

**Handbook on Do's and Don'ts for IPs
under
The Insolvency and Bankruptcy Code, 2016**



Committee on Insolvency & Bankruptcy Code
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

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Foreword

The Insolvency and Bankruptcy Code, 2016 in the recent times has paved the way for the emergence of Insolvency Professionals as a new professional avenue. The Insolvency Professionals are regulated by Insolvency and Bankruptcy Board of India (IBBI) and the Insolvency Professional Agency (IPA) with which they are enrolled. The Code clearly provides for the Duties and Responsibilities of Insolvency Professionals (IPs), since they assume critical part in the entire insolvency resolution mechanism.

The IPs being at the centre stage and involved in various processes, it becomes a necessity for them to understand the various Do's and Don'ts as prescribed under the Code and its Regulations thereunder. Every IP is required to take reasonable care and diligence while performing his duties and also required to comply with all requirements, terms and conditions specified in the bye-laws of the IPA of which he/she is a member. Further, the IPs must abide by the Code of Conduct as specified in the IBBI (IP) Regulations, 2016.

It is heartening to note that the Committee on Insolvency & Bankruptcy Code of ICAI has taken this important initiative of bringing out the publication - **Handbook on Do's and Don'ts for IPs under The Insolvency and Bankruptcy Code, 2016** to help the professionals in understanding their roles and responsibilities under the Code and address the expectation of Regulator.

I commend the entire Committee and extend my sincere appreciation to CA. Durgesh Kumar Kabra, Chairman, Committee on Insolvency & Bankruptcy Code and CA. Prakash Sharma, Vice- Chairman, Committee on Insolvency & Bankruptcy Code in bringing out this useful publication.

I am sure that this publication would be of great help to the members, especially to insolvency professionals and other stakeholders.

CA. Nihar N. Jambusaria
President ICAI

Date: 27th June, 2021

Place: New Delhi

Preface

The purpose of enactment of The Insolvency and Bankruptcy Code, 2016 as we know is maximisation of value of assets, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders. The Insolvency Professionals (IPs) who are a key pillar in the insolvency resolution process and hold different positions like interim resolution professional, resolution professional, liquidator, bankruptcy trustee etc. at various stages of the insolvency proceedings have to thoroughly plan and manage actions and promptly communicate with all stakeholders involved for timely discharge of his duties.

The duties and responsibilities of an Insolvency Professional have been identified in the Code and in its Regulations. Further Insolvency and Bankruptcy Board of India (IBBI) regularly issues Circulars/ Guidelines/Facilitations for IPs for the purposes of compliances, disclosures etc. All these specify the Do's and Don'ts for IPs under the Code. Most importantly the Code of Conduct for Insolvency Professionals which is provided in First Schedule under Regulation 7(2)(h) of IBBI (IP) Regulations, 2016 brings out important aspects like Integrity and objectivity, Independence and impartiality, Professional competence, Timeliness, Confidentiality, etc. which an IP has to adhere to.

Thus the Committee on Insolvency & Bankruptcy Code of ICAI as part of its initiative in bringing relevant publications in the insolvency resolution arena has brought out this publication – **Handbook on Do's and Don'ts for IPs under The Insolvency and Bankruptcy Code, 2016**, to facilitate professionals in understanding the various responsibilities, disclosure and compliance requirements while performing duties under the Code.

We would like to sincerely thank the President of ICAI, CA. Nihar N. Jambusaria and Vice President of ICAI, CA. (Dr) Debashis Mitra for their continued support and encouragement in bringing out the publication.

We would like to thank all the Committee Members for their guidance and contribution in bringing out this publication.

We would like to sincerely appreciate and thank the Group of Insolvency Professionals- CA. Prasad Dharap, CA. Swapnil Agrawal, CA. Atul Rajwadkar and CA. Ranjit Jain who prepared the Draft of the publication under the Convenorship and guidance of Chairman of the Committee.

We appreciate the efforts put in by Shri Rakesh Sehgal, Director, Directorate of Corporate and Economic Laws, ICAI, Ms. S. Rita, Secretary, Committee on Insolvency & Bankruptcy Code, ICAI, CA. Sarika Singhal, Deputy Secretary, ICAI and the Committee Secretariat comprising of CA. Himanshu Gulati and CA. Abhishek Tarun for providing their technical and administrative support in bringing out this publication.

We are confident that the members of the profession, industries and other stakeholders will find the publication very helpful.

CA. Durgesh Kumar Kabra

Chairman
Committee on Insolvency &
Bankruptcy Code, ICAI

CA. Prakash Sharma

Vice- Chairman
Committee on Insolvency &
Bankruptcy Code, ICAI

Date: 23rd June, 2021

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Chapter 1

Introduction

It has been over four years since The Insolvency and Bankruptcy Code, 2016 (Code) was implemented and it has ushered a new regime in the debt resolution space in the country for revival of businesses. Amendments have taken place time to time in the Code to address the issues arising from the functioning of the Code and Regulations under the Code were also amended regularly for smooth implementation of the Code.

The Code has established a crucial role for Insolvency Professionals in the insolvency resolution process as they are one of the important pillars for effective implementation of the provisions of the Code. Under the Code, “insolvency professional” means a person enrolled under section 206 with an insolvency professional agency as its member and registered with Insolvency and Bankruptcy Board of India as an insolvency professional under section 207.

The function of an insolvency professional under the Code is to take such actions as may be necessary in the matters of:

- (i) a fresh start order process under Chapter II of Part III
- (ii) individual insolvency resolution process under Chapter III of Part III
- (iii) corporate insolvency resolution process under Chapter II of Part II
- (iv) pre-packaged insolvency resolution process under Chapter III A of Part II
- (v) individual bankruptcy process under Chapter IV of Part III and
- (vi) liquidation of a corporate debtor firm under Chapter III of Part II

Different roles are held by Insolvency Professionals (IPs) in the processes as mentioned above and the Code has provided the duties and responsibilities of an IP so that the objectives of the Code in terms of maximization of value of assets and balancing the interests of various stakeholders are taken care of.

The Code provides that the IP has to abide by Code of Conduct specified in the First Schedule under Regulation 7(2)(h) of IBBI (IP) Regulations, 2016

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which brings out important aspects like Integrity and objectivity, Independence and impartiality, Professional competence, Timeliness, Confidentiality, etc. which an IP has to adhere to in all his professional activities.

The Insolvency Professional being one of the important link in the insolvency resolution framework plays a pivotal role in conducting the insolvency resolution process. He performs a wide range of functions, which requires adhering to procedure of the law and maintaining high standards of professional ethics while discharging duties.

Insolvency and Bankruptcy Board of India (IBBI) is the Regulator which oversees Insolvency Professional Agencies, Insolvency Professionals and Information Utilities. The Insolvency Professional Agencies (IPAs) also regulate IPs. The Code provides for a two- tier regulatory mechanism for the IPs, the IBBI and the IPAs for first tier regulation of IPs.

The Insolvency Professional Agencies (IPAs) which are regulated by IBBI under the Code are required to promote professional development of and regulation of insolvency professionals. Their functions include to lay down standard of professional conduct for its members and also monitor the performance of its members. The IPAs are further mandated to make bye-laws consistent with the model bye-laws as specified by IBBI.

Under the Code every Insolvency Professional is required to take reasonable care and diligence while performing his duties and also required to comply with all requirements and terms and conditions specified in the bye-laws of the insolvency professional agency of which he is a member.

IBBI which regulates the working and practices of insolvency professionals regularly issues Circulars/ Guidelines/Facilitations for IPs for the purposes of guidance, compliances, disclosures etc. These indicate the Do's and Don'ts for IPs under the Code.

In order to regulate and monitor the working of Insolvency Professionals (IP), the Insolvency and Bankruptcy Code, 2016 (Code) has laid down a mechanism for complaint by any person aggrieved by the functioning of an insolvency professional under section 217 of the Code or on violation of any of the provisions of the Code or the rules or regulations made or directions issued by IBBI, the Code lays down procedure for inspection or investigation of the IP by the Investigating Authority appointed by IBBI under section 218 of the Code and a Disciplinary Committee constituted by the IBBI to look into the report prepared by Investigating Authority under section 220 of Code.

Chapter 2

Highlights related to Duties/ Responsibilities of IPs under The Insolvency and Bankruptcy Code, 2016 (IBC)

Highlights related to Duties/Responsibilities of IPs under The Insolvency and Bankruptcy Code, 2016 (IBC) with respect to Corporate Insolvency Resolution Process (CIRP) and Liquidation Process.

Duties and Responsibilities of an Insolvency Professional (IP) are majorly governed by IBC, 2016, CIRP Regulations, Liquidation Regulations and IBBI (IP) Regulations, 2016.

Sr. No.	Nature of Duty/ Responsibility	Duties/Responsibilities Relating to	Duty of	Section /Regulation Reference
1	Collation of information	Collect all information relating to the assets, finances and operations of the corporate debtor	IRP/RP	Sec 18, Sec 23
2	Receive & Collect Claims	Receive and collate all the claims submitted by creditors to him	IRP/RP	Sec 18, Sec 23
3	Constitution of CoC	Constitute a committee of creditors	IRP	Sec 18
4	Asset monitoring	Monitor the assets of the corporate debtor and manage its operations	IRP/RP	Sec 18, Sec 23
5	Submission of information with Information Utility	File information collected with the information utility	IRP/RP	Sec 18, Sec 23

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6	Control & Custody of Assets	Take control and custody of any asset of the CD	IRP/RP	Sec 18, Sec 23
7	Conduct of CIRP	Conduct the entire corporate insolvency resolution process and manage the operations of the corporate debtor during the CIRP period	RP	Sec 23
8	Operations of CD	RP shall continue to manage the operations of the CD after the expiry of the corporate insolvency resolution process period till the passing of Order - approving the resolution plan or appointing a liquidator	RP	Sec 23
9	RP to have duties & powers of same as of IRP	RP shall exercise powers and perform duties as are vested or conferred on the interim resolution professional	RP	Sec 23
10	IRP to share information with RP	IRP shall provide all the information, documents and records pertaining to the CD in his possession and knowledge to the RP	IRP	Sec 23
11	RP to give notice of CoC meetings	RP shall give notice of each meeting of the committee of creditors to CoC members	IRP/RP	Sec 24

Highlights related to Duties/ Responsibilities of IPs under IBC

		(including authorised representative); members of suspended BoD or partners of the CD; operational creditors or their representatives if the amount of their aggregate dues is not less than 10% of the debt.		
12	RP to determine voting share of CoC	RP shall determine the voting share to be assigned to each creditor in the manner specified by the Board	IRP/RP	Sec 24
13	Preserve & Protect assets of CD & continue business operations	RP to preserve and protect the assets of the CD, including the continued business operations of the CD	RP	Sec 25
14	Custody of assets control of CD	Take immediate custody and control of all the assets of the CD, including the business records of the CD	RP	Sec 25
15	To be representative of CD	Represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial or arbitration proceedings	RP	Sec 25

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16	Interim finance	Raise interim finances subject to the approval of the CoC	RP	Sec 25
17	Appointments by RP	Appoint accountants, legal or other professionals	RP	Sec 25
18	Update Claims	Maintain updated List of Claims	RP	Sec 25
19	Conduct CoC meetings	Convene and attend all meetings of the committee of creditors	RP	Sec 25
20	Information Memorandum	Prepare IM	RP	Sec 25
21	Resolution Applicants	Invite prospective resolution applicants	RP	Sec 25
22	Criteria for RAs	Set Criteria with approval of CoC for Prospective Resolution Applicants	RP	Sec 25
23	Resolution Plans to CoC	Present all resolution plans at the meetings of the committee of creditors	RP	Sec 25
24	Avoidance transactions	File application with AA for avoidance transactions	RP	Sec 25
25	Others	Such other actions as may be specified by IBBI	RP	Sec 25
26	CoC approval to be sought	Approval of CoC for certain actions	RP	Sec 28
27	Information Memorandum	RP shall prepare an information memorandum in such form and manner	RP	Sec 29

