (s. 33), the s. 12A withdrawal application, or a closure order.
- Value-maximisation incentive: 1% of the amount by which realisable value exceeds liquidation value — payable after AA approval, on commencement of payment to creditors.
- Performance-linked incentive fee is capped at Rs. 5 crore. Illustration: realisable Rs.100 cr, liquidation Rs.20 cr, plan filed on day 170 → timely 0.75% × 100 cr = Rs.75 lakh; value-max 1% × 80 cr = Rs.80 lakh.

RECAP

The 2026 amendments at a glance

REG135 · 25-02-2026	Fair value redefined (CD + synergies); asset-class valuation with coordinating valuers (reg 35); IM enriched (receivables, JDAs, attachments); reg 38A allottees.
REG141 · 20-05-2026	MSME corporate debtors — a single set of registered valuers, unless the CoC records reasons for two (reg 27).
REG152 · 02-06-2026	The structural amendment: s. 10 disclosures (2E); custody & control from any s. 19 person (3A); guarantor-asset transfers (28A/28B); recast withdrawal (30A); dissolution (40E) & restoration (40F); many forms moved to circulars.
REG153 · 09-06-2026	'Unrelated' operational creditors (16); observers where non-bank/PFI creditors exceed 66% (16E); CoC cost approval & Going-Concern Assessment (31B); richer plan-evaluation record (39).

CORRELATION • 2026 AMENDMENTS

The flagged amendments mapped to the IBC

Each CIRP-regulation amendment operationalises a provision of the Insolvency & Bankruptcy Code, 2016. This is the section it hangs on.

Notification	What changed (regulation)	Relevant IBC section(s)
REG135 · 25-02-2026	Fair value redefined; asset-class valuation (reg 2(hb), 27, 35); IM enriched (reg 36)	s. 5(26)/(hb defn) · s. 29 · s. 30(2)
REG141 · 20-05-2026	MSME — a single set of registered valuers (reg 27)	s. 240A (MSME) · s. 30(2)
REG152 · 02-06-2026	Information by the corporate applicant (reg 2E)	s. 10
REG152 · 02-06-2026	Custody, control & cooperation (reg 3A)	s. 18 · s. 19
REG152 · 02-06-2026	Transfer of guarantor's assets (reg 28A / 28B)	s. 28A
REG152 · 02-06-2026	Recast withdrawal procedure (reg 30A)	s. 12A
REG152 · 02-06-2026	Dissolution of the CD during CIRP (reg 40E)	s. 33 · s. 54
REG152 · 02-06-2026	Restoration of the CIRP (reg 40F)	s. 33(1A)
REG153 · 09-06-2026	'Unrelated' operational creditors on the CoC (reg 16)	s. 21
REG153 · 09-06-2026	Observers where non-bank / PFI creditors > 66% (reg 16E)	s. 21 · s. 24
REG153 · 09-06-2026	CoC cost approval & Going-Concern Assessment (reg 31B)	s. 5(13) · s. 20 · s. 28
REG153 · 09-06-2026	Richer plan-evaluation record & simultaneous voting (reg 39)	s. 30(4) · s. 31

CORRELATION • CHAPTER-WISE

Each chapter mapped to the Code

Chapter (regulations)	Key IBC sections operationalised
I · Preliminary (2–2E)	s. 3 · s. 5 · s. 7 · s. 9 · s. 10
II · General (3–5)	s. 16 · s. 18 · s. 19 · s. 21(6A) · s. 22 · s. 27 · s. 50
III · Public Announcement (6–6A)	s. 13(1)(b) · s. 15
IV · Proof of Claims (7–15)	s. 3(6) claim · s. 18(1)(b) · s. 21
V · Committee of Creditors (16–17)	s. 21 · s. 21(6A) · s. 22 · s. 24(5) · s. 25A
VI · Meetings of Committee (18–24)	s. 24
VII · Voting by Committee (25–26)	s. 21(8) · s. 24 · s. 25A
VIII · Conduct of CIRP (27–30C)	s. 12A · s. 19 · s. 25 · s. 28 · s. 28A
IX · IRP Costs (31–34B)	s. 5(13) · s. 14(2) · s. 196 · s. 208
X · Resolution Plan (35–40F)	s. 12 · s. 29 · s. 29A · s. 30 · s. 31 · s. 32A · s. 33 · ss. 43/45/50/66
Schedule-I · Fees	s. 208 (read with reg 34B)
Enabling power for all Regulations	ss. 5, 7, 9, 14, 15, 17, 18, 21, 24, 25, 29, 30, 196, 208 read with s. 240

Preliminary & General

Reg	Subject	IBC section(s)
1	Short title & commencement	s. 240
2	Definitions	s. 3 · s. 5 · s. 21(6A)
2A	Record / evidence of default (FC)	s. 7(3)(a)
2B	Information by operational creditor	s. 9(1) · s. 9(3)
2C	PAN & e-mail with application	s. 7 · s. 9
2D	Debt, default & limitation	s. 7 · s. 9 · s. 238A
2E	Information by the corporate applicant	s. 10
3	Eligibility for the IRP / RP	s. 16 · s. 22 · s. 27 · s. 208
3A	Duty to extend assistance & cooperation	s. 18 · s. 19
4	Access to books	s. 17 · s. 18 · s. 19
4A	Choice of authorised representative	s. 21(6A) · s. 21(6B)
4B	Disclosure of change in name / address	s. 18 · s. 208
4C	Process e-mail	s. 208
4D	Separate bank account per RE project	s. 18
4E	Handing over possession (allottees)	s. 18 · s. 25
5	Extortionate credit transaction	s. 50(2)

Public Announcement & Proof of Claims

Reg	Subject	IBC section(s)
6	Public announcement	s. 13(1)(b) · s. 15
6A	Communication to creditors	s. 15
7	Claims by operational creditors	s. 3(6) · s. 18(1)(b)
8	Claims by financial creditors	s. 18(1)(b) · s. 21
8A	Claims by creditors in a class	s. 18(1)(b) · s. 21(6A)
9	Claims by workmen & employees	s. 18(1)(b)
9A	Claims by other creditors	s. 18(1)(b)
10	Substantiation of claims	s. 18(1)(b)
11	Cost of proof	s. 18(1)(b)
12	Submission of proof of claims	s. 15 · s. 18(1)(b) · s. 21
12A	Updation of claim	s. 18(1)(b)
13	Verification of claims	s. 18(1)(b) · s. 21
14	Determination of amount of claim	s. 18(1)(b)
15	Debt in foreign currency	s. 18(1)(b)

Committee of Creditors & Meetings

Reg	Subject	IBC section(s)
16	Committee with only operational creditors	s. 21 · s. 21(8)
16A	Authorised representative	s. 21(6A) · s. 24(5) · s. 25A
16B	Committee with only creditors in a class	s. 21(6A)
16C	Appointment of facilitators	s. 21(6A) · s. 21(6B)
16D	Roles & responsibilities of facilitator	s. 21(6A)
16E	Assistance — non-bank / PFI CoC > 66%	s. 21 · s. 24
17	Constitution of committee	s. 21 · s. 22
18	Meetings of the committee	s. 24
19	Notice for meeting of the committee	s. 24
20	Service of notice by electronic means	s. 24
21	Contents of the notice for meeting	s. 24
22	Quorum at the meeting	s. 24
23	Participation through video-conferencing	s. 24
24	Conduct of meeting	s. 24

Voting & Conduct of the Process

Reg	Subject	IBC section(s)
25	Voting by the committee	s. 21(8) · s. 24 · s. 28
25A	Voting by authorised representative	s. 25A
26	Voting through electronic means	s. 21(8) · s. 24
27	Appointment of valuers & professionals	s. 25(2)(d) · s. 30(2)
28	Transfer of debt due to creditors	s. 21
28A	Transfer of guarantor's assets in possession	s. 28A
28B	Facilitation of transfer of assets	s. 28A
29	Sale of assets outside ordinary course	s. 20 · s. 25 · s. 28
30	Assistance of local district administration	s. 25
30A	Withdrawal of application	s. 12A
30B	Audit of the corporate debtor	s. 25 · s. 28
30C	Report on RE development rights	s. 25