Highlights related to Duties/ Responsibilities of IPs under IBC

		containing such relevant information as may be specified by the Board		
28	RP to share data with Resolution Applicant	RP shall provide to the resolution applicant access to all relevant information in physical and electronic form	RP	Sec 29
29	Examination of Resolution Plan	RP shall examine each resolution plan received by him	RP	Sec 30
30	Compliance of Resolution Plan with IBC & Regulations	RP to ensure that the Resolution Plan Provides for following: (a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the CD; (b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than- (i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or	RP	Sec 30

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	<p>(ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53, whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.</p> <p>(c) provides for the management of the affairs of the Corporate debtor after approval of the resolution plan;</p> <p>(d) The implementation and supervision of the resolution plan;</p> <p>(e) does not</p>		
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Highlights related to Duties/ Responsibilities of IPs under IBC

		contravene any of the provisions of the law for the time being in force (f) confirms to such other requirements as may be specified by the Board.		
31	Plan Approval	RP shall present to the CoC for its approval such resolution plan which complies with above conditions	RP	Sec 30
32	Plan Approval	RP shall submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority.	RP	Sec 30
33	Record Submission to IBBI on approval of plan	RP shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the IBBI to be recorded on its database after approval of plan by AA	RP	Sec 31
34	Initiation of Liquidation	RP shall intimates the AA of the decision of CoC to liquidate the CD before confirmation of Resolution Plan	RP	Sec 33
35	Claim verification	Verify Claims of all the creditors	Liquidator	Sec 35

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36	Custody of Assets	To take custody or control all the assets, property, effects and actionable claims of the CD	Liquidator	Sec 35
37		Evaluate the assets and property of the corporate debtor in the manner as may be specified by the Board and prepare a report	Liquidator	Sec 35
38		Protect and preserve the assets and properties of the corporate debtor	Liquidator	Sec 35
39		Carry on the business of the corporate debtor for its beneficial liquidation if required	Liquidator	Sec 35
40		Subject to section 52, to sell the immovable and movable property and actionable claims of the corporate debtor in liquidation by public auction or private contract	Liquidator	Sec 35
41		To draw, accept, make and endorse any negotiable instruments in the name and on behalf of the CD	Liquidator	Sec 35
42		To take out, in his official name, letter of administration to any deceased contributory	Liquidator	Sec 35

Highlights related to Duties/ Responsibilities of IPs under IBC

		and to do in his official name any other act necessary for obtaining payment of any money due and payable from a contributory or his estate		
43		To obtain any professional assistance from any person or appoint any professional	Liquidator	Sec 35
44		Invite and settle claims of creditors and claimants and distribute proceeds	Liquidator	Sec 35
45		Institute or defend any suit, prosecution or other legal proceedings, civil or criminal, in the name of on behalf of the CD	Liquidator	Sec 35
46		To investigate the financial affairs of the corporate debtor to determine undervalued or preferential transactions	Liquidator	Sec 35
47		To take all such actions, steps, or to sign, execute and verify any paper, deed, receipt document, application, petition, affidavit, bond or	Liquidator	Sec 35

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		instrument and for such purpose to use the common seal, if any, as may be necessary for liquidation, distribution of assets and in discharge of his duties and obligations and functions as liquidator;		
48		To apply to the Adjudicating Authority for such orders or directions as may be necessary for the liquidation of the corporate debtor	Liquidator	Sec 35
49		To report the progress of the liquidation process in a manner as may be specified by the Board	Liquidator	Sec 35
50		To perform such other functions as may be specified by the Board	Liquidator	Sec 35
51	Formation of Liquidation Estate	For the purposes of liquidation, the liquidator shall form an estate of the assets mentioned in subsection (3), which will be called the liquidation estate in relation to the corporate debtor.	Liquidator	Sec 36

Highlights related to Duties/ Responsibilities of IPs under IBC

		The liquidator shall hold the liquidation estate as a fiduciary for the benefit of all the creditors.		
52	Liquidator to utilise his powers	Liquidator shall have the power to access any information systems for the purpose of admission and proof of claims and identification of the liquidation estate assets	Liquidator	Sec 37
53	Liquidator to provide information to creditors within 7 days	Liquidator shall provide information referred to in sub-section (2) to such creditors who have requested for such information within a period of seven days from the date of such request	Liquidator	Sec 37
54	Receive and Collect Claims	Liquidator shall receive or collect the claims of creditors within a period of thirty days from the date of the commencement of the liquidation process	Liquidator	Sec 38
55	Verification of Claims	Liquidator shall verify the claims submitted under section 38 within such time as specified by the Board	Liquidator	Sec 39
56	Verification of Claims	Liquidator may, after verification of claims	Liquidator	Sec 40

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		under section 39, either admit or reject the claim, in whole or in part, as the case may be Provided that where liquidator rejects a claim, he shall record in writing the reasons for such rejection.		
57	Communication of admission/rejection of claims to creditors	Liquidator shall communicate his decision of admission or rejection of claims to the creditor and corporate debtor within seven days of such admission or rejection of claims	Liquidator	Sec 40
58	Determine Value of claims	Liquidator shall determine the value of claims admitted under section 40 in such manner as may be specified by the Board	Liquidator	Sec 41
59	Preferential Transactions	Where the liquidator or the resolution professional, as the case may be, is of the opinion that the corporate debtor has at a relevant time given a preference in such transactions and in such manner as laid down in sub-section (2) to any persons as	RP/Liquidator	Sec 43

Highlights related to Duties/ Responsibilities of IPs under IBC

		referred to in subsection (4), he shall apply to the Adjudicating Authority for avoidance of preferential transactions and for, one or more of the orders referred to in section 44		
60	Undervalued Transactions	If the RP/Liquidator determines certain undervalued transactions, he shall make an application to the AA to declare such transactions as void and reverse the effect of such transaction	RP/Liquidator	Sec 45
61	Extortionate Transactions	Where the corporate debtor has been a party to an extortionate credit transaction involving the receipt of financial or operational debt during the period within two years preceding the insolvency commencement date, the liquidator or the resolution professional as the case may be, may make an application for avoidance of such transaction to the Adjudicating Authority	RP/Liquidator	Sec 50

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		if the terms of such transaction required exorbitant payments to be made by the corporate debtor		
62	Dissolution of CD	Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor	Liquidator	Sec 54
63	Fraudulent trading or wrongful trading. -	If during the corporate insolvency resolution process or a liquidation process, it is found that any business of the corporate debtor has been carried on with intent to defraud creditors of the corporate debtor or for any fraudulent purpose, the Adjudicating Authority may on the application of the resolution professional pass an order that any persons who were knowingly parties to the carrying on of the business in such manner shall be liable to make such contributions to the assets of the corporate	RP	Sec 66

Highlights related to Duties/ Responsibilities of IPs under IBC

		debtor as it may deem fit.		
64	Independence of IP for appointment	IP can be appointed as RP of a CD if he and all partners/directors of IPE of which he is a partner or director are independent of the CD	IRP/RP	Reg 3 CIRP Regulations
65	Disclosures as per Code of Conduct	RP shall make disclosures at the time of his appointment and thereafter in accordance with the Code of Conduct	IRP/RP	Reg 3 CIRP Regulations
66	RP to give up assignment	RP, who is a partner/director of an IPE, shall not continue as a RP in a CIRP, if the IPE or any other partner or director of such IPE represents any of the other stakeholders in the same CIRP.	IRP/RP	Reg 3 CIRP Regulations
67	Class of Creditors	IRP shall ascertain class(s) of creditors, if any on examination of books of accounts and other relevant records of the corporate debtor.	IRP	Reg 4A CIRP Regulations
68		IRP shall identify three insolvency professionals to be appointed as Authorised Representatives.	IRP	Reg 4A CIRP Regulations

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69		IRP shall obtain the consent of each insolvency professional identified under sub-regulation (2) to act as the authorised representative of creditors in the class in Form AB of the Schedule.	IRP	Reg 4A CIRP Regulations
70	Public Announcement	IP shall make a public announcement within 3 days of his appointment as an IRP	IRP	Reg 6 CIRP Regulations
71	Substantiation of claims	IRP/RP may call for such other evidence or clarification as he deems fit from a creditor for substantiating the whole or part of its claim	IRP/RP	Reg 10, CIRP Regulations
72	Verify claims	IRP/RP shall verify every claim, as on the insolvency commencement date, within seven days from the last date of the receipt of the claims	IRP/RP	Reg 13, CIRP Regulations
73	List of Creditors	IRP/RP shall maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted	IRP/RP	Reg 13, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

		and the security interest, if any,		
74	Inspection of List of Creditors	The List of creditors shall be available for inspection by persons who submitted proof of claims; partner, members, directors/ guarantors of the CD	IRP/RP	Reg 13, CIRP Regulations
75	Listing of List of Creditors	The List of creditors to be displayed on website of the CD	IRP/RP	Reg 13, CIRP Regulations
76	Filing of List of Creditors	The List of creditors to be filed on electronic format provided by IBBI and with AA	IRP/RP	Reg 13, CIRP Regulations
77	List of Creditors with CoC	The List of Creditors to be presented at the first meeting of CoC	IRP	Reg 13, CIRP Regulations
78	Determination of amount of claim	IRP/RP shall make a best estimation of the amount of the claim based on information available with him where the amount claimed by the creditor is not precise due to any contingency/for any other reason	IRP/RP	Reg 14, CIRP Regulations
79	Revision in admitted claims	On receipt of additional information, the IRP/RP shall revise the amount of claim admitted	IRP/RP	Reg 14, CIRP Regulations
80	Authorised Representative	IRP shall select the insolvency professional, who is	IRP	Reg 16A, CIRP Regulations

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	Selection	the choice of the highest number of financial creditors in the class to act as the authorised representative		
81	List of Creditors	IRP/RP shall provide an updated list of creditors in each class to the respective authorised representative as and when the list is updated.	IRP/RP	Reg 16A, CIRP Regulations
82	RP to provide Electronic means of communication between AR & Creditors in the class	IRP/RP shall provide electronic means of communication between the authorised representative and the creditors in the class	IRP/RP	Reg 16A, CIRP Regulations
83	Authorised Representative to circulate agenda to the class of creditors	Authorised Representative shall circulate the agenda to creditors in a class, and may seek their preliminary views on any item in the agenda.	Authorised Representative (AR)	Reg 16A, CIRP Regulations
84	IRP file CoC constitution with AA	IRP shall file a report certifying constitution of the committee to the Adjudicating Authority within two days of the verification of claims	IRP	Reg 17, CIRP Regulations
85	Hold 1 st CoC	IRP shall hold the first	IRP	Reg 17, CIRP

Highlights related to Duties/ Responsibilities of IPs under IBC

	meeting	meeting of the committee within seven days of filing the report under this regulation		Regulations
86	IRP to perform duties of RP	Where the appointment of resolution professional is delayed, the interim resolution professional shall perform the functions of the resolution professional from the fortieth day of the insolvency commencement date till a resolution professional is appointed under section 22	IRP	Reg 17, CIRP Regulations
87	CoC meetings	RP may convene a meeting of the committee as and when he considers necessary, and shall convene a meeting if a request to that effect is made by members of the committee representing thirty-three per cent of the voting rights.	RP	Reg 18, CIRP Regulations
88	Sharing notice of meeting	A meeting of the committee shall be called by giving not less than five days' notice in writing to every participant	RP/ IRP	Reg 19, CIRP Regulations