IRP Costs & Resolution Plan — valuation to EoI

Reg	Subject	IBC section(s)
31	Insolvency resolution process costs	s. 5(13) · s. 14(2)
31A	Regulatory fee	s. 196 · s. 208
31B	CoC approval of costs; going-concern report	s. 5(13) · s. 20 · s. 28
32	Essential supplies	s. 14(2)
33	Costs of the interim resolution professional	s. 5(13) · s. 16
34	Resolution professional costs	s. 5(13) · s. 28
34A	Disclosure of costs	s. 208
34B	Fee to the IRP / RP	s. 5(13) · s. 208
35	Fair value & liquidation value	s. 5 · s. 30(2)
35A	Preferential & other transactions	ss. 43 / 45 / 50 / 66 · s. 25(2)(j)
36	Information memorandum	s. 29
36A	Invitation for expression of interest	s. 25(2)(h) · s. 29A
36B	Request for resolution plans	s. 25(2)(h) · s. 30
36C	Strategy for marketing of assets	s. 25

Resolution Plan — plan to restoration, & Fees

Reg	Subject	IBC section(s)
37	Resolution plan — measures	s. 30(1) · s. 31
38	Mandatory contents of the resolution plan	s. 30(2) · s. 30(4)
38A	Treatment of allottees not filing claims	s. 30
39	Approval of resolution plan	s. 30(4) · s. 30(6) · s. 31
39A	Preservation of records	s. 208
39B	Meeting liquidation cost	s. 30(4) · s. 33 · s. 34
39BA	Assessment of compromise or arrangement	s. 33 · s. 230 (Cos Act)
39D	Fee of the liquidator	s. 33 · s. 34 · s. 230 (Cos Act)
40	Extension of the CIRP period	s. 12
40A	Model timeline for the CIRP	s. 12
40B	Filing of forms	s. 196 · s. 208
40C	Special provision relating to timeline	s. 12
40D	Decision for liquidation	s. 33
40E	Dissolution of the CD during CIRP	s. 33 · s. 54
40F	Restoration of the CIRP	s. 33(1A)
Sch-I	Fee structure for IRP / RP	s. 208 (with reg 34B)

Thank you

IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 — amended upto 09-06-2026

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NATIONAL FACULTY ON IBC

IBBI (Liquidation Process) Regulations, 2016

Full text of the Regulations — reproduced regulation by regulation

Amended up to 02-06-2026

Current operative text of Regulations 1 to 47B and Schedule I (Mode of Sale). Amendment-history footnotes and Schedule II / III specimen forms are not reproduced.

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Regulation 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.

Regulation 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 (18 of 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;

(ba) “committee” means a committee of creditors constituted under section 21;

(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;

(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;

(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;

Regulation 2. Definitions (cont.)

(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;

(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;

(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.

Regulation 2A. Contributions to liquidation costs

The liquidator may call upon the members of the committee to contribute the excess of the liquidation costs over the liquid assets of the corporate debtor, as estimated by him, in such manner and subject to such terms and conditions as approved by the committee.

Regulation 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 section 33.

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.

Provided further that the liquidator shall file the proposal of compromise or arrangement only in cases where such recommendation 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:

Provided further that the liquidator shall not file such proposal after expiry of thirty days from the liquidation commencement date.

Provided further that no compromise or arrangement under section 230 of the Companies Act, 2013 (18 of 2013) shall be filed by the liquidator unless— (a) such compromise or arrangement has been approved by requisite majority of creditors as provided in sub-section (6) of section 230 of the Companies Act, 2013 (18 of 2013); and (b) the amount realisable to the creditors under the proposed compromise or arrangement is higher than the liquidation value determined as on the insolvency commencement date.

(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.

Regulation 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;

(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 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.

Regulation 3A. Recommendation of liquidator by committee of creditors

(1) For the purposes of sub-section (1) of section 34 of the Code, the committee shall, prior to the passing of the order for liquidation, recommend the name of an insolvency professional from the panel of insolvency professionals prepared by the Board in this regard, for appointment as liquidator.

(2) The recommendation under sub-regulation (1) shall be made by a vote of not less than sixty-six per cent. of the voting share of the committee.

(3) Upon receipt of the recommendation under sub-regulation (2), the Adjudicating Authority shall consider such recommendation while appointing the liquidator.

Regulation 4. Liquidator’s fee

(1) The committee may fix the fee of the liquidator in the first meeting after the appointment of liquidator during the liquidation process, in accordance with sub-section (8) of section 34.

(2) If the committee has not fixed the fee under sub-regulation (1), the fee as a percentage of the amount distributed to the stakeholders, for the balance period of liquidation, will be as under (see table on next slide):

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) (Fourth Amendment) Regulations, 2026.

Regulation 4 — Fee scale on amount distributed to stakeholders

Amount Distributed to Stakeholders (exclusive of liquidation costs)	First six months	Next six months	Thereafter
On the first 1 crore	5.00	4.00	2.0
On the next 9 crore	4.00	3.00	1.50
On the next 40 crore	2.50	2.0	1.0
On the next 50 crore	1.25	1.0	0.50
On further sums realized	0.25	0.20	0.10

Regulation 5. Reporting

(1) The liquidator shall prepare and submit: (a) progress report(s); and (b) 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 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 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.

Regulation 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) 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.

(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.

Regulation 7. Appointment of professionals

(1) A liquidator may appoint professionals with the approval of the committee 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.

Regulation 8. Committee of creditors

(1) The committee of creditors constituted under section 21 shall continue to function during the liquidation process:

Provided that a secured creditor who has not relinquished his security interest under section 52 shall not be part of the committee.

Provided further that with reference to Explanation in clause (b) in sub-section (1) of section 53, the creditor whose value of debt remains and is considered as unsecured creditor shall be a part of the committee for the remaining portion of debt and shall have the voting rights to the value of the remaining debt.

Explanation: For the purposes of Explanation in clause (b) in sub-section (1) of section 53, the value of security interest shall be the liquidation value determined in accordance with Regulation 35.

(2) 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 committee under liquidation proceedings:

Provided that the first meeting of the committee shall be convened within seven days of liquidation commencement date.

(3) In every meeting, the liquidator shall present to the committee: (a) the actual liquidation cost along with reasons for exceeding the estimated cost, if any; (b) the consolidated status of all the legal proceedings; and (c) the progress made in the process.

(4) The liquidator shall not undertake the following without the prior approval of the committee—

(a) appointment and remuneration of professionals appointed under regulation 7;

(b) fees of the liquidator;

(c) liquidation costs;

(d) valuation under sub-regulation (2) of regulation 35;

(e) continuation or institution of any suits or legal proceedings by or against the corporate debtor;

Regulation 8. Committee of creditors (cont.)

(f) extension of payment of balance sale consideration as provided in clause (12) of Para 1 of Schedule I, beyond ninety days, to be disclosed in the auction notice;

(g) appropriate arrangement for pursuing any suit or proceedings with regard to distribution of proceeds in reference to sub-section (1B) of section 54;

(h) any other matter or activity relating to the liquidation process except those listed in sub-regulation (5), as may be decided by the committee.

(5) The liquidator shall not undertake the following without the prior approval of the committee obtained by a voting share of not less than sixty-six per cent., in matters relating to:

(a) sale under regulation 32, including manner of sale, pre-bid qualifications, reserve price, marketing strategy and auction process;

(b) 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 dissolution of the corporate debtor and the manner in which the proceeds, if any, from these proceedings shall be distributed; and

(c) assignment of not readily realisable assets.

(6) The committee shall have access to all relevant records and information as may be required by the committee.

(7) The authorised representative, appointed during the corporate insolvency resolution process, shall continue to act as the authorised representative of such creditors in the liquidation process and the provisions of sub-regulations (3A) to (12) of regulation 16A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 shall apply mutatis mutandis.

Regulation 8A. Facilitation of transfer of assets

(1) Where the corporate debtor is a corporate guarantor undergoing a liquidation process, the liquidator of such corporate debtor which has given the corporate guarantee shall coordinate with the resolution professional of the corporate debtor to whom such guarantee has been given, regarding transfer of asset in the corporate insolvency resolution process of the corporate debtor to whom such guarantee has been given.

(2) For the purposes of section 28A, the liquidator shall obtain approval from the committee of the corporate debtor which has given the corporate guarantee for transfer of asset in the corporate insolvency resolution process of the corporate debtor to whom such guarantee has been given.

(3) Where approval is granted by the committee of the corporate debtor as corporate guarantor permitting the transfer, the liquidator of such corporate debtor shall ensure that the proposed transfer is appropriately disclosed in the progress report and asset memorandum.

Regulation 8B. Replacement of liquidator

The committee may by a 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 such format as notified by the Board, before the Adjudicating Authority for replacement of the liquidator:

Provided that where a liquidator is proposed to be replaced, he shall continue to work till his replacement.

Regulation 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 or any other person referred to in sub-section (3) of section 34;

(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.

Regulation 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, after seeking approval from the committee, before the Adjudicating Authority within ninety days 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.

Regulation 10. Disclaimer of onerous property (cont.)

(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).

Regulation 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.

Regulation 12. Public announcement by liquidator

(1) The liquidator shall make a public announcement in such format as notified by the Board within five days from his appointment.

(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.

Regulation 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.

Regulation 13. Preliminary report

The liquidator shall submit a Preliminary Report to the committee within thirty 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.

Regulation 14. Early dissolution

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 shall place the agenda in this regard before the committee and if it decides by a voting share of not less than sixty-six per cent. for early dissolution, he shall apply, along with a detailed report incorporating the decision of the committee, to the Adjudicating Authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution.

Regulation 15. Progress reports

(1) The liquidator shall submit Progress Reports, in the format stipulated by the Board, to be placed before the committee, the Adjudicating Authority and the Board 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) minutes of meetings of the committee, (ii) asset memorandum, (iii) sale report(s), (iv) settlement of list of stakeholders, (v) details of any property that remains to be sold and realised, (vi) distribution made to the stakeholders, and (vii) distribution of unsold property made to the stakeholders;

(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 under Part II of the Code; and

(f) changes, if any, in estimated liquidation costs.

Regulation 15. Progress reports (cont.)

(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.

(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.

Regulation 16. Submission of claim

(1) A person, who claims to be a stakeholder, shall submit its claim where not submitted during the corporate insolvency resolution process as on insolvency commencement date, within fourteen days of the liquidation commencement date.

(2) A person shall prove its claim for debt or dues to him, for the newly submitted claims, if any, as on the insolvency commencement date.

(3) A stakeholder 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.

Regulation 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 such format as notified by the Board.

(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.

Regulation 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 such format as notified by the Board.

(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.

Regulation 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 such format as notified by the Board.

(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 such format as notified by the Board.

(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.

Regulation 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 such format as notified by the Board.

(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.

Regulation 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.

Regulation 21A. Relinquishment of security interest

(1) A secured creditor, within fourteen days, 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 such format as notified by the Board:

Provided that, where a secured creditor does not intimate its decision within fourteen days from the liquidation commencement date, the assets covered under the security interest shall be deemed to be relinquished to the liquidation estate.

(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 forty-five 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 ninety days from the liquidation commencement date:

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.

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 28. Debt payable at future time

(1) A person may prove for a claim whose payment was not yet due on the insolvency 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.

Regulation 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.

Regulation 30. Verification of claims

(1) The liquidator shall verify the claims received under sub-regulation (1) of regulation 16, within seven days of receipt of claim and may either admit or reject the claim, in whole or in part, as the case may be.

(2) The liquidator shall also verify the claims which were received but were not verified during the corporate insolvency resolution process, within seven days of the liquidation commencement date and may either admit or reject the claim, in whole or in part, as the case may be:

Provided that the liquidator shall not re-verify the claim, which has already been verified during the corporate insolvency resolution process:

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

(3) The liquidator shall communicate his decision of admission or rejection of claims along with reasons, to the stakeholder within seven days of such admission or rejection of claims.

Regulation 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.

Regulation 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 (d) the proofs admitted or rejected in part, and the proofs wholly rejected.

(2) The liquidator shall file the list of stakeholders with the Adjudicating Authority within thirty 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; (d) filed on the electronic platform of the Board for dissemination on its website.

Regulation 32. Sale of Assets, etc.

The liquidator may sell— (a) an asset on a standalone basis; (b) the assets in a slump sale; (c) a set of assets collectively; or (d) the assets in parcels:

Provided that where an asset is subject to security interest, it shall not be sold under any of the clauses (a) to (d) unless the security interest therein has been relinquished to the liquidation estate.

Clarification: It is hereby clarified that the liquidator shall not sell any immovable and movable property or actionable claims of the corporate debtor in liquidation to any person who is ineligible to be a resolution applicant under section 29A.

Regulation 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.

Provided that the liquidator shall not sell the assets without prior permission of the Adjudicating Authority under this sub-regulation to: (a) a related party of the corporate debtor subject to proviso to clause (f) of sub-section (1) of Section 35; (b) his related party; or (c) any professional appointed by him.

(2) The liquidator may sell the assets of the corporate debtor by means of private sale only after prior approval of the committee with voting share of sixty six per cent., 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; or (c) the permission of the Adjudicating Authority has been obtained for such sale:

Provided that the liquidator shall not sell the assets, 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 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.

Regulation 34. Asset memorandum

(1) 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.

(1A) For cases covered under sub-regulation (2) of regulation 35, the liquidator shall prepare an asset memorandum in accordance with this Regulation within forty-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 under regulation 32, valued in accordance with Regulation 35; (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; (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 progress report to the Adjudicating Authority.

(5) The liquidator shall share the asset memorandum with the Board and committee 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.

Regulation 35. 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.

(2) In cases not covered under sub-regulation (1) or where the committee, is of the opinion that fresh valuation is required under the circumstances, the liquidator shall within seven days of the liquidation commencement date, appoint two registered valuers to determine the realisable value of the assets under 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, computed in accordance with such valuation standards as notified by the Board through circular, 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.

Regulation 35. Valuation of assets intended to be sold (cont.)

(5) Where valuation is undertaken as per sub-regulation (2), the liquidator shall facilitate a meeting wherein registered valuers shall explain the methodology being adopted to arrive at valuation to the committee before finalisation of valuation reports.

(6) The liquidator shall share the valuation reports with the committee after obtaining an undertaking that they shall maintain the confidentiality of such reports and shall not use these reports to cause an undue gain or undue loss to itself or any other person.

(7) In case there is deviation of twenty five percent in the valuation of an asset class under sub-regulation (2) from valuation under regulation 35 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidator shall facilitate a meeting wherein the registered valuers shall explain the reasons for the difference to the committee.

(8) For the purposes of this regulation, a registered valuer shall prepare the valuation report and maintain such documentation as per the format notified by the Board through circular.

Regulation 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; (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.

Regulation 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 seven days of receipt of the intimation under sub-regulation (1) if a person is willing to buy the secured asset before the expiry of fourteen 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 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 or the Recovery of Debts and Bankruptcy Act, 1993.

(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.

Regulation 37A. Assignment of not readily realisable assets

(1) A liquidator may assign or transfer a not readily realisable asset through a transparent process, with prior approval of the committee, 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, whether crystallised or not.

Regulation 38. Distribution of unsold assets

(1) The liquidator may, after approval of the committee and with the permission of the Adjudicating Authority, distribute amongst the stakeholders, an asset that 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.

Regulation 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.

Regulation 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.

(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, as the case may be, which are being sold.

Regulation 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 committee 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.

Regulation 42. Distribution

(1) Subject to the provisions of section 53, the liquidator shall not commence distribution before the list of stakeholders has been filed with the Adjudicating Authority.

(2) The liquidator shall distribute the proceeds from realization within fifteen 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.

Regulation 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.

Regulation 44. Completion of liquidation

(1) The liquidator shall liquidate the corporate debtor within a period of one hundred and eighty days from the liquidation commencement date, notwithstanding pendency of any application for avoidance of transactions under Part II of the Code, before the Adjudicating Authority or any action thereof.

(2) If the liquidator fails to liquidate the corporate debtor within one hundred and eighty days, he shall, on receiving an instruction from the committee under this regulation 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.

Clarification: It is clarified that the liquidator shall continue to discharge his responsibilities under the liquidation process, till the application for extension is decided by the Adjudicating Authority.

Regulation 44A. Treatment of avoidance of transaction

The liquidator shall, with the approval of the committee, provide in the application along with the final report filed under regulation 45 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 dissolution or closure of liquidation process and the manner in which the proceeds, if any, from such proceedings shall be distributed.

Regulation 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) The liquidator shall submit an application along with the final report and the compliance certificate in such format as notified by the Board to the Adjudicating Authority for the dissolution of the corporate debtor or closure of the liquidation process.