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89		Notice to be given in writing at the address provided to RP to be either hand delivered, or by post. But notice has to be sent through electronic means	IRP/RP	Reg 19, CIRP Regulations
90	Serving of notice in electronic form	Notice may be sent through email as a text or as an attachment to the email or as a notification providing link/url for accessing notice.	IRP/RP	Reg 20, CIRP Regulations
91	Serving of notice in electronic form	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	IRP/RP	Reg 20, CIRP Regulations
92	If notice is sent as attachment	If notice is sent via email in non- editable attachment, it should be sent in PDF or in non-editable format with a 'link or instructions' for downloading relevant version of the software	IRP/RP	Reg 20, CIRP Regulations
93	Proof of sending notice	RP shall ensure that email uses a system which produces confirmation of the total number of recipients e-mailed and a record of each	IRP/RP	Reg 20, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

		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”		
94	RP to transmit email	Once the RP transmits the email, his obligation shall be satisfied.	IRP/RP	Reg 20, CIRP Regulations
95		The notice sent by electronic link/URL shall be readable and the recipient should be able to obtain and retain copies	IRP/RP	Reg 20, CIRP Regulations
96	Failure of participant to provide/update email	If a participant, other than the CoC members, fails to provide or update email address, the non-receipt of email by such participant shall not invalidate the proceedings of the meeting.	IRP/RP	Reg 20, CIRP Regulations
97	Contents of Notice	The notice shall inform the participants of the venue, the time and date of meeting and of option available to them to participate through video conferencing or other	IRP/RP	Reg 21, CIRP Regulations

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		<p>audio and visual means, and shall also provide all the necessary information to enable participation through video conferencing or other audio and visual means.</p> <p>Notice to contain – list of matters to be discussed, matters to be voted upon, relevant documents</p>		
98	Voting	<p>Notice to state that a participant may attend & vote in the meeting wither in person or through an authorised representative</p>	IRP/RP	Reg 21, CIRP Regulations
99		<p>Notice shall provide– the process and manner for voting by electronic mean, time schedule including time period for casting votes;</p> <p>Login ID, details of facility for generating password;</p> <p>Contact details of person addressing the queries with electronic voting.</p>	IRP/RP	Reg 21, CIRP Regulations
100	Participation through VC	<p>The notice to provide option to participate</p>	IRP/RP	Reg 23, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

		through VC or AV means		
101	RP to ensure connection for VC	RP shall make necessary arrangements to ensure uninterrupted and clear video or audio and visual connection	IRP/RP	Reg 23, CIRP Regulations
102	RP to ensure adequate security and identification procedures	RP to safeguard integrity of the meeting by sufficient security & identification procedures.	IRP/RP	Reg 23, CIRP Regulations
103		RP to ensure proper VC facilities or AV equipments	IRP/RP	Reg 23, CIRP Regulations
104	Minutes of meeting	RP to record proceedings and prepare the minutes of the meeting	IRP/RP	Reg 23, CIRP Regulations
105	Maintain records	RP to store for safekeeping and marking the physical recording(s) or other electronic recording mechanism as part of the records of the corporate debtor	IRP/RP	Reg 23, CIRP Regulations
106	RP to ensure no non authorised person participates in the CoC meeting	RP to ensure only intended participants to participate in the meeting	IRP/RP	Reg 23, CIRP Regulations
107		Where a meeting is conducted through	IRP/RP	Reg 23, CIRP Regulations

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		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.		
108	Conduct of meeting	RP to act as chairperson of the meeting	IRP/RP	Reg 24, CIRP Regulations
109	Roll Call of participants	RP to take roll call of each participant	IRP/RP	Reg 24, CIRP Regulations
110	Confirm & declare names of participants	RP to confirm names of all the participants who are present and declare whether the quorum is complete	IRP/RP	Reg 24, CIRP Regulations
111	Quorum	RP shall ensure that the required quorum is present throughout the meeting	IRP/RP	Reg 24, CIRP Regulations
112	No unauthorised participation to be allowed in CoC meetings	No person other than the participants and any other person whose presence is required by the RP shall be allowed access to the place where meeting is held or to the video conferencing or other audio and visual facility, without the	IRP/RP	Reg 24, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

		permission of the resolution professional		
113	Minutes of Meeting	RP to prepare minutes of the meeting and disclose particulars of participants and their mode of attending such meeting	IRP/RP	Reg 24, CIRP Regulations
114	Minutes of Meeting	RP to circulate minutes of the meeting within 48 hrs of said meeting	IRP/RP	Reg 24, CIRP Regulations
115	Matters to be considered in CoC meetings	Actions listed in Sec 28(1) to be considered in meetings of the committee. Any other action requiring CoC approval may also be considered in meetings of the committee.	IRP/RP	Reg 25, CIRP Regulations
116	RP to take vote	RP to take vote of the members of the committee present in the meeting	IRP/RP	Reg 25, CIRP Regulations
117	Announce decision	RP to announce decision on items along with names of members of committee who voted for or against the decision, or abstained from voting	IRP/RP	Reg 25, CIRP Regulations
118	Circulation of Minutes of Meeting(MoM)	RP to circulate MoM within 48 hrs of conclusion of meeting by electronic means to members of CoC & AR	IRP/RP	Reg 25, CIRP Regulations

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119	Take voting from members who did not vote	RP to conduct voting by electronic means for members who did not vote at the meeting. Voting to be open for at least 24 hrs from circulation of MoM	IRP/RP	Reg 25, CIRP Regulations
120	AR to circulate MoM	AR to circulate MoM to creditors in a class & announce voting window at least 24 hrs before the window opens. Voting to be kept open for at least 12 hrs.	Authorised Representative (AR)	Reg 25, CIRP Regulations
121	Casting of vote by AR	AR shall cast his vote on behalf of each FC or on behalf of all FC he represents	AR	Reg 25A, CIRP Regulations
122	RP to make arrangements for Electronic Voting	RP to provide each member of CoC the means to exercise its vote by electronic means	IRP/RP	Reg, 26 CIRP Regulations
123	RP to announce results of E-voting	RP 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.	IRP/RP	Reg 26 CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

124	RP to circulate copy of E-voting record	Within 24 hrs of conclusion of E-voting, RP to circulate copy of such record to all participants	IRP/RP	Reg 26 CIRP Regulations
125	RP to appoint Registered Valuers	RP shall appoint 2 Registered Valuers within 7 days of his appointment but not later than 47 th day of CIRP Commencement Date to determine Fair Value and Liquidation Value. A relative of the resolution professional, a related party of the corporate debtor, an auditor of the corporate debtor at any time during the five years preceding the insolvency commencement date, a partner or director of the insolvency professional entity of which the resolution professional is a partner or director shall not be appointed as registered valuers.	RP	Reg 27, CIRP Regulations
126	RP to notify change in CoC to each participant & to AA	In case of transfer/assignment of debt by a creditor to any other party, the RP shall notify any	IRP/RP	Reg 28, CIRP Regulations

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		resultant change in CoC to each participant of CoC and to AA		
127	Sale of assets outside the ordinary course of business	RP with approval of the committee by a vote of sixty-six per cent of voting share of the members may sell unencumbered assets of the CD, other than in ordinary course of business if he is of the opinion that such a sale is necessary for better realisation of value.	RP	Reg 29, CIRP Regulations
128	Assistance of local district administration	IRP/RP may make an application to AA for an order seeking assistance of the local district admin in discharging his duties	IRP/RP	Reg 30, CIRP Regulations
129	Disclosure of CIRP cost	IRP/RP shall disclose item wise insolvency resolution process costs in such manner as may be required by the Board	IRP/RP	Reg 34A, CIRP Regulations
130	Disclosure of Fair & Liquidation Value	RP shall provide the fair value & liquidation value to each CoC member in electronic form after receiving undertaking for confidentiality & for not causing undue gain or	RP	Reg 35, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

		loss by using such values		
131	Maintaining confidentiality of Valuations	RP and RVs shall maintain confidentiality of valuation reports	RP	Reg 35, CIRP Regulations
132	Preferential and other transactions - opinion	RP shall within 75 days of CIRP commencement shall form an opinion whether CD has been subjected to transactions u/s 43, 45, 50 or 66.	IRP/RP (IRP if RP appointment is delayed)	Reg 35A, CIRP Regulation
133	Preferential and other transactions – determination	RP forms an opinion about such transactions, he shall, within 115 days of CIRP commencement, make a determination of such transactions	IRP/RP	Reg 35A, CIRP Regulation
134	Preferential and other transactions – apply to AA	On determination of such transactions RP shall apply to the AA for appropriate relief on or before 135 th day of commencement of CIRP	IRP/RP	Reg 35A, CIRP Regulation
135	Information Memorandum	RP within 2 weeks of his appointment but not later than 54 th day from CIRP commencement date (whichever is earlier) shall submit IM in electronic form to each member of the CoC	IRP/RP (IRP if RP appointment is delayed)	Reg 36, CIRP Regulations
136	Contents of IM	RP to ensure contents	IRP/RP	Reg 36, CIRP

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		of IM as per Reg 36(2) of CIRP Regulations		Regulations
137	Sharing information asked for by CoC member	If a member of CoC requires further information of the nature described in Reg 36(2), the RP shall provide such information to all CoC members, if such information has a bearing on resolution plan	IRP/RP	Reg 36, CIRP Regulations
138	Sharing IM with CoC members	RP shall share IM with CoC members after receiving an undertaking for confidentiality and for not causing undue gain or loss and comply with the requirements under sub-section (2) of section 29	IRP/RP	Reg 36, CIRP Regulations
139	Invitation of Expression of Interest (Eoi)	RP shall publish brief particulars of invitation of Eoi to submit Resolution Plans from interested and eligible prospective Resolution Applicants in form G within 75 days of CIRP commencement.	RP	Reg 36A, CIRP Regulations
140	Publishing of Form G	<ul style="list-style-type: none"> In one English and one regional language Newspaper with 	RP	Reg 36A, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

		<p>wide circulation at the location of registered office or principal office & in any other location where in the opinion of RP the CD conducts material business operations</p> <ul style="list-style-type: none"> • On the website, if any of the CD • On the designated website of the Board • In any other manner as may be decided by the committee 		
141	Form G	<p>Form G shall state where the detailed invitation for Expression of Interest (Eol) can be downloaded or obtained from and Form G shall state the last date of submission on Eol which shall not be less than 15 days from the date of issue of detailed invitation.</p>	RP	Reg 36A, CIRP Regulations
142	Detailed invitation	<p>RP needs to ensure that the detailed invitation shall –</p> <p>(a) specify the criteria for prospective</p>	RP	Reg 36A, CIRP Regulations

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		<p>resolution applicants, as approved by the committee in accordance with clause (h) of sub-section (2) of section 25;</p> <p>(b) state the ineligibility norms under section 29A to the extent applicable for prospective resolution applicants;</p> <p>(c) provide such basic information about the corporate debtor as may be required by a prospective resolution applicant for expression of interest; and</p> <p>(d) not require payment of any fee or any non-refundable deposit for submission of expression of interest.</p>		
143	Eol received after cut off date to be rejected	RP shall reject an Eol received after the time specified in the invitation.	RP	Reg 36A, CIRP Regulations
144	RP to conduct due diligence of Eols received	RP to conduct due diligence of Eols received based on material on record to satisfy that Prospective Resolution Applicant	RP	Reg 36A, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

		(PRA) complies with the conditions		
145	RP to seek clarification, if required from prospective resolution applicant	RP may seek any clarification or additional information or document from the prospective resolution applicant for conducting due diligence under sub-regulation (8)	RP	Reg 36A, CIRP Regulations
146	Provisional list of prospective resolution applicants	RP shall issue a provisional list of eligible prospective resolution applicants within ten days of the last date for submission of EOI to the committee and to all prospective resolution applicants who submitted the Eoi	RP	Reg 36A, CIRP Regulations
147	Final List of Prospective Resolution Applicants (PRAs)	On considering the objections received, if any, the RP shall issue the final list of prospective resolution applicants within 10 days of last date for receipt of objections, to the committee.	RP	Reg 36A, CIRP Regulations
148	Issue of IM, Request for Resolution Plan (RFRP) etc.	RP shall issue the IM, evaluation matrix and a request for resolution plans (RFRP), within five days of the date of issue of the provisional	RP	Reg 36B, CIRP Regulations

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		list to every prospective resolution applicant in the provisional list and to every prospective resolution applicant who has contested the decisions of the RP against its non-inclusion in the provisional list.		
149	RFRP to have details of entire process	The RFRP shall detail each step in the process, and the manner and purposes of interaction between the resolution professional and timelines	RP	Reg 36B, CIRP Regulations
150	30 days time for submission of plan	The RFRP shall allow prospective resolution applicants a minimum of thirty days to submit the resolution plan(s)	RP	Reg 36B, CIRP Regulations
151	No non refundable deposit for submission of plan	The RFRP shall not require any non-refundable deposit for submission of or along with resolution plan.	RP	Reg 36B, CIRP Regulations
152	Performance Security	The RFRP shall require the resolution applicant, in case its resolution plan is approved under subsection (4) of section 30, to provide a performance security	RP	Reg 36B, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

153	Extension of timeline for submission of Resolution Plan	RP may, with the approval of the committee, extend the timeline for submission of resolution plans.	RP	Reg 36B, CIRP Regulations
154	Re-issue RFRP	RP may re-issue RFRP to all the prospective resolution applicants in the final list, if the plans received are not satisfactory	RP	Reg 36B, CIRP Regulations
155	RP to verify and submit plans to CoC	RP shall submit to the committee all resolution plans which comply with the requirements of the Code and regulations made thereunder	RP	Reg 39, CIRP Regulations
156	RP to submit details of avoidance transactions to CoC	RP to submit details of avoidance transactions u/s 43, 45, 50, 66 along with AA Orders, if any	RP	Reg 39, CIRP Regulations
157	RP to submit plan to AA	RP to make efforts to submit CoC approved plan to AA 15 days prior to end of maximum allowed CIRP period.	RP	Reg 39, CIRP Regulations
158	RP to submit Form H & evidence of Performance Guarantee	RP to submit compliance certificate in Form H along with evidence of receipt of performance security	RP	Reg 39, CIRP Regulations

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159	RP to share Order of AA to participants and RA	RP to immediately share the Order of approving or rejecting a Resolution Plan to the PARTICIPANTS and the RA.	RP	Reg 39, CIRP Regulations
160	RP to intimate claimants within 15 days of approval of a Plan.	RP shall, within 15 days of Order of AA approving a Resolution Plan, intimate each claimant, the principle or formulae, for payments of debt under approved resolution plan.	RP	Reg 39, CIRP Regulations
161	IRP/RP to maintain records	IRP/RP shall preserve a physical as well as an electronic copy of the records relating to corporate insolvency resolution process of the corporate debtor as per the record retention schedule as may be communicated by the Board in consultation with Insolvency Professional Agencies	IRP/RP	Reg 39A, CIRP Regulations
162	Plan for meeting of Liquidation Cost	CoC may formulate a plan for meeting Liquidation Cost. The RP shall submit such CoC approved plan to AA while filing the approval or decision of the committee for	RP	Reg 39B, CIRP Regulations

Highlights related to Duties/ Responsibilities of IPs under IBC

		approval of Resolution Plan or for Liquidation		
163	CoC to assess sale as a going concern	<p>CoC may, while approving the resolution plan or deciding to Liquidate the CD, recommend that the Liquidator may first explore sale of the CD as a going concern.</p> <p>While so recommending CoC shall identify assets & liabilities to be sold as going concern.</p> <p>The RP to submit such recommendations to the AA while filing the approval or decision of the committee for approval of Resolution Plan or for Liquidation</p>	RP	Reg 39C, CIRP Regulations
164	Extension of CIRP Period	<p>CoC may instruct RP to make an application to the AA under sec 12 to extend the CIRP period.</p> <p>The RP shall, on receiving an instruction from the committee under this Regulation, make an application to the Adjudicating Authority for such extension.</p>	RP	Reg 40, CIRP Regulations

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165	Filing of forms by IRP/RP	IRP/RP shall file the forms along with enclosures thereto, on an electronic platform of the Board, as per the timelines stipulated against each form.	RP	Reg 40B, CIRP Regulations
166	Contribution towards Liquidation Cost	Where the CoC doesn't approve a plan for contribution towards Liquidation Cost, the Liquidator shall call upon FCs being FIs to contribute towards Liquidation cost which is in excess of Liquid Assets	Liquidator	Reg 2A, Liquidation Reg
167	Eligibility for being a Liquidator	IP shall be eligible to be appointed as a Liquidator if he, and every partner/director of IPE of which he is a partner/director, is independent of the CD.		Reg 3, Liquidation Reg
168	Liquidator to disclose relationships	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.	Liquidator	Reg 3, Liquidation Reg
169	Liquidator shall	IP shall not continue as a liquidator if the	Liquidator	Reg 3,

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	not to continue	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.		Liquidation Reg
170	Liquidator's reporting duties	Liquidator shall prepare and submit: (a) a preliminary report; (b) an asset memorandum; (c) progress report(s); (d) sale report(s); (e) minutes of consultation with stakeholders; and (f) the final report prior to dissolution to the Adjudicating Authority in the manner specified under these Regulations	Liquidator	Reg 5, Liquidation Reg
171	Liquidator to preserve records	Liquidator to preserve physical as well as electronic copy of such reports and minutes for 8 years after dissolution of CD	Liquidator	Reg 5, Liquidation Reg

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172	Sharing of Reports and Minutes to stakeholders	Liquidator shall share the minutes & reports with stakeholders on receipt of an application along with cost and confidentiality undertaking	Liquidator	Reg 5, Liquidation Reg
173	Completion of Books of Accounts	If the Books of Account are incomplete on Liquidation Commencement Date, Liquidator shall complete them and bring up to date	Liquidator	Reg 6, Liquidation Reg
174	To maintain & preserve Registers & books	Liquidator to maintain various books and registers as per this regulation and preserve it for 8 years after dissolution of CD	Liquidator	Reg 6, Liquidation Reg
175	Liquidator to maintain receipts of payments made	Liquidator shall keep receipts for all payments made or expenses incurred by him.	Liquidator	Reg 6, Liquidation Reg
176	Appointment of Professionals	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	Liquidator	Reg 7, Liquidation Reg

Highlights related to Duties/ Responsibilities of IPs under IBC

177	Consultation with stakeholders	Liquidator shall maintain the particulars of any consultation with the stakeholders made under this Regulation, as specified in Form A of Schedule II	Liquidator	Reg 8, Liquidation Reg
178	Application seeking cooperation from personnel	Liquidator may make an application to AA seeking cooperation from various persons after making reasonable efforts to obtain the information from such person and failing to obtain it	Liquidator	Reg 8, Liquidation Reg
179	Application to AA for disclaimer of onerous property	Liquidator may make an application to the Adjudicating Authority within six months from the liquidation commencement date, or such extended period as may be allowed by the Adjudicating Authority, to disclaim the property or contract.	Liquidator	Reg 10, Liquidation Reg
180	Liquidator to serve notice	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	Liquidator	Reg 10, Liquidation Reg

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181	Liquidator not to make an application	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.	Liquidator	Reg 10, Liquidation Reg
182	Public Announcement	Liquidator shall make a public announcement in Form B of Schedule II within five days from his appointment.	Liquidator	Reg 12, Liquidation Reg
183	Contents of Public Announcement	The public announcement shall- (a) call upon stakeholders to submit their claims or update their claims submitted during the corporate insolvency resolution process, as on the liquidation commencement date; and (b) provide the last date for	Liquidator	Reg 12, Liquidation Reg

Highlights related to Duties/ Responsibilities of IPs under IBC

		submission or updation of claims, which shall be thirty days from the liquidation commencement date.		
184	Publication of Public Announcement	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	Liquidator	Reg 12, Liquidation Reg
185	Preliminary Report (PR)	Liquidator shall submit a Preliminary Report to	Liquidator	Reg 13, Liquidation Reg

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		the Adjudicating Authority within seventy-five days from the liquidation commencement date		
186	Contents of Preliminary Report	The Preliminary Report shall provide the details of: Capital Structure of the corporate debtor; estimation of assets & liabilities of the CD on Liquidation Commencement Date; intention of the Liquidator to make any further enquiry into any matter relating to the promotion, formation or failure of CD or conduct of business and 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.	Liquidator	Reg 13, Liquidation Reg
187	Early dissolution	After the preparation of preliminary report if the liquidator observes that – the realizable properties of the corporate debtor are insufficient to cover the	Liquidator	Reg 14, Liquidation Reg

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		cost of the liquidation process; and the affairs of the corporate debtor do not require any further investigation he may apply to AA for early dissolution		
188	Progress Report	The Liquidator shall submit progress report within 15 days of end of each quarter. Progress report to have contents mentioned in the said regulation	Liquidator	Reg 15, Liquidation Reg
189	Presumption of relinquishment of Security Interest	Where a Secured doesn't intimate its decision about relinquishment of security interest within 30 days of Liquidation Commencement Date, the assets covered under the security interest shall be presumed to be part of the liquidation estate	Liquidator	Reg 21A, Liquidation Reg
190	Liquidator may call for additional information	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.	Liquidator	Reg 23, Liquidation Reg

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191	Determination of quantum of claim when the amount claimed is not precise	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.	Liquidator	Reg 25, Liquidation Reg
192	Liquidator to verify claims	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.	Liquidator	Reg 30, Liquidation Reg
193	List of Stakeholders	Liquidator shall prepare a list of stakeholders, category-wise, on the basis of proofs of claims submitted and accepted	Liquidator	Reg 31, Liquidation Reg
194	Contents of List of Stakeholders	Amount of debt admitted, extent of debt secured/unsecured, details of stakeholders, proofs of rejected or rejected in parts	Liquidator	Reg 31, Liquidation Reg
195	Filing list of stakeholders with	Liquidator shall file the list of stakeholders with the Adjudicating	Liquidator	Reg 31, Liquidation Reg

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	AA	Authority within forty-five days from the last date for receipt of the claims.		
196	Modification in List of Stakeholders	Liquidator may apply to the Adjudicating Authority to modify an entry in the list of stakeholders filed with the Adjudicating Authority,	Liquidator	Reg 31, Liquidation Reg
197	List of Stakeholders to be published	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	Liquidator	Reg 31, Liquidation Reg

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198	Stakeholders' Consultation Committee (SCC)	Liquidator shall constitute a consultation committee within sixty days from the liquidation commencement date, based on the list of stakeholders prepared under regulation 31	Liquidator	Reg 31A, Liquidation Reg
199	Liquidator to facilitate nomination in each class of creditors	Liquidator may facilitate the stakeholders of each class to nominate their representatives for inclusion in the consultation committee.	Liquidator	Reg 31A, Liquidation Reg
200	Liquidator to facilitate nomination in each class of creditors	If the stakeholders of any class fail to nominate their representatives, the required number of stakeholders with the highest claim amount in that class shall be included in the consultation committee	Liquidator	Reg 31A, Liquidation Reg
201	Stakeholders' Consultation Committee (SCC)	Liquidator shall convene a meeting of the consultation committee when he considers it necessary	Liquidator	Reg 31A, Liquidation Reg
202	Stakeholders' Consultation Committee (SCC)	Liquidator shall convene a SCC meeting when a	Liquidator	Reg 31A, Liquidation Reg