Regulation 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 his appointment; handing/taking over of the assignment; admission of the corporate debtor into liquidation; public announcement; the constitution of the committee and minutes of committee meetings; claims, verification of claims, and list of stakeholders; relinquishment or otherwise by secured creditors; engagement of professionals and registered valuers; any compromise or arrangement under section 230 of the Companies Act, 2013 (18 of 2013); all filings with the Adjudicating Authority, Appellate Authority, High Courts and Supreme Court and their orders; statutory filings with the Board and insolvency professional agencies; correspondence; cost of the liquidation process; all reports, registers and documents such as progress reports and the final report; preferential, undervalued, extortionate credit transactions or fraudulent or wrongful trading; and any other records 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.

Regulation 45A. Preservation of records (cont.)

(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.

Regulation 46. Corporate Liquidation Account

(1) The Board shall maintain and operate an account to be called the Corporate Liquidation Account with a scheduled bank.

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 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 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 into the Corporate Liquidation Account, and a statement in such format as notified by the Board setting forth the nature of the amount deposited, 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.

Regulation 46. Corporate Liquidation Account (cont.)

(7) Prior to dissolution of the corporate person, a stakeholder, who claims to be entitled to any amount deposited into the Corporate Liquidation Account, may apply to the liquidator in such format as notified by the Board for withdrawal of the amount. (7A) On receipt of such request, the liquidator after verification of the claim, shall request the Board for release of amount to him for onward distribution. (7B) The Board on receipt of such request may release the amount to the liquidator. (7C) The liquidator shall, after making the distribution, intimate the Adjudicating Authority of such distribution. (7D) After dissolution, a stakeholder may apply to the Board in such format as notified by the Board for an order for withdrawal. (7E) If any person other than the stakeholder claims to be entitled, he shall submit evidence to satisfy the liquidator or 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 (7D) is entitled to withdrawal, 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 withdrawn from the Corporate Liquidation Account. (10) The Board shall nominate an officer of the level of Executive Director as the custodian of the Account and no proceeds shall be withdrawn without his approval. (11) The Board shall maintain proper accounts and get the same audited annually. (12) The audit report along with the statement of accounts shall be placed before the Governing Board and forwarded to the Central Government. (13) Any amount which remains unclaimed or undistributed for a period of fifteen years from the date of order of dissolution, and any income or interest earned in the Account, shall be transferred to the Consolidated Fund of India.

Regulation 46A. Exclusion of certain assets from the liquidation estate

For the purposes of clause (e) of sub-section (4) of section 36, wherever the corporate debtor has given possession to an allottee in a real estate project, such asset shall not form a part of the liquidation estate of the corporate debtor.

Regulation 47. 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) (see table on next slide).

Regulation 47 — Model Timeline for Liquidation Process

Section / Regulation	Description of Task	Norm	Latest Timeline
s.33 & 34	Commencement of liquidation and appointment of liquidator	LCD	0 = T
s.33(1)(b)(ii) / Reg.12	Public announcement	Within 5 days of appointment	T + 5
Reg.35(2)	Appointment of registered valuers	Within 7 days of LCD	T + 7
Reg.8	First meeting of committee of creditors	Within 7 days of LCD	T + 7
Reg.16 / s.52 & Reg.21A	Submission of claims; intimation on relinquishment of security interest	Within 14 days of LCD	T + 14
Reg.30	Verification of claims received under Reg.16	Within 7 days of receipt of claims	T + 21
Reg.30	Intimation of acceptance / rejection of claim	Within 7 days of admission or rejection	T + 28
Reg.31(2)	Filing the list of stakeholders	Within 30 days from last date of receipt of claims	T + 44
Reg.15	Submission of progress reports to AA	First / Second progress report	Q1 + 15 / Q2 + 15
Proviso to Reg.15	Progress report in case of cessation of liquidator	Within 15 days of cessation	Date of cessation + 15
Reg.42(2)	Distribution of the proceeds to the stakeholders	Within 15 days from receipt of amount	Date of Realisation + 15
Reg.44	Liquidation of corporate debtor	Within 180 days	T + 180
Reg.46	Deposit of unclaimed dividends and undistributed proceeds	Before application under Reg.45(2)	—
Sch-I Sl.12	Time for H1 bidder to provide balance sale consideration	Within 90 days of invitation	—

Regulation 47A. Exclusion of period of lockdown

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.

Regulation 47B. Filing of Forms

(1) The liquidator shall file the Forms, along with enclosures thereto, as notified by Board, from time to time, on an electronic platform of the Board, as per the timelines stipulated for each form.

(2) The liquidator shall ensure that the Forms and its enclosures filed under this regulation are accurate and complete.

(3) The filing of a Form under this regulation after the 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 the date notified by the Board.

(4) The liquidator 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.

Regulation Sch. I ·1. Mode of Sale — Auction

(1) Where an asset is to be sold through auction, a liquidator shall do so in the manner specified herein.

(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 committee decides 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.

(1E) The liquidator shall provide to the prospective bidder, access of the assets under auction to facilitate their inspection and due diligence.

(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.

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) The reserve price shall be the value of the asset arrived at in accordance with regulation 35 and where an auction fails, the reserve price in subsequent auctions may be further reduced, with the approval of the committee, by not more than ten percent at a time.

(5) The liquidator shall issue a public notice of an auction in the manner specified in Regulation 12(3):

Regulation Sch. I ·1. Mode of Sale — Auction (cont.)

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.

(5A) The public notice shall state that prospective bidders shall submit an undertaking that they do not suffer from any ineligibility under section 29A of the Code to the extent applicable and that if found ineligible at any stage, the earnest money deposited shall be forfeited.

(6) The liquidator shall provide all assistance necessary for the conduct of due diligence by interested buyers.

(7) 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.

(10) If the liquidator is of the opinion that an auction where bid amounts are not visible is likely to maximize realizations 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.

Regulation Sch. I ·1. Mode of Sale — Auction (cont.)

(11A) Where the liquidator with the approval of the committee with voting share of sixty-six per cent. 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) On the close of the auction, the highest bidder shall be invited to provide balance sale consideration within ninety days or such period as mentioned in the auction notice under clause 3, of the date of such demand:

Provided that payments made after thirty days shall attract interest at the rate of twelve per cent.:

Provided further that the sale shall be cancelled if the payment is not received within the period provided under this clause.

(12A) Within three days of declaring the highest bidder, the liquidator shall conduct due diligence and verify the eligibility of the highest bidder. (12B) The liquidator shall present the auction results, details of highest bidder, and the due diligence conducted to the committee. (12C) The liquidator shall declare the highest bidder as the successful bidder or reject such bid, after the approval of the committee with voting share of sixty-six per cent. (12D) If a bidder is found ineligible, the earnest money deposited by him shall be forfeited. (12E) In case the highest bidder is found ineligible, the liquidator may, with the approval of the committee with voting share of sixty-six per cent., declare the next highest bidder as the successful bidder after following the same process.

(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 with the approval of the committee with voting share of sixty-six per cent and the assets shall be delivered to him in the manner specified in the terms of sale.

Regulation Sch. I ·2. Mode of Sale — 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.

(3A) The private sale shall be confirmed to the buyer in compliance with regulation 33.

(4) The sale shall stand completed in accordance with 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.

END OF REGULATIONS

Regulations 1 – 47B and Schedule I reproduced in full

Not reproduced in this deck: the amendment-history footnotes (“prior to substitution” apparatus) and the Schedule II specimen claim forms (Forms C, D, E, F, G, H, I, J) and Schedule III register formats. These can be supplied as a companion deck on request.

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INSOLVENCY AND BANKRUPTCY BOARD OF INDIA

Pre-Packaged Insolvency Resolution Process Regulations, 2021

Full Text — As Amended up to 02 June 2026

Regulations 1 to 51 · Chapters I to X · amendments consolidated (REG138 & REG147)

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Notification 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:-

ARRANGEMENT OF CHAPTERS

CHAPTER I

Preliminary

Regulations 1–2

Regulation 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.

Regulation 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 realizable value of the corporate debtor or the assets of the corporate debtor, as the case may be, 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.

Explanation.– The estimated realizable value of the corporate debtor shall be computed after taking into account the total estimated realizable value of all the assets of the corporate debtor including but not limited to tangible and intangible assets, along-with their underlying synergies.

Regulation 2 (contd.)

◈ Clause (g) substituted by Notif. IBBI/2025-26/GN/REG138 dated 25-02-2026 (w.e.f. 25-02-2026). Pre-amendment: “fair value” meant 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 such format as notified by the Board;

◈ In clause (h) “Form specified in Schedule” substituted by “such format as notified by the Board” by Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026).

(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) [Omitted.]

Regulation 2 (contd.)