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		request is received from at least 51% of representatives in the SCC		
203	Liquidator to be Chairman	Liquidator shall chair the meetings of consultation committee and record deliberations of the meeting	Liquidator	Reg 31A, Liquidation Reg
204	CoC recommendation regarding Sale as a going concern	Liquidator shall place the recommendation of committee of creditors before SCC regarding sale of CD as a Going Concern	Liquidator	Reg 31A, Liquidation Reg
205	Stakeholders' Consultation Committee (SCC) advice not binding on Liquidator	The advice of the consultation committee shall not be binding on the liquidator, provided he shall record the reasons for the same in writing	Liquidator	Reg 31A, Liquidation Reg
206		Liquidator may sell assets of the CD in any of the following manner, provided security interests are relinquished on such assets (a) an asset on a standalone basis; (b) the assets in a slump sale; (c) a set of assets collectively;	Liquidator	Reg 32, Liquidation Reg

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		(d) the assets in parcels; (e) the corporate debtor as a going concern; or (f) the business(s) of the corporate debtor as a going concern:		
207	Going Concern Sale	Where CoC has recommended sale of CD as a going concern or sale of business of the CD as a going concern, Liquidator shall endeavour to first sell under the said clauses	Liquidator	Reg 32A, Liquidation Reg
208	Bundling of Assets & Liabilities	Group of Assets & Liabilities identified by the CoC under sub-regulation (2) of regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 shall be sold as a going concern	Liquidator	Reg 32A, Liquidation Reg
209	Bundling of Assets & Liabilities	Where the CoC hasn't identified such assets and liabilities under sub-regulation (2) of regulation 39C of the Insolvency and	Liquidator	Reg 32A, Liquidation Reg

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		Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Liquidator shall identify and group the assets and liabilities to be sold as a going concern, in consultation with the consultation committee		
210	Going concern sale within 90 days of LCD	If the Liquidator is unable to sell the CD or business of the CD as going concern within 90 days of Liquidation Commencement Date, he shall proceed to sell the assets of the corporate debtor under other options.	Liquidator	Reg 32A, Liquidation Reg
211	Auction Mode of sale	Liquidator shall ordinarily sell the assets of the corporate debtor through an auction	Liquidator	Reg 33, Liquidation Reg
212	Private Sale of Assets	Liquidator may sell the assets of the corporate debtor by means of private sale in the manner specified in Schedule I when- (a) the asset is perishable; (b) the asset is likely	Liquidator	Reg 33, Liquidation Reg

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		<p>to deteriorate in value significantly if not sold immediately;</p> <p>(c) the asset is sold at a price higher than the reserve price of a failed auction; or</p> <p>(d) the prior permission of the Adjudicating Authority has been obtained for such sale:</p> <p>Provided that the liquidator shall not sell the assets, without prior permission of the Adjudicating Authority, by way of private sale to-</p> <p>(a) a related party of the corporate debtor;</p> <p>(b) his related party; or</p> <p>(c) any professional appointed by him.</p>		
213	Collusion between buyer and stakeholders including CD's related parties.	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	Liquidator	Reg 33, Liquidation Reg

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		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		
214	Asset Memorandum (AM)	On forming the liquidation estate under section 36, the liquidator shall prepare an asset memorandum in accordance with this Regulation within seventy-five days from the liquidation commencement date.	Liquidator	Reg 34, Liquidation Reg
215	Asset Memorandum to be filed with AA	Liquidator shall file the asset memorandum along with the preliminary report to the Adjudicating Authority.	Liquidator	Reg 34, Liquidation Reg
216	Asset Memorandum shall not be accessible with any person	The asset memorandum shall not be accessible to any person during the course of liquidation, unless permitted by the Adjudicating Authority	Liquidator	Reg 34, Liquidation Reg
217	Valuation of Assets intended to be sold	Liquidator to use valuations done during CIRP	Liquidator	Reg 35, Liquidation Reg

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218	Appointment of new registered valuers	If the valuations were not done during CIRP or Liquidator is of the opinion that the fresh valuation is required under the circumstances, he shall appoint 2 registered valuers within 7 days of the liquidation commencement date.	Liquidator	Reg 35, Liquidation Reg
219	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	Liquidator	Reg 36, Liquidation Reg
220	Realisation of Security Interest by Secured Creditor	Where 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 realise its security asset. Liquidator should inform the Secured Creditor within 21 days, if a person is willing to buy the secured asset before the expiry of 30 days from the date of intimation at a price	Liquidator	Reg 37, Liquidation Reg

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		higher than the price intimated by the Secured Creditor		
221	Assignment of not readily realisable assets	Liquidator may assign or transfer a not readily realisable asset through a transparent process, in consultation with the stakeholders' consultation committee for a consideration to any person, who's eligible u/s 29A	Liquidator	Reg 37A, Liquidation Reg
222	Distribution of unsold assets	Liquidator may, 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	Liquidator	Reg 38, Liquidation Reg
223	Liquidator to make efforts for maximisation of value in a timebound manner	Liquidator to make efforts to recover & realise all assets of & dues to the CD in a time bound manner for maximisation of value for stakeholders	Liquidator	Reg 39, Liquidation Reg
224	Liquidator to realize uncalled capital or unpaid capital contribution	Liquidator shall realize any amount due from any contributory to the corporate debtor. Notwithstanding any charge or	Liquidator	Reg 40, Liquidation Reg

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		<p>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.</p> <p>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.</p>		
225	All monies to be deposited in a Bank account	Liquidator shall open a Bank account in the name of CD followed by the words "in Liquidation", in a scheduled bank.	Liquidator	Reg 41, Liquidation Reg

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		All monies received by the Liquidator to be deposited in the said Bank account. Liquidator may maintain a cash of one lakh rupees or as may be permitted by AA for Liquidation expenses. Not more than 5000/- to be spent in cash		
226	Distribution	Liquidator shall file list of stakeholders and asset memorandum with the AA before commencement of distribution.	Liquidator	Reg 42, Liquidation Reg
227		Liquidator shall distribute funds within 90 days of receipt of funds	Liquidator	Reg 41, Liquidation Reg
228		The CIRP cost shall be deducted before such distribution	Liquidator	Reg 41, Liquidation Reg
229	Liquidation to be completed within 1 year	Liquidator shall liquidate the corporate debtor within a period of one year from the liquidation commencement date	Liquidator	Reg 44, Liquidation Reg
230	Extension with approval of AA	If the liquidator fails to liquidate the corporate debtor within one year , he shall make an application to the Adjudicating Authority	Liquidator	Reg 44, Liquidation Reg

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		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.		
231		Post Liquidation, 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.	Liquidator	Reg 45, Liquidation Reg
232		If the liquidation cost exceeds the estimate provided in preliminary report, the Liquidator shall explain the reasons.	Liquidator	Reg 45, Liquidation Reg
233	Application for Closure	Liquidator shall make an application for closure of Liquidation Process where the CD is sold as a going concern or for dissolution of CD in other cases	Liquidator	Reg 45, Liquidation Reg
234	Final Report and compliance certificate	Liquidator shall submit Final report and Compliance Certificate in Form H along with application for closure/dissolution	Liquidator	Reg 45, Liquidation Reg

Highlights related to Duties/ Responsibilities of IPs under IBC

235	Unclaimed proceeds of liquidation or undistributed assets	Liquidator shall deposit the amount of unclaimed dividends, if any, and undistributed proceeds in the Corporate Liquidation Account along with income earned thereon	Liquidator	Reg 46, Liquidation Reg
236	Liquidator to pay interest on delayed deposits	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	Liquidator	Reg 46, Liquidation Reg
237	Proof of deposit to be submitted	Liquidator shall submit to the authority with which the corporate debtor is registered and the Board, the evidence of deposit of the amount into the Corporate Liquidation Account under this regulation, and a statement in Form-I setting forth the nature of the amount deposited into the Corporate Liquidation Account, and the names and last known	Liquidator	Reg 46, Liquidation Reg

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		addresses of the stakeholders entitled to receive the unclaimed dividends or undistributed proceeds.		
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Chapter 3

Provisions with respect to Duties/ Responsibilities of IPs under various processes in IBC

**i. Compilation of Provisions with respect to Duties/
Responsibilities of IPs under various processes in
IBC**

Extracts of various provisions in the Code, Regulations are collated below for ease of reference. The compilation has covered only the Corporate Insolvency Resolution Process (CIRP) and Liquidation processes. Fast Track process has not been covered.

Under Insolvency & Bankruptcy Code, 2016

18. Duties of interim resolution professional -

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

- (a) collect all information relating to the assets, finances and operations of the corporate debtor for determining the financial position of the corporate debtor, including information relating to -
 - (i) business operations for the previous two years;
 - (ii) financial and operational payments for the previous two years;
 - (iii) list of assets and liabilities as on the initiation date; and
 - (iv) such other matters as may be specified;
- (b) receive and collate all the claims submitted by creditors to him, pursuant to the public announcement made under sections 13 and 15;
- (c) constitute a committee of creditors;
- (d) monitor the assets of the corporate debtor and manage its operations until a resolution professional is appointed by the committee of creditors;

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- (e) file information collected with the information utility, if necessary; and
- (f) take control and custody of any asset over which the corporate debtor has ownership rights as recorded in the balance sheet of the corporate debtor, or with information utility or the depository of securities or any other registry that records the ownership of assets including -
 - (i) assets over which the corporate debtor has ownership rights which may be located in a foreign country;
 - (ii) assets that may or may not be in possession of the corporate debtor;
 - (iii) tangible assets, whether movable or immovable;
 - (iv) intangible assets including intellectual property;
 - (v) securities including shares held in any subsidiary of the corporate debtor, financial instruments, insurance policies;
 - (vi) assets subject to the determination of ownership by a court or authority;
- (g) to perform such other duties as may be specified by the Board.

Explanation. –

For the purposes of this section, the term “assets” shall not include the following, namely: - (a) assets owned by a third party in possession of the corporate debtor held under trust or under contractual arrangements including bailment; (b) assets of any Indian or foreign subsidiary of the corporate debtor; and (c) such other assets as may be notified by the Central Government in consultation with any financial sector regulator.

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

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

Provided that the resolution professional shall continue to manage the operations of the corporate debtor after the expiry of the corporate insolvency resolution process period, until an order approving the resolution

Provisions w.r.t Duties/Responsibilities of IPs under various processes in IBC

plan under sub-section (1) of section 31 or appointing a liquidator under section 34 is passed by the Adjudicating Authority.

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

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

24. Meeting of committee of creditors. –

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

- (a) members of committee of creditors, including the authorised representatives referred to in sub-sections (6) and (6A) of section 21 and sub-section (5);
- (b) members of the suspended Board of Directors or the partners of the corporate persons, as the case may be;
- (c) operational creditors or their representatives if the amount of their aggregate dues is not less than ten per cent. of the debt.

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

25. Duties of resolution professional. -

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

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

- (a) take immediate custody and control of all the assets of the corporate debtor, including the business records of the corporate debtor;
- (b) represent and act on behalf of the corporate debtor with third parties, exercise rights for the benefit of the corporate debtor in judicial, quasi-judicial or arbitration proceedings;
- (c) raise interim finances subject to the approval of the committee of creditors under section 28;

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- (d) appoint accountants, legal or other professionals in the manner as specified by Board;
- (e) maintain an updated list of claims;
- (f) convene and attend all meetings of the committee of creditors;
- (g) prepare the information memorandum in accordance with section 29;
- (h) invite prospective resolution applicants, who fulfil such criteria as may be laid down by him with the approval of committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plan or plans.
- (i) present all resolution plans at the meetings of the committee of creditors;
- (j) file application for avoidance of transactions in accordance with Chapter III, if any; and
- (k) such other actions as may be specified by the Board.

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

- (1) Notwithstanding anything contained in any other law for the time being in force, the resolution professional, during the corporate insolvency resolution process, shall not take any of the following actions without the prior approval of the committee of creditors namely: -
- (a) raise any interim finance in excess of the amount as may be decided by the committee of creditors in their meeting;
 - (b) create any security interest over the assets of the corporate debtor;
 - (c) change the capital structure of the corporate debtor, including by way of issuance of additional securities, creating a new class of securities or buying back or redemption of issued securities in case the corporate debtor is a company;
 - (d) record any change in the ownership interest of the corporate debtor;
 - (e) give instructions to financial institutions maintaining accounts of the corporate debtor for a debit transaction from any such accounts in excess of the amount as may be decided by the committee of creditors in their meeting;

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- (f) undertake any related party transaction;
 - (g) amend any constitutional documents of the corporate debtor;
 - (h) delegate its authority to any other person;
 - (i) dispose of or permit the disposal of shares of any shareholder of the corporate debtor or their nominees to third parties;
 - (j) make any change in the management of the corporate debtor or its subsidiary;
 - (k) transfer rights or financial debts or operational debts under material contracts otherwise than in the ordinary course of business;
 - (l) make changes in the appointment or terms of contract of such personnel as specified by the committee of creditors; or
 - (m) make changes in the appointment or terms of contract of statutory auditors or internal auditors of the corporate debtor.
- (2) The resolution professional shall convene a meeting of the committee of creditors and seek the vote of the creditors prior to taking any of the actions under sub-section (1).
- (3) No action under sub-section (1) shall be approved by the committee of creditors unless approved by a vote of sixty-six per cent. of the voting shares.
- (4) Where any action under sub-section (1) is taken by the resolution professional without seeking the approval of the committee of creditors in the manner as required in this section, such action shall be void.
- (5) The committee of creditors may report the actions of the resolution professional under sub-section (4) to the Board for taking necessary actions against him under this Code.

29. Preparation of information memorandum. -

- (1) The resolution professional shall prepare an information memorandum in such form and manner containing such relevant information as may be specified by the Board for formulating a resolution plan.
- (2) The resolution professional shall provide to the resolution applicant access to all relevant information in physical and electronic form,

30. Submission of resolution plan -

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

- (a) provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the payment of other debts of the corporate debtor;
- (b) provides for the payment of debts of operational creditors in such manner as may be specified by the Board which shall not be less than-
 - (i) the amount to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or
 - (ii) the amount that would have been paid to such creditors, if the amount to be distributed under the resolution plan had been distributed in accordance with the order of priority in sub-section (1) of section 53, whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified by the Board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor.

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

(6) The resolution professional shall submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority.

31. Approval of resolution plan. –

(3) After the order of approval under sub-section (1), - (b) the resolution professional shall forward all records relating to the conduct of the corporate insolvency resolution process and the resolution plan to the Board to be recorded on its database.

33. Initiation of liquidation

(2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan,

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intimates the Adjudicating Authority of the decision of the committee of creditors [approved by not less than sixty-six per cent. of the voting share] to liquidate the corporate debtor, the Adjudicating Authority shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).

35. Powers and duties of liquidator. –

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

- (a) to verify claims of all the creditors;
- (b) to take into his custody or control all the assets, property, effects and actionable claims of the corporate debtor;
- (c) to evaluate the assets and property of the corporate debtor in the manner as may be specified by the Board and prepare a report;
- (d) to take such measures to protect and preserve the assets and properties of the corporate debtor as he considers necessary;
- (e) to carry on the business of the corporate debtor for its beneficial liquidation as he considers necessary;
- (f) subject to section 52, to sell the immovable and movable property and actionable claims of the corporate debtor in liquidation by public auction or private contract, with power to transfer such property to any person or body corporate, or to sell the same in parcels in such manner as may be specified:

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

- (g) to draw, accept, make and endorse any negotiable instruments including bill of exchange, hundi or promissory note in the name and on behalf of the corporate debtor, with the same effect with respect to the liability as if such instruments were drawn, accepted, made or endorsed by or on behalf of the corporate debtor in the ordinary course of its business;
- (h) to take out, in his official name, letter of administration to any deceased contributory and to do in his official name any other act necessary for obtaining payment of any money due and payable from

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a contributory or his estate which cannot be ordinarily done in the name of the corporate debtor, and in all such cases, the money due and payable shall, for the purpose of enabling the liquidator to take out the letter of administration or recover the money, be deemed to be due to the liquidator himself;

- (i) to obtain any professional assistance from any person or appoint any professional, in discharge of his duties, obligations and responsibilities;
- (j) to invite and settle claims of creditors and claimants and distribute proceeds in accordance with the provisions of this Code;
- (k) to institute or defend any suit, prosecution or other legal proceedings, civil or criminal, in the name of on behalf of the corporate debtor;
- (l) to investigate the financial affairs of the corporate debtor to determine undervalued or preferential transactions;
- (m) to take all such actions, steps, or to sign, execute and verify any paper, deed, receipt document, application, petition, affidavit, bond or instrument and for such purpose to use the common seal, if any, as may be necessary for liquidation, distribution of assets and in discharge of his duties and obligations and functions as liquidator;
- (n) to apply to the Adjudicating Authority for such orders or directions as may be necessary for the liquidation of the corporate debtor and to report the progress of the liquidation process in a manner as may be specified by the Board; and
- (o) to perform such other functions as may be specified by the Board.

36. Liquidation estate

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

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

37. Powers of liquidator to access information.

(1) Notwithstanding anything contained in any other law for the time being in force, the liquidator shall have the power to access any information

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systems for the purpose of admission and proof of claims and identification of the liquidation estate assets.

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

38. Consolidation of claims. –

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

39. Verification of claims –

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

40. Admission or rejection of claims. -

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

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

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

41. Determination of valuation of claims. -

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

43. Preferential transactions and relevant time.

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

45. Avoidance of undervalued transactions.

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

50. Extortionate credit transactions.

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

54. Dissolution of corporate debtor. –

(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for the dissolution of such corporate debtor.

66. Fraudulent trading or wrongful trading.

If during the corporate insolvency resolution process or a liquidation process, it is found that any business of the corporate debtor has been carried on with intent to defraud creditors of the corporate debtor or for any fraudulent purpose, the Adjudicating Authority may on the application of the resolution professional pass an order that any persons who were knowingly parties to the carrying on of the business in such manner shall be liable to make such contributions to the assets of the corporate debtor as it may deem fit.

CIRP Regulations

3. Eligibility for resolution professional

(1) An insolvency professional shall be eligible to be appointed as a resolution professional for a corporate insolvency resolution process of a corporate debtor if he, and all partners and directors of the insolvency professional entity of which he is a partner or director, are independent of the corporate debtor.

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(2) A resolution professional shall make disclosures at the time of his appointment and thereafter in accordance with the Code of Conduct.

(3) A resolution professional, who is a director or a partner of an insolvency professional entity, shall not continue as a resolution professional in a corporate insolvency resolution process if the insolvency professional entity or any other partner or director of such insolvency professional entity represents any of the other stakeholders in the same corporate insolvency resolution process.

4. Access to books.

(1) Without prejudice to section 17(2)(d), the interim resolution professional may access the books of account, records and other relevant documents and information, to the extent relevant for discharging his duties under the Code

4A. Choice of authorised representative

(1) On an examination of books of account and other relevant records of the corporate debtor, the interim resolution professional shall ascertain class(s) of creditors, if any.

(2) For representation of creditors in a class ascertained under sub-regulation (1) in the committee, the interim resolution professional shall identify three insolvency professionals who are - ...

(3) The interim resolution professional shall obtain the consent of each insolvency professional identified under sub-regulation (2) to act as the authorised representative of creditors in the class in Form AB of the Schedule.

6. Public announcement

(1) An insolvency professional shall make a public announcement immediately on his appointment as an interim resolution professional.

10. Substantiation of claims.

The interim resolution professional or the resolution professional, as the case may be, may call for such other evidence or clarification as he deems fit from a creditor for substantiating the whole or part of its claim.

13. Verification of claims.

(1) The interim resolution professional or the resolution professional, as the case may be, shall verify every claim, as on the insolvency

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commencement date, within seven days from the last date of the receipt of the claims, and thereupon maintain a list of creditors containing names of creditors along with the amount claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims, and update it.

- (2) The list of creditors shall be –
 - (a) available for inspection by the persons who submitted proofs of claim;
 - (b) available for inspection by members, partners, directors and guarantors of the corporate debtor;
 - (c) displayed on the website, if any, of the corporate debtor;
 - (ca) filed on the electronic platform of the Board for dissemination on its website:

Provided that this clause shall apply to every corporate insolvency resolution process ongoing and commencing on or after the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Fifth Amendment) Regulations, 2020;

- (d) filed with the Adjudicating Authority; and
- (e) presented at the first meeting of the committee.

14. Determination of amount of claim.

(1) Where the amount claimed by a creditor is not precise due to any contingency or other reason, the interim resolution professional or the resolution professional, as the case may be, shall make the best estimate of the amount of the claim based on the information available with him.

(2) The interim resolution professional or the resolution professional, as the case may be, shall revise the amounts of claims admitted, including the estimates of claims made under sub-regulation (1), as soon as may be practicable, when he comes across additional information warranting such revision.

16A. Authorised representative.

(1) The interim resolution professional shall select the insolvency professional, who is the choice of the highest number of financial creditors in

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the class in Form CA received under sub-regulation (1) of regulation 12, to act as the authorised representative of the creditors of the respective class:

(2) The interim resolution professional shall apply to the Adjudicating Authority for appointment of the authorised representatives selected under sub-regulation (1) within two days of the verification of claims received under sub-regulation (1) of regulation 12.

(4) The interim resolution professional shall provide the list of creditors in each class to the respective authorised representative appointed by the Adjudicating Authority.

(5) The interim resolution professional or the resolution professional, as the case may be, shall provide an updated list of creditors in each class to the respective authorised representative.

(6) The interim resolution professional or the resolution professional, as the case may be, shall provide electronic means of communication between the authorised representative and the creditors in the class.

(9) The authorised representative shall circulate the agenda to creditors in a class, and may seek their preliminary views on any item in the agenda to enable him to effectively participate in the meeting of the committee:

Provided that creditors shall have a time window of at least twelve hours to submit their preliminary views, and the said window opens at least twenty-four hours after the authorised representative seeks preliminary views:

17. Constitution of committee.

(1) The interim resolution professional shall file a report certifying constitution of the committee to the Adjudicating Authority within two days of the verification of claims received under sub-regulation (1) of regulation 12.

(2) The interim resolution professional shall hold the first meeting of the committee within seven days of filing the report under this regulation.

(3) Where the appointment of resolution professional is delayed, the interim resolution professional shall perform the functions of the resolution professional from the fortieth day of the insolvency commencement date till a resolution professional is appointed under section 22.

18. Meetings of the committee.

A resolution professional may convene a meeting of the committee as and when he considers necessary, and shall convene a meeting if a request to that effect is made by members of the committee representing thirty three per cent of the voting rights.

19. Notice for meetings of the committee.

Subject to this Regulation, a meeting of the committee shall be called by giving not less than five days' notice in writing to every participant, at the address it has provided to the resolution professional and such notice may be sent by hand delivery, or by post but in any event, be served on every participant by electronic means in accordance with Regulation 20.

20. Service of notice by electronic means.

- (1) A notice by electronic means may be sent to the participants through e-mail as a text or as an attachment to e-mail or as a notification providing electronic link or Uniform Resource Locator for accessing such notice.
- (2) The subject line in e-mail shall state the name of the corporate debtor, the place, if any, the time and the date on which the meeting is scheduled.
- (3) If notice is sent in the form of a non-editable attachment to an e-mail, such attachment shall be in the Portable Document Format or in a non-editable format together with a 'link or instructions' for recipient for downloading relevant version of the software.
- (4) When notice or notifications of availability of notice are sent by an e-mail, the resolution professional shall ensure that it uses a system which produces confirmation of the total number of recipients e-mailed and a record of each recipient to whom the notice has been sent and copy of such record and any notices of any failed transmissions and subsequent re-sending shall be retained as "proof of sending".
- (5) The obligation of the resolution professional shall be satisfied when he transmits the e-mail and he shall not be held responsible for a failure in transmission beyond its control.
- (6) The notice made available on the electronic link or Uniform Resource Locator shall be readable, and the recipient should be able to obtain and retain copies and the resolution professional shall give the complete Uniform

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Resource Locator or address of the website and full details of how to access the document or information.