◈ *Clause (o) — "'Schedule' means the schedule to these Regulations" — omitted by Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026).*

(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

Regulations 3–6

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 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

Regulations 7–13

Regulation 7. Eligibility for resolution professional

(1) Subject to consent in such format as notified by the Board, 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.

◈ *In sub-reg (1) “Form P1” substituted by “such format as notified by the Board” by Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026).*

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 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

Regulations 14–18

Regulation 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 such format as notified by the Board.

(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 such format as notified by the Board.

(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 such format as notified by the Board.

Regulation 14 (contd.)

(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.

◈ *By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): in sub-reg (3) “Form P2”, in sub-reg (5) “Form P3” and in sub-reg (7) “Form P4” each substituted by “such format as notified by the Board”.*

Regulation 15. Choice of authorised representative

On examination of such form as referred in Regulation 14, 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 such format as notified by the Board;

(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;

Regulation 15 (contd.)

(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 such format as notified by the Board, to the applicant.

◈ *By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): "Form P2" (opening) and "Form P5" (in (iii) and (vi)) substituted by "such format as notified by the Board".*

Regulation 16. Declarations

(1) The declaration under clause (f) of sub-section (2) of section 54A shall be made in such format as notified by the Board.

(2) The declaration under clause (c) of sub-section (3) of section 54C shall be made in such format as notified by the Board.

◈ *By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): “Form P6” (sub-reg 1) and “Form P7” (sub-reg 2) substituted by “such format as notified by the Board”.*

Regulation 17. Report by resolution professional

The report under clause (a) of sub-section (1) of section 54B shall be prepared in such format as notified by the Board.

◈ *By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): "Form P8" substituted by "such format as notified by the Board".*

Regulation 18. Information and documents to be furnished by the applicant

For the purposes of sub-section (3) of section 54C of the Code, the corporate applicant shall, along with the application, furnish the following information and documents, namely:—

(1) a copy of the declaration made by the majority of the directors or partners, as the case may be, in such format as notified by the Board;

(2) a copy of the declaration, special resolution or resolution, as the case may be, for initiating pre-packaged insolvency resolution process in terms of section 54A;

(3) proof of approval from financial creditors, not being related parties, representing not less than fifty-one per cent. in value of the financial debt;

(4) details of insolvency professional as follows:

- (a) the written consent of the proposed resolution professional in such format as notified by the Board;
- (b) the report of the resolution professional referred to in clause (a) of sub-section (1) of section 54B of the Code, prepared in such format as notified by the Board.

(5) audited financial statements of the corporate debtor for the last two financial years;

(6) provisional financial statements for the current financial year made up to the date of the declaration by the directors or partners, as the case may be; and

(7) a format as notified by the Board and submitted by the authorised representatives selected for the classes of creditors, wherever applicable.

Regulation 18 (contd.)

◈ *Regulation 18 substituted by Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026). Pre-amendment ("Information to be furnished by the applicant") required, under clause (d) of sub-section (3) of section 54C: (a) audited financial statements for the last two financial years; (b) provisional financial statements for the current year 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

Regulations 19–23

Regulation 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 such format as notified by the Board;

(b) sent to every creditor listed in such format as notified by the Board;

(c) sent to information utilities; and

(d) published on the website, if any, of the corporate debtor and the Board.

◈ *By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): “Form P9” (in (a)) and “Form P2” (in (b)) substituted by “such format as notified by the Board”.*

Regulation 20. List of claims

(1) The corporate debtor shall submit a list of claims under sub-section (1) of section 54G in such format as notified by the Board 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 such format as notified by the Board.

(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 such format as notified by the Board and update it as and when required.

(9) The format as notified by the Board under sub-regulation (8) shall be –

(a) available for inspection by the creditors, members, partners, directors and guarantors of the corporate debtor;

(b) displayed on the website, if any, of the corporate debtor;

Regulation 20 (contd.)

(c) filed with the Board on electronic platform; and

(d) presented at the meetings of the committee, as and when updated.

◈ *By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): "Form P10" (in sub-regs 1, 2, 8, 9) substituted by "such format as notified by the Board".*

Regulation 21. Determination of amount of claim

(1) 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.

(2) 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.

Regulation 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.

Regulation 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

Regulations 24–26

Regulation 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).

Regulation 25. Committee with only operational creditors

(1) 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:-

(a) 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;

(b) one representative elected by all workmen other than those workmen included under clause (a); and

(c) one representative elected by all employees other than those employees included under clause (a).

(2) 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 clause (a) of sub-regulation (1);

(b) the amount of the aggregate debt due to workmen under clause (b) of sub-regulation (1); and

(c) 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.

Regulation 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

Regulations 27–37

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 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

Regulation 30 (contd.)

(c) provide contact details of the person who will address the queries connected with the electronic voting.

Regulation 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.

Regulation 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.

Regulation 32 (contd.)

(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.

Regulation 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.

Regulation 33 (contd.)

(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.

Regulation 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:-

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

(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:

Regulation 34 (contd.)

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.

Regulation 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.

Regulation 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.

Regulation 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

Regulations 38–41

Regulation 38. Appointment of registered valuers

The resolution professional shall within three days of his appointment, sets of 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.

◈ *By Notif. IBBI/2025-26/GN/REG138 dated 25-02-2026 (w.e.f. 25-02-2026): "appoint two" substituted by "sets of".*

Regulation 39. Fair value and liquidation value

(1) Fair value and liquidation value shall be determined in the following manner, namely:-

(a) the set of registered valuers appointed under regulation 38 shall comprise of one registered valuer for each asset class of the corporate debtor and within each set, one registered valuer shall be designated as the coordinating valuer for that set by the resolution professional, in consultation with the committee, for computation of the fair value of the corporate debtor;

Explanation- For the purpose of clause (a), “asset class” means the definition provided under the Companies (Registered Valuers and Valuation) Rules, 2017;

(b) the resolution professional shall facilitate a meeting wherein the registered valuers, including coordinating valuers, shall explain the methodology being adopted to arrive at the valuation, to the members of the committee, before computation of estimates;

(c) each registered valuer shall, after physical verification of the inventory and fixed assets of the corporate debtor, submit to the resolution professional and the coordinating valuer of their respective set, a report on the fair value of the assets of the corporate debtor and the liquidation value, computed in accordance with such valuation standards as notified by the Board through circular;

(d) the coordinating valuer of a set shall compute the fair value of the corporate debtor after considering the fair value of the assets as computed by the registered valuers within that set, along with their underlying synergies, and submit the same to the resolution professional;

(e) the average of the two estimates of the fair value submitted by the coordinating valuers shall be considered as the fair value of the corporate debtor; and

(f) the average of the two estimates of the liquidation value submitted by registered valuers in each asset class shall be considered as the liquidation value of the corporate debtor.

Regulation 39 (contd.)

(1A) For the purposes of this regulation, a registered valuer shall prepare the valuation report and maintain such documentation as per the format notified by the Board through circular.

(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.

◈ Sub-reg (1) substituted and sub-reg (1A) inserted by Notif. IBBI/2025-26/GN/REG138 dated 25-02-2026 (w.e.f. 25-02-2026). Pre-amendment (1): (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 may be.

Regulation 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;

Regulation 40 (contd.)

(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.

Regulation 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

Regulations 42–49

Regulation 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 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 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 if the score of the former is higher than that of the latter by 10. Where plans ‘A’ and ‘B’ have scores of 100 and 110, ‘B’ is significantly better than ‘A’. Where ‘A’ and ‘B’ have scores of 100 and 108, ‘B’ is not significantly better than ‘A’.

Regulation 42 (contd.)

Illustration 2: The committee may consider a plan to be significantly better than another if the score of the former is higher than that of the latter by 5 per cent. Where ‘A’ and ‘B’ have scores of 100 and 107, ‘B’ is significantly better than ‘A’. Where ‘A’ and ‘B’ have scores of 100 and 104, ‘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, plans ‘A’ and ‘B’ have scores of 105 and 108. 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, the applicant must improve ‘A’ such that the score is at least 108 + 5 = 113.

Illustration 2: In the example under Illustration 1, if tick size is 5 per cent., the applicant of ‘A’ must improve ‘A’ such that the score is at least 108 × 1.05 = 113.4.

Regulation 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 such format as notified by the Board not later than twenty-one days from the pre-packaged insolvency commencement date.

(2) The resolution professional shall publish the form referred in sub-regulation (1)-

(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 referred in sub-regulation (1) 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.

Regulation 43 (contd.)

(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.