(7) If a participant, other than a member of the committee, fails to provide or update the relevant e-mail address to the resolution professional, the non-receipt of such notice by such participant of any meeting shall not invalidate the decisions taken at such meeting.

21. Contents of the notice for meeting.

(1) The notice shall inform the participants of the venue, the time and date of the meeting and of the option available to them to participate through video conferencing or other audio and visual means, and shall also provide all the necessary information to enable participation through video conferencing or other audio and visual means.

(2) The notice of the meeting shall provide that a participant may attend and vote in the meeting either in person or through an authorised representative:

Provided that such participant shall inform the resolution professional, in advance of the meeting, of the identity of the authorised representative who will attend and vote at the meeting on its behalf.

(3) The notice of the meeting shall contain the following-

- (i) a list of the matters to be discussed at the meeting;
- (ii) a list of the issues to be voted upon at the meeting; and
- (iii) copies of all documents relevant to the matters to be discussed and the issues to be voted upon at the meeting.

(4) The notice of the meeting shall-

- (a) state the process and manner for voting by electronic means and the time schedule, including the time period during which the votes may be cast;
- (b) provide the login ID and the details of a facility for generating password and for keeping security and casting of vote in a secure manner; and
- (c) provide contact details of the person who will address the queries connected with the electronic voting.

23. Participation through video conferencing.

- (1) The notice convening the meetings of the committee shall provide the participants an option to attend the meeting through video conferencing or other audio and visual means in accordance with this Regulation.
- (2) The resolution professional shall make necessary arrangements to ensure uninterrupted and clear video or audio and visual connection.
- (3) The resolution professional shall take due and reasonable care-
 - (a) to safeguard the integrity of the meeting by ensuring sufficient security and identification procedures;
 - (b) to ensure availability of proper video conferencing or other audio and visual equipment or facilities for providing transmission of the communications for effective participation of the participants at the meeting;
 - (c) to record proceedings and prepare the minutes of the meeting;
 - (d) to store for safekeeping and marking the physical recording(s) or other electronic recording mechanism as part of the records of the corporate debtor;
 - (e) to ensure that no person other than the intended participants attends or has access to the proceedings of the meeting through video conferencing or other audio and visual means; and
 - (f) to ensure that participants attending the meeting through audio and visual means are able to hear and see, if applicable, the other participants clearly during the course of the meeting:

Provided that the persons, who are differently abled, may make request to the resolution professional to allow a person to accompany him at the meeting.

24. Conduct of meeting.

- (1) The resolution professional shall act as the chairperson of the meeting of the committee.
- (2) At the commencement of a meeting, the resolution professional shall take a roll call when every participant attending through video conferencing or other audio and visual means shall state, for the record, the following, -

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- (a) his name;
 - (b) whether he is attending in the capacity of a member of the committee or any other participant;
 - (c) whether he is representing a member or group of members;
 - (d) the location from where he is participating;
 - (e) that he has received the agenda and all the relevant material for the meeting; and
 - (f) that no one other than him is attending or has access to the proceedings of the meeting at the location of that person.
- (3) After the roll call, the resolution professional shall inform the participants of the names of all persons who are present for the meeting and confirm if the required quorum is complete.
- (4) The resolution professional shall ensure that the required quorum is present throughout the meeting.
- (5) From the commencement of the meeting till its conclusion, no person other than the participants and any other person whose presence is required by the resolution professional shall be allowed access to the place where meeting is held or to the video conferencing or other audio and visual facility, without the permission of the resolution professional.
- (6) The resolution professional shall ensure that minutes are made in relation to each meeting of the committee and such minutes shall disclose the particulars of the participants who attended the meeting in person, through video conferencing, or other audio and visual means.
- (7) The resolution professional shall circulate the minutes of the meeting to all participants by electronic means within forty eight hours of the said meeting.

25. Voting by the committee.

- (1) The actions listed in section 28(1) shall be considered in meetings of the committee.
- (2) Any action other than those listed in section 28(1) requiring approval of the committee may be considered in meetings of the committee.
- (3) The resolution professional shall take a vote of the members of the

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committee present in the meeting, on any item listed for voting after discussion on the same.

(4) At the conclusion of a vote at the meeting, the resolution professional shall announce the decision taken on items along with the names of the members of the committee who voted for or against the decision, or abstained from voting.

(5) The resolution professional shall-

(a) circulate the minutes of the meeting by electronic means to all members of the committee and the authorised representative, if any, within forty-eight hours of the conclusion of the meeting; and

(b) seek a vote of the members who did not vote at the meeting on the matters listed for voting, by electronic voting system in accordance with regulation 26 where the voting shall be kept open for at least twenty-four hours from the circulation of the minutes.

(6) The authorised representative shall circulate the minutes of the meeting received under sub-regulation (5) to creditors in a class and announce the voting window at least twenty-our hours before the window opens for voting instructions and keep the voting window open for at least twelve hours.

25A. Voting by Authorised Representative.

The authorised representative shall cast his vote in respect of each financial creditor or on behalf of all financial creditors he represents in accordance with the provisions of subsection (3) or sub-section (3A) of section 25A, as the case may be.

26. Voting through electronic means.

(1) The resolution professional shall provide each member of the committee the means to exercise its vote by either electronic means or through electronic voting system in accordance with the provisions of this Regulation.

(4) At the conclusion of a vote held under this Regulation, the resolution professional shall announce and make a written record of the summary of the decision taken on a relevant agenda item along with the names of the members of the committee who voted for or against the decision, or abstained from voting.

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(5) The resolution professional shall circulate a copy of the record made under sub-regulation (4) to all participants by electronic means within twenty four hours of the conclusion of the voting.

27. Appointment of registered valuers.

The resolution professional shall within seven days of his appointment, but not later than forty-seventh day from the insolvency commencement date, appoint two registered valuers to determine the fair value and the liquidation value of the corporate debtor in accordance with regulation 35:

Provided that the following persons shall not be appointed as registered valuers, namely:

- (a) a relative of the resolution professional;
- (b) a related party of the corporate debtor;
- (c) an auditor of the corporate debtor at any time during the five years preceding the insolvency commencement date; or
- (d) a partner or director of the insolvency professional entity of which the resolution professional is a partner or director.

28. Transfer of debt due to creditors.

(1) In the event a creditor assigns or transfers the debt due to such creditor to any other person during the insolvency resolution process period, both parties shall provide the interim resolution professional or the resolution professional, as the case may be, the terms of such assignment or transfer and the identity of the assignee or transferee.

(2) The resolution professional shall notify each participant and the Adjudicating Authority of any resultant change in the committee within two days of such change.

29. Sale of assets outside the ordinary course of business

(1) The resolution professional may sell unencumbered asset(s) of the corporate debtor, other than in the ordinary course of business, if he is of the opinion that such a sale is necessary for a better realisation of value under the facts and circumstances of the case:

Provided that the book value of all assets sold during corporate insolvency resolution process period in aggregate under this sub-regulation shall not exceed ten percent of the total claims admitted by the interim resolution professional.

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(2) A sale of assets under this Regulation shall require the approval of the committee by a vote of sixty-six per cent of voting share of the members.

30. Assistance of local district administration.

The interim resolution professional or the resolution professional, as the case may be, may make an application to the Adjudicating Authority for an order seeking the assistance of the local district administration in discharging his duties under the Code or these Regulations.

34 A. Disclosure of Costs.

The interim resolution professional or the resolution professional, as the case may be, shall disclose item wise insolvency resolution process costs in such manner as may be required by the Board.

35. Fair value and Liquidation value

(2) After the receipt of resolution plans in accordance with the Code and these regulations, the resolution professional shall provide the fair value and the liquidation value to every member of the committee in electronic form, on receiving an undertaking from the member to the effect that such member shall maintain confidentiality of the fair value and the liquidation value and shall not use such values to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29:

(3) The resolution professional and registered valuers shall maintain confidentiality of the fair value and the liquidation value.”.

35A. Preferential and other transactions.

(1) On or before the seventy-fifth day of the insolvency commencement date, the resolution professional shall form an opinion whether the corporate debtor has been subjected to any transaction covered under sections 43, 45, 50 or 66.

(2) Where the resolution professional is of the opinion that the corporate debtor has been subjected to any transactions covered under sections 43, 45, 50 or 66, he shall make a determination on or before the one hundred and fifteenth day of the insolvency commencement date, 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

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relief on or before the one hundred and thirty-fifth day of the insolvency commencement date.

36. Information memorandum.

(1) Subject to sub-regulation (4), the resolution professional shall submit the information memorandum in electronic form to each member of the committee within two weeks of his appointment, but not later than fifty-fourth day from the insolvency commencement date, whichever is earlier.

(2) The information memorandum shall contain the following details of the corporate debtor-

(a) assets and liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values.

Explanation: 'Description' includes the details such as date of acquisition, cost of acquisition, remaining useful life, identification number, depreciation charged, book value, 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 made up to a date not earlier than fourteen days from the date of the application;

(d) a list of creditors containing the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims;

(e) particulars of a debt due from or to the corporate debtor with respect to related parties;

(f) details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party;

(g) the names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake;

(h) details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities;

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- (i) the number of workers and employees and liabilities of the corporate debtor towards them;
- (j) [***]
- (k) [***]
- (l) other information, which the resolution professional deems relevant to the committee.

(3) A member of the committee may request the resolution professional for further information of the nature described in this Regulation and the resolution professional shall provide such information to all members within reasonable time if such information has a bearing on the resolution plan.

(4) The resolution professional shall share the information memorandum 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 and comply with the requirements under sub-section (2) of section 29.

36A. Invitation for expression of interest.

The resolution professional shall publish brief particulars of the invitation for expression of interest in Form G of the Schedule at the earliest, not later than seventy-fifth day from the insolvency commencement date, from interested and eligible prospective resolution applicants to submit resolution plans.