◈ *By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): “Form P11” substituted by “such format as notified by the Board” throughout.*

Regulation 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.

Regulation 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

Regulation 45 (contd.)

(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.

Regulation 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.

Regulation 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.

Regulation 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.

Regulation 48 (contd.)

(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.

Regulation 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 such format as notified by the Board, 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 such format as notified by the Board to the Adjudicating Authority for termination of process.

◈ By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): “Form P12” (sub-reg 1) and “Form P13” (sub-reg 4) substituted by “such format as notified by the Board”.

CHAPTER X

Management of Affairs of the Corporate Debtor

Regulations 50–51

Regulation 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.

Regulation 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 such format as notified by the Board.

◈ *By Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026): “Form P14” substituted by “such format as notified by the Board”. The Schedule (Forms P1 to P14) has been omitted by Notif. IBBI/2026-27/GN/REG147 dated 01-06-2026 (w.e.f. 02-06-2026).*

REFERENCE APPENDIX

Schedule (Forms P1–P14) — Omitted w.e.f. 02-06-2026

The Schedule and all Forms P1 to P14 were omitted by Notification No. IBBI/2026-27/GN/REG147 (w.e.f. 02-06-2026). Wherever a Form was earlier prescribed, the Regulations now read “such format as notified by the Board.” The former forms are listed below for reference.

Form	Title
P1	Written Consent (reg. 7(1))
P2	List of Creditors of the Corporate Debtor (reg. 14)
P3	Approval of Terms of Appointment of Resolution Professional (reg. 14(5))
P4	Approval for Initiating PPIRP (reg. 14(7))
P5	Written Consent to act as Authorised Representative (reg. 15(iii))
P6	Declaration by Director / Partners (reg. 16(1))
P7	Declaration regarding Existence of Avoidance Transaction(s) (reg. 16(2))
P8	Report of the Insolvency Professional (reg. 17)
P9	Public Announcement (reg. 19(2))
P10	List of Claims (reg. 20)
P11	Invitation for Resolution Plans (reg. 43)
P12	Compliance Certificate (reg. 49(1))
P13	Application for Termination of PPIRP (reg. 49(4))
P14	Application for Vesting Management with Resolution Professional (reg. 51)

End of Regulations

IBBI (PPIRP) Regulations, 2021 — as amended up to 02 June 2026

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IBBI

Insolvency and Bankruptcy Board of India

(Voluntary Liquidation Process) Regulations, 2017

[Amended upto 02-06-2026]

Full text, fully expanded • Regulations 1–42 • Schedule I register formats • as amended by Notification No. IBBI/2026-27/GN/REG148 (w.e.f. 02-06-2026)

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I

CHAPTER I

Preliminary

I

Chapter I — Preliminary

Regulation 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 1st 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.

Regulation 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;
- (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 3(3);

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I

Chapter I — Preliminary (contd.)

(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;

(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.

II

CHAPTER II

Commencement of Liquidation

II

Chapter II — Commencement of Liquidation

Regulation 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 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;

(ii) the corporate person is not being liquidated to defraud any person; and

(iii) the corporate person has made sufficient provision to meet the obligations arising on account of pending matters mentioned in sub-clause (iii) of clause (b).

(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;

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II Chapter II — Commencement of Liquidation (contd.)

(ii) a report of the valuation of the assets of the corporate person, if any, prepared by a registered valuer; and

Explanation — For the purposes of this regulation, a registered valuer shall prepare the valuation report and maintain such documentation as per the format notified by the Board through circular.

(iii) disclosure about pending proceedings or assessments before statutory authorities, and pending litigations, in respect of the corporate person.

(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, 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 on which the constitutional documents provide that the corporate person shall be dissolved, and appointing an insolvency professional to act as the liquidator:

Provided that if the corporate person owes any debt to any person, creditors representing two-thirds in value of the debt shall approve the resolution passed under sub-clause (c) within seven days of such resolution.

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II

Chapter II — Commencement of Liquidation (contd.)

(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 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) 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.

Regulation 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 sub-regulation (1), the corporate person shall continue to exist until it is dissolved under section 59(8).

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III

CHAPTER III

Appointment and Remuneration of Liquidator

III

Chapter III — Appointment and Remuneration of Liquidator

Regulation 5. 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 section 59(3) or clause (c) of regulation 3(1), 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 seven days of his appointment as liquidator, intimate the Board about such appointment.

Regulation 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, 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 —

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Chapter III — Appointment and Remuneration of Liquidator (contd.)

III

(i) of a firm of auditors or 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,

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 entity, represents any other stakeholder in the same liquidation.

Regulation 7. Liquidator's remuneration

The remuneration payable to the liquidator shall form part of the liquidation cost.

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IV

CHAPTER IV

Powers and Functions of the Liquidator

IV

Chapter IV — Powers and Functions of the Liquidator

Regulation 8. Reporting

(1) The liquidator shall prepare and submit —

(a) Preliminary Report;

(b) Status Report;

(c) Minutes of consultations with stakeholders; and

(d) Final Report,

in the manner specified under these Regulations.

(2) Subject to other provisions of these Regulations, the liquidator shall make the reports and minutes referred to in 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.

Regulation 9. Preliminary Report

IV

Chapter IV — Powers and Functions of the Liquidator (contd.)

(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 into 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.

Regulation 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 —

(a) Cash Book; (b) Ledger; (c) Bank Ledger;

IV

Chapter IV — Powers and Functions of the Liquidator (contd.)

(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) 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 person.

(3) The registers and books under sub-regulation (2) may be maintained in the forms indicated in Schedule I, with such modifications as the liquidator may deem fit.

(4) The liquidator shall keep receipts for all payments made or expenses incurred by him.

Regulation 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.

IV

Chapter IV — Powers and Functions of the Liquidator (contd.)

(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.

Regulation 12. Assistance by stakeholders

(1) The stakeholders 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.

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.

Regulation 14. Public announcement by the liquidator

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IV

Chapter IV — Powers and Functions of the Liquidator (contd.)

(1) The liquidator shall make a public announcement in such form as notified by the Board through circular 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.

V

CHAPTER V

Claims

V

Chapter V — Claims

Regulation 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.

Regulation 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 such form as notified by the Board through circular.

(2) The existence of debt due to an operational creditor 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 the corporate person, supported by an invoice demanding payment for the goods and services supplied;
  - (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.

Regulation 17. Claims by financial creditors

V

Chapter V — Claims (contd.)

(1) A person claiming to be a financial creditor of the corporate person shall submit proof of claim to the liquidator by electronic means in such form as notified by the Board through circular.

(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 under a facility have 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.

Regulation 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 such form as notified by the Board through circular.

(2) Where there are dues to numerous workmen or employees, an authorised representative may submit one proof of claim for all such dues on their behalf in such form as notified by the Board through circular.

(3) The existence of dues to workmen or employees may be proved by them, individually or collectively, on the basis of —

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Chapter V — Claims (contd.)

V

(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.

Regulation 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 such form as notified by the Board through circular.

(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 —

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Chapter V — Claims (contd.)

(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.

Regulation 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 (CERSAI); or

(d) other relevant documents which adequately establish the security interest.

Regulation 21. Production of bills of exchange and promissory notes

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V

Chapter V — Claims (contd.)

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 instrument or security shall be produced before the liquidator before the claim is admitted.

Regulation 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.

Regulation 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 endeavour to recover the costs incurred for verification and determination from such claimant, and shall provide the details of the claimant to the Board.

Regulation 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.

V

Chapter V — Claims (contd.)

Regulation 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.

Regulation 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.

Regulation 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 —

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Chapter V — Claims (contd.)

(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.

Regulation 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.

Regulation 28A. Submission and updation of claims

(1) A person who claims to be a stakeholder shall submit its claim, on or before the last date mentioned in the public announcement.

(2) A stakeholder shall update its claim as and when the claim is satisfied, partly or fully, from any source in any manner, after the liquidation commencement date.

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V

Chapter V — Claims (contd.)

Regulation 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:

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 stakeholder within seven days of such admission or rejection of claims.

(3) A creditor may approach the Adjudicating Authority against the decision of the liquidator.

Regulation 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.

V

Chapter V — Claims (contd.)

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; and

(d) displayed on the website, if any, designated by the Board for this purpose.

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CHAPTER VI

Realisation of Assets

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Chapter VI — Realisation of Assets

Regulation 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.

Regulation 32. Recovery of monies due

The liquidator shall endeavour to recover and realise all assets of and dues to the corporate person in a time-bound manner for maximisation of value for the stakeholders.

Regulation 33. [Omitted]

Omitted w.e.f. 29-01-2025 by Notification No. IBBI/2024-25/GN/REG120. Prior to omission it read “Liquidator to realise uncalled capital or unpaid capital contribution” and empowered the liquidator to call and realise uncalled/unpaid capital, subject to any charge or encumbrance, before distribution to a contributory.

VII

CHAPTER VII

Proceeds of Liquidation and Distribution of Proceeds

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Chapter VII — Proceeds of Liquidation and Distribution of Proceeds

Regulation 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 all moneys, including cheques and demand drafts, received by him as liquidator, and the realisations 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.

Regulation 35. Distribution

(1) The liquidator shall distribute the proceeds from realisation within 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.

Regulation 36. Return of money

VII

Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

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.

Regulation 37. Completion of liquidation

(1) The liquidator shall endeavour to complete the liquidation process 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 section 59(3) or clause (c) of regulation 3(1); 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 the period stipulated in sub-regulation (1), the liquidator shall —

- (a) hold a meeting of the contributories of the corporate person within fifteen days —
  - (i) from the end of two hundred and seventy days or ninety days, as the case may be, and
  - (ii) thereafter at the end of every succeeding two hundred and seventy days or ninety days, as the case may be, as stipulated in sub-regulation (1), till submission of application for dissolution; and
- (b) present a Status Report indicating progress in liquidation, including —
  - (i) settlement of list of stakeholders,

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Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

(ii) details of any assets that remain to be sold and realised,
(iii) distribution made to the stakeholders,
(iv) distribution of unsold assets made to the stakeholders,
(v) developments in any material litigation, by or against the corporate person,
(vi) filing of, and developments in, applications for avoidance of transactions under Chapter III of Part II of the Code; and
(vii) the reasons for not completing the process within the stipulated period and the additional time required for completing the process.

(3) The Status Report shall enclose the audited accounts of the liquidation showing the receipts and payments pertaining to liquidation since the liquidation commencement date.

(4) The liquidator shall file the Status Report with the Board within seven days of the meeting of contributories.

Regulation 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 —

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Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

(i) the assets of the corporate person have been disposed of;

(ii) the debt of the corporate person has been discharged to the satisfaction of the creditors; and

(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 realised value;

(ii) cost of realisation, if any;

(iii) the manner and mode of sale;

(iv) an explanation for the shortfall, if the value realised is less than the value assigned by the registered valuer under section 59(3)(b)(ii) or regulation 3(1)(b)(ii);

(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.

(3) The liquidator shall submit the Final Report and the compliance certificate in such form as notified by the Board through circular, along with the application under section 59(7), to the Adjudicating Authority.

Regulation 39. Corporate Voluntary Liquidation Account

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VII Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

(1) The Board shall maintain and operate an account to be called the Corporate Voluntary Liquidation Account with a scheduled bank.

Provided that until the 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, along with any income earned thereon till the date of deposit, into the Account before he submits an application under section 59(7).

(3) A liquidator who holds any such amount on the date of commencement of the 2020 Amendment Regulations shall deposit the same within fifteen days of such commencement, along with income earned thereon till the date of deposit.

(4) A liquidator who fails to deposit any amount into the Account shall deposit the same along with interest thereon at twelve per cent 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 and a statement in such form as notified by the Board through circular, setting forth the nature of the amount and the stakeholders entitled.

(6) The liquidator shall be entitled to a receipt from the Board for any amount deposited.

(7) Prior to dissolution, a stakeholder claiming entitlement may apply to the liquidator in such form as notified by the Board through circular for withdrawal of the amount.

VII Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

(7A) On receipt of the request, the liquidator, after verification of the claim, shall request the Board for release of the amount to him for onward distribution.

(7B) The Board, on receipt of the request under (7A), may release the amount to the liquidator.

(7C) The liquidator shall, after making the distribution, intimate the Adjudicating Authority of such distribution.

(7D) After dissolution, a stakeholder claiming entitlement may apply to the Board in such form as notified by the Board through circular for an order for withdrawal.

(7E) If any other person, other than the stakeholder, claims entitlement, he shall submit evidence to satisfy the liquidator or the Board, as the case may be, that he is so entitled.

(8) The Board may, if satisfied that the stakeholder or person under (7D) is entitled, make an order for withdrawal in favour of that stakeholder or person.

(9) The Board shall maintain a corporate person-wise ledger of the amounts deposited into and withdrawn from the Account.

(10) The Board shall nominate an officer of the level of Executive Director as custodian, and no proceeds shall be withdrawn without his approval.

(11) The Board shall maintain proper accounts of the Account and get the same audited annually.

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VII Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

(12) The audit report along with the statement of accounts shall be placed before the Governing Board and forwarded to the Central Government.

(13) Any amount deposited which remains unclaimed or undistributed for fifteen years from the date of the dissolution order, and any income or interest earned thereon, shall be transferred to the Consolidated Fund of India.

Regulation 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 Adjudicating 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, he shall make an application to the Adjudicating Authority to suspend the process of liquidation and pass any such orders as it deems fit.

Regulation 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 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;

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Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

(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 and reports 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 the Board and insolvency professional agencies;
(i) correspondence during the voluntary liquidation process;
(j) cost of the voluntary liquidation process;
(k) all reports, registers and documents — preliminary report, status report, final report, and the various registers and books mentioned in Regulations 8 and 10; and
(l) any other records required to give a complete account of the process.

(3) The liquidator shall preserve —
(a) an 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,

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from the date of dissolution of the corporate person, or 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 hand over the records under sub-regulations (1) and (2) to the new liquidator.

(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 regulations.

(6) The liquidator shall, along with the application filed under section 59(7), provide the details and manner of preservation of records under sub-regulations (1) and (2).

Explanation — The records include those pertaining to the period during which the liquidator acted as such, irrespective of the fact that he did not take up the assignment from its commencement or continue it till its conclusion.

Regulation 41A. Filing of Forms

(1) The liquidator shall file the Forms, along with the enclosures, on an electronic platform of the Board, as per the timelines stipulated against each Form:

Form VL 1 — details of the corporate person, details of the voluntary liquidation process, etc. Timeline: on or before the 10th day of the second month after the public announcement.

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VII Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

Form VL 2 — details of the meetings of contributories with reasons for delay, details of replacement of liquidator (if any), etc. Timeline: on or before the 10th day of the subsequent month after the meeting of contributories or replacement of liquidator.

Form VL 3 — details of dissolution application, unclaimed proceeds, realisation and distribution to stakeholders, pending litigations, detection of fraud or insolvency (if any), etc. Timeline: on or before the 10th day of the subsequent month after submission of the dissolution application or the withdrawal/suspension application, to the Adjudicating Authority.

Form VL 4 — details of the order for dissolution: distribution of proceeds, receipts and payments, etc. Timeline: on or before the 14th day of passing the order for dissolution or withdrawal/suspension of the voluntary liquidation process.

(2) The liquidator shall ensure that the Forms and enclosures filed under this regulation are accurate and complete.

(3) The filing of a Form after the due date, 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 the date notified by the Board.

(4) The liquidator shall be liable to any action which the Board may take as deemed fit under the Code or any regulation, 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; and

(iii) delay in filing the Form.

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Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

Regulation 42. Termination of voluntary liquidation proceedings

(1) The resolution referred to in clause (a) of section 59(5A) shall provide for —

(a) rationale for termination of voluntary liquidation proceedings;

(b) treatment of liquidation costs; and

(c) a declaration that the termination will not result in prejudicially affecting the interest of any stakeholder.

(2) For the purposes of clause (c) of section 59(5A), the liquidator shall intimate the Adjudicating Authority, along with a report in such form as notified by the Board through circular, regarding termination, accompanied by a statement that —

(a) due process for termination has been followed; and

(b) the termination is not initiated to defraud any person and the corporate person is solvent.

(3) Where the conditions under clauses (a), (b) and (c) of section 59(5A) are satisfied, the liquidator shall, within seven days of the passing of the special resolution under clause (a) or the approval of creditors under clause (b), intimate the Board and the Registrar of Companies along with the report prepared under sub-regulation (2).

(4) Upon termination of the voluntary liquidation proceedings under section 59(5C) —

(a) the appointment and term of the liquidator shall stand terminated;

VII Chapter VII — Proceeds of Liquidation and Distribution of Proceeds (contd.)