- (2) The resolution professional shall publish Form G-
 - (i) in one English and one regional language newspaper with wide circulation at the location of the registered office and principal office, if any, of the corporate debtor and any other location where in the opinion of the resolution professional, the corporate debtor conducts material business operations;
 - (ii) on the website, if any, of the corporate debtor;
 - (iii) on the website, if any, designated by the Board for the purpose; and
 - (iv) in any other manner as may be decided by the committee.
- (3) The Form G in the Schedule shall -
 - (a) state where the detailed invitation for expression of interest can be downloaded or obtained from, as the case may be; and

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- (b) provide the last date for submission of expression of interest which shall not be less than fifteen days from the date of issue of detailed invitation.
- (4) The detailed invitation referred to in sub-regulation (3) shall-
 - (a) specify the criteria for prospective resolution applicants, as approved by the committee in accordance with clause (h) of sub-section (2) of section 25;
 - (b) state the ineligibility norms under section 29A to the extent applicable for prospective resolution applicants;
 - (c) provide such basic information about the corporate debtor as may be required by a prospective resolution applicant for expression of interest; and
 - (d) not require payment of any fee or any non-refundable deposit for submission of expression of interest.
- (5) A prospective resolution applicant, who meet the requirements of the invitation for expression of interest, may submit expression of interest within the time specified in the invitation under clause (b) of sub-regulation (3).
- (6) The expression of interest received after the time specified in the invitation under clause (b) of sub-regulation (3) shall be rejected.
- (7) An expression of interest shall be unconditional and be accompanied by-
 - (a) an undertaking by the prospective resolution applicant that it meets the criteria specified by the committee under clause (h) of sub-section (2) of section 25;
 - (b) relevant records in evidence of meeting the criteria under clause (a);
 - (c) an undertaking by the prospective resolution applicant that it does not suffer from any ineligibility under section 29A to the extent applicable;
 - (d) relevant information and records to enable an assessment of ineligibility under clause (c);
 - (e) an undertaking by the prospective resolution applicant that it shall intimate the resolution professional forthwith if it becomes ineligible at any time during the corporate insolvency resolution process;

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- (f) an undertaking by the prospective resolution applicant that every information and records provided in expression of interest is true and correct and discovery of any false information or record at any time will render the applicant ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code; and
 - (g) an undertaking by the prospective resolution applicant to the effect that it shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29.
- (8) The resolution professional shall conduct due diligence based on the material on record in order to satisfy that the prospective resolution applicant complies with-
- (a) the provisions of clause (h) of sub-section (2) of section 25;
 - (b) the applicable provisions of section 29A, and
 - (c) other requirements, as specified in the invitation for expression of interest.
- (9) The resolution professional may seek any clarification or additional information or document from the prospective resolution applicant for conducting due diligence under sub regulation (8).
- (10) The resolution professional shall issue a provisional list of eligible prospective resolution applicants within ten days of the last date for submission of expression of interest to the committee and to all prospective resolution applicants who submitted the expression of interest.
- (11) Any objection to inclusion or exclusion of a prospective resolution applicant in the provisional list referred to in sub-regulation (10) may be made with supporting documents within five days from the date of issue of the provisional list.
- (12) On considering the objections received under sub-regulation (11), the resolution professional shall issue the final list of prospective resolution applicants within ten days of the last date for receipt of objections, to the committee.

36B. Request for resolution plans.

- (1) The resolution professional shall issue the information memorandum,

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evaluation matrix and a request for resolution plans, within five days of the date of issue of the provisional list under sub-regulation (10) of regulation 36A to -

- (a) every prospective resolution applicant in the provisional list; and
 - (b) every prospective resolution applicant who has contested the decision of the resolution professional against its non-inclusion in the provisional list.
- (2) The request for resolution plans shall detail each step in the process, and the manner and purposes of interaction between the resolution professional and the prospective resolution applicant, along with corresponding timelines.
- (3) The request for resolution plans shall allow prospective resolution applicants a minimum of thirty days to submit the resolution plan(s).
- (4) The request for resolution plans shall not require any non-refundable deposit for submission of or along with resolution plan.
- (4A) The request for resolution plans shall require the resolution applicant, in case its resolution plan is approved under sub-section (4) of section 30, to provide a performance security within the time specified therein and such performance security shall stand forfeited if the resolution applicant of such plan, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.

Explanation I. – For the purposes of this sub-regulation, “performance security” shall mean security of such nature, value, duration and source, as may be specified in the request for resolution plans with the approval of the committee, having regard to the nature of resolution plan and business of the corporate debtor.

Explanation II. – A performance security may be specified in absolute terms such as guarantee from a bank for Rs. X for Y years or in relation to one or more variables such as the term of the resolution plan, amount payable to creditors under the resolution plan, etc.

- (5) Any modification in the request for resolution plan or the evaluation matrix issued under sub-regulation (1), shall be deemed to be a fresh issue and shall be subject to timeline under sub-regulation (3).

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(6) The resolution professional may, with the approval of the committee, extend the timeline for submission of resolution plans.

(7) The resolution professional may, with the approval of the committee, re-issue request for resolution plans, if the resolution plans received in response to an earlier request are not satisfactory, subject to the condition that the request is made to all prospective resolution applicants in the final list:

Provided that provisions of sub-regulation (3) shall not apply for submission of resolution plans under this sub-regulation.

39. Approval of resolution plan.

(2) [The resolution professional shall submit to the committee all resolution plans which comply with the requirements of the Code and regulations made thereunder along with the details of following transactions, if any, observed, found or determined by him: -

- (a) preferential transactions under section 43;
- (b) undervalued transactions under section 45;
- (c) extortionate credit transactions under section 50; and
- (d) fraudulent transactions under section 66,

and the orders, if any, of the adjudicating authority in respect of such transactions.

(4) The resolution professional shall endeavour to submit the resolution plan approved by the committee to the Adjudicating Authority at least fifteen days before the maximum period for completion of corporate insolvency resolution process under section 12, along with a compliance certificate in Form H of the Schedule and the evidence of receipt of performance security required under sub-regulation (4A) of regulation 36B.

(5) The resolution professional shall forthwith send a copy of the order of the Adjudicating Authority approving or rejecting a resolution plan to the participants and the resolution applicant.

(5A) The resolution professional shall, within fifteen days of the order of the Adjudicating Authority approving a resolution plan, intimate each claimant, the principle or formulae, as the case may be, for payment of debts under such resolution plan.

39A. Preservation of records.

The interim resolution professional or the resolution professional, as the case may be, shall preserve a physical as well as an electronic copy of the records relating to corporate insolvency resolution process of the corporate debtor as per the record retention schedule as may be communicated by the Board in consultation with Insolvency Professional Agencies.

39B. Meeting liquidation cost.

(1) While approving a resolution plan under sub-section (4) of section 30 or deciding to liquidate the corporate debtor under sub-section (2) of section 33, the committee may make a best estimate of the amount required to meet liquidation costs, in consultation with the resolution professional, in the event an order for liquidation is passed under section 33.

(2) The committee shall make a best estimate of the value of the liquid assets available to meet the liquidation costs, as estimated in sub-regulation (1).

(3) Where the estimated value of the liquid assets under sub-regulation (2) is less than the estimated liquidation costs under sub-regulation (1), the committee shall approve a plan providing for contribution for meeting the difference between the two.

(4) The resolution professional shall submit the plan approved under sub-regulation (3) to the Adjudicating Authority while filing the approval or decision of the committee under section 30 or 33, as the case may be.

Explanation.- For the purposes of this regulation, 'liquidation costs' shall have the same meaning as assigned to it in clause (ea) of sub-regulation (1) of regulation (2) of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

39C. Assessment of sale as a going concern.

(1) While approving a resolution plan under section 30 or deciding to liquidate the corporate debtor under section 33, the committee may recommend that the liquidator may first explore sale of the corporate debtor as a going concern under clause (e) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 or sale of the business of the corporate debtor as a going concern under clause (f) thereof, if an order for liquidation is passed under section 33.

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(2) Where the committee recommends sale as a going concern, it shall identify and group the assets and liabilities, which according to its commercial considerations, ought to be sold as a going concern under clause (e) or clause (f) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.

(3) The resolution professional shall submit the recommendation of the committee under sub regulations (1) and (2) to the Adjudicating Authority while filing the approval or decision of the committee under section 30 or 33, as the case may be.”

40. Extension of the corporate insolvency resolution process period.

(1) The committee may instruct the resolution professional to make an application to the Adjudicating Authority under section 12 to extend the insolvency resolution process period.

(2) The resolution professional shall, on receiving an instruction from the committee under this Regulation, make an application to the Adjudicating Authority for such extension.

40B Filing of Forms.

(1) The insolvency professional, interim resolution professional or resolution professional, as the case may be, shall file the Forms, along with the enclosures thereto, on an electronic platform of the Board, as per the timelines stipulated against each Form.

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2A. Contributions to liquidation costs.

(1) Where the committee of creditors did not approve a plan under sub-regulations (3) of regulation 39B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidator shall call upon the financial creditors, being financial institutions, to contribute the excess of the liquidation costs over the liquid assets of the corporate debtor, as estimated by him, in proportion to the financial debts owed to them by the corporate debtor.

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.

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(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.

5. Reporting.

(1) The liquidator shall prepare and submit:

- (a) a preliminary report;
- (b) an asset memorandum;
- (c) progress report(s);
- (d) sale report(s);
- (e) minutes of consultation with stakeholders; and
- (f) the final report prior to dissolution

to the Adjudicating Authority in the manner specified under these Regulations.

(2) The liquidator shall preserve a physical as well as an electronic copy of the reports and minutes referred to in sub-regulation (1) for eight years after the dissolution of the corporate debtor.

(3) Subject to other provisions of these Regulations, the liquidator shall make the reports and minutes referred to sub-regulation (1) available to a stakeholder in either electronic or physical form, on receipt of

- (a) an application in writing;
- (b) costs of making such reports and minutes available to it; and
- (c) an undertaking from the stakeholder that it shall maintain confidentiality of such reports and minutes and shall not use these to cause an undue gain or undue loss to itself or any other person.

6. Registers and books of account.

(1) Where the books of account of the corporate debtor are incomplete on the liquidation commencement date, the liquidator shall have them completed

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

7. Appointment of professionals.

- (2) The liquidator shall not appoint a professional under sub-regulation (1)

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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.

8. Consultation with stakeholders.

(2) The liquidator shall maintain the particulars of any consultation with the stakeholders made under this Regulation, as specified in Form A of Schedule II.

9. Personnel to extend cooperation to liquidator.

(1) The liquidator may make an application to the Adjudicating Authority for a direction that a person who-

- (a) is or has been an officer, auditor, employee, promoter or partner of the corporate debtor;
- (b) was the interim resolution professional, resolution professional or the previous liquidator of the corporate debtor; or
- (c) has possession of any of the properties of the corporate debtor;

shall cooperate with him in the collection of information necessary for the conduct of the liquidation.

(2) An application may be made under this Regulation only after the liquidator has made reasonable efforts to obtain the information from such person and failed to obtain it.

10. Disclaimer of onerous property.

(1) Where any part of the property of a corporate debtor consists of-

- (a) land of any tenure, burdened with onerous covenants;
- (b) shares or stocks in companies;
- (c) any other property which is not saleable or is not readily saleable by reason of the possessor thereof being bound either to the performance of any onerous act or to the payment of any sum of money; or
- (d) unprofitable contracts;

the liquidator may, notwithstanding that he has endeavored to sell or has taken possession of the property or exercised any act of ownership in relation thereto or done anything in pursuance of the contract, make an

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application to the Adjudicating Authority within six months from the liquidation commencement date, or such extended period as may be allowed by the Adjudicating Authority, to disclaim the property or contract.

(2) The liquidator shall not make an application under sub-regulation (1) if a person interested in the property or contract inquired in writing whether he will make an application to have such property disclaimed, and he did not communicate his intention to do so within one month from receipt of such inquiry.

(3) The liquidator shall serve a notice to persons interested in the onerous property or contract at least seven days before making an application for disclaimer to the Adjudicating Authority:

Explanation: A person is interested in the onerous property or contract if he-

- (a) is entitled to the benefit or subject to the burden of the contract; or
- (b) claims an interest in a disclaimed property or is under a liability not discharged in respect of a disclaimed property.

(4) Subject to the order of the Adjudicating Authority approving such disclaimer, the disclaimer shall operate to determine, from the date of disclaimer, the rights, interest and liabilities of the corporate debtor in or in respect of the property or contract disclaimed, but shall not, except so far as is necessary for the purpose of releasing the corporate debtor and the property of the corporate from liability, affect the rights, interest or liabilities of any other person.

(5) A person affected by the disclaimer under this Regulation shall be deemed to be a creditor of the corporate debtor for the amount of the compensation or damages payable in respect of such effect, and may accordingly be payable as a debt in liquidation under section 53(1)(f).

12. Public announcement by liquidator.

(1) The liquidator shall make a public announcement in Form B of Schedule II within five days from his appointment.

(2) The public announcement shall-

- (a) call upon stakeholders to submit their claims or update their claims submitted during the corporate insolvency resolution process, as on the liquidation commencement date;

and

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- (b) provide the last date for submission or updation of claims