(b) the liquidator shall cease to exercise any powers or functions under these regulations; and
(c) no further action shall be taken under these regulations in respect of the proceedings.

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SCHEDULE

Schedule I — Registers and Books (Regulation 10)

SI

Schedule I — Registers and Books of Account

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. (Regulation 10)

The following registers and books of account are prescribed:

> Cash Book; General Ledger; Bank Ledger; Register of Assets; Securities and Investments Register; Register of Book Debts and Outstandings; Tenants Ledger; Suits Register; Decree Register; Register of Claims and Distributions; Contributory’s Ledger; Distributions Register; Fee Register; Suspense Register; Documents Register; Books Register; and Register of Unclaimed Dividends and Undistributed Proceeds Deposited.

SI

Schedule I — Cash Book

Date	Particulars	Ledger Folio	Receipt – Vou. No.	Receipt – Cash	Receipt – Bank	Receipt – Total	Payment – Vou. No.	Payment – Cash	Payment – Bank	Payment – Total	Balance – Cash	Balance – Bank	Balance – Total

Instructions

Under ‘Particulars’, indicate the head of account so that the entry may be posted under the proper head in the General Ledger.

Columns 1–14 as prescribed in Schedule I (Regulation 10).

SI

Schedule I — General Ledger

Date	Particulars	Dr. (Rs.)	Cr. (Rs.)	Balance (Rs.)

Instructions

Maintain heads of account as the liquidator thinks necessary — e.g. Asset; Investments; Book Debts and Outstandings; Calls; Rent collected/receivable; Interest on Securities and Deposits; Advances received; Miscellaneous receipts/payments; Establishment; Legal charges; Rents, Rates and Taxes payable; Fees and Commission; Other expenses; Suspense; Secured creditors; Dividend.

Entries are posted from the Cash Book; the debit and credit totals of the several heads should agree after taking cash and bank balances into account, and should be tallied once a month.

SI

Schedule I — Bank Ledger

Date	Particulars	Deposits – Challan No.	Deposits – Rs.	Withdrawals – Cheque No.	Withdrawals – Rs.	Balance (Rs.)

Instructions

Corporate person’s ‘in voluntary liquidation’ account with the scheduled bank.

SI

Schedule I — Register of Assets

Sl. No.	Description of assets	Date of taking possession	Serial No. of Sales Register	Date of sale	Date of realization	Amount	Remarks

Instructions

All assets of the corporate person — except the liquidator’s investments in securities and outstandings to be realized — should be entered in this Register.

SI

Schedule I — Securities and Investments Register

Sl. No.	Petition No. & name of corporate person	Date of investment	Nature & particulars of security	Amount Invested (Rs.)	Dividend/interest received with date (Rs.)	Date of disposal	Remarks

SI

Schedule I — Register of Book Debts and Outstandings

Sl. No.	Name & address of debtor	Particulars of debt	Amount due (Rs.)	Date of bar by limitation	Amount realised (Rs.)	Action taken	Date of realisation	Reference to Suits Register	Remarks

Instructions

All debts due to the corporate person, both secured and unsecured — including amounts due for arrears of calls made prior to liquidation — should be entered in this Register.

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Schedule I — Tenants Ledger

Month	Demand – Amount (Rs.)	Demand – Date	Realization – Amount (Rs.)	Balance – Amount (Rs.)	Remarks

Instructions

Header fields per asset: description of assets; name and address of tenant; date and period of tenancy; rent (monthly/annual); special terms; arrears on date of taking charge; advance received.

SI

Schedule I — Suits Register

Sl. No.	No. of suit/appeal & court	Plaintiff/appellant & advocate	Defendant/respondent & advocate	Amount of claim	Date of filing	Dates of hearing	Date of decree / final order	Nature of relief granted	Amount decreed	Costs decreed	Ref. to Decree Register	Remarks

Instructions

Applications made by or against the corporate person which are in the nature of suits should also be entered in this Register.

SI

Schedule I — Decree Register

No. of suit/appeal & court	Name & address of judgment debtor	Amount Decreed (Rs.)	Date of decree	Action taken	Amount realized (Rs.)	Date of realisation	Reference to Suits Register

Instructions

Enables the liquidator to keep watch on realization of decrees in favour of the corporate person.

Every decree or order for payment of money or delivery of assets in favour of the corporate person, including an order for costs, whether made in a suit, appeal or application, should be entered.

SI

Schedule I — Register of Claims and Distributions

Sl. No.	Name & address of creditor	Amount claimed (Rs.)	Nature of claim	Amount admitted (Rs.)	Ordinary / preferential	Distribution – Date	Distribution – Amount (Rs.)	Date & mode of payment	Rate	Remarks

Note: distribution columns repeat per round of distribution.

Instructions

Only claims admitted, wholly or in part, should be entered. Claims are entered on the left page and Distributions on the right page.
The distribution columns (Date | Amount | Date & mode of payment | Rate) repeat for each round of distribution declared and paid.

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Schedule I — Contributory's Ledger

Sl. No.	Name & address of contributory	Shares / extent of interest & amount paid	Call – Date of return	Call – Date of payment	Call – Amount paid (Rs.)	Date of call & amount called	Returns of share capital	Remarks

Note: the call columns repeat for the first, second and third calls.

Instructions

Only contributories settled on the list should be entered, in the same order as in the list.

SI

Schedule I — Distributions Register

Date	Number on list of stakeholders	Particulars	Receipts (Rs.)	Payments (Rs.)

Instructions

Separate pages for preferential and ordinary distributions. Payments are entered as made; any amount returned unpaid is re-entered under ‘Receipts’.

Column 2 is the number of the stakeholder in the list of stakeholders as finally settled. The total unclaimed distribution payable into the Corporate Voluntary Liquidation Account, and the amount paid into the bank with date, are shown at the end.

SI

Schedule I — Fee Register

Amount realized on which fee is payable	Amount distributed on which fee is payable	Fee payable on the two preceding amounts	Total fee payable	Date of payment

Instructions

A fresh opening for each year. Fees due to the liquidator are entered as soon as the audit of the account for a quarter is completed.

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Schedule I — Suspense Register

Date	Particulars	Debit (Rs.)	Credit (Rs.)	Balance (Rs.)

Instructions

Advances made by the liquidator to any person are entered here, with a separate opening for each person.

SI

Schedule I — Documents Register

Sl. No.	Description of document	Date of receipt	From whom received	Reference No. of shelf in which document is kept	How disposed of	Remarks

Instructions

All documents of title — title-deeds, shares, promissory notes, etc. — should be entered in this Register.

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Schedule I — Books Register

Date	From whom received	Serial Number	Description of books, including files	Shelf number	How disposed of	Remarks

Instructions

All books and files of the corporate person which come into the hands of the liquidator should be entered in this Register.

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SI Schedule I — Register of Unclaimed Dividends and Undistributed Proceeds Deposited

Sl. No.	Name of person entitled to the dividend or return	Whether Creditor or Contributory	Number on list of stakeholders	Date of declaration of dividend or return	Rate of dividend or return	Total amount payable (Rs.)

Instructions

Amounts deposited into the Corporate Voluntary Liquidation Account under Regulation 39.

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Amendment Highlights — 2026

Key changes by Notification IBBI/2026-27/GN/REG148 (w.e.f. 02-06-2026)

Forms A–F of the old Schedule I (Public Announcement and proofs of claim) were omitted; the public announcement and proofs of claim are now filed “in such form as notified by the Board through circular” (regulations 14, 16–19). Form references in regulations 38, 39 and 42 were likewise replaced by circular-notified forms (earlier Forms G, H and I).

The old Schedule II (register/book formats under Regulation 10) was renumbered as Schedule I.

Regulation 3(1)(b): an Explanation was added requiring the registered valuer to prepare the valuation report and maintain documentation per the format notified by the Board through circular.

Regulation 13 heading changed to “Assistance by stakeholders”; the earlier reference to consultation under section 35(2) was omitted.

Regulation 29: a proviso now requires reasons in writing for rejecting a claim; a new sub-regulation requires communicating admission/rejection to the stakeholder within seven days; and a creditor may now “approach” (earlier “appeal to”) the Adjudicating Authority.

Regulation 30: a proviso allows the list of stakeholders within fifteen days where no creditor claim is received by the last date. New Regulation 28A (submission and updation of claims) was inserted and new Regulation 42 (termination of voluntary liquidation proceedings) was added.

Prepared as a reference aid. Members should read the operative text with the Code, subsequent circulars and any later amendments.

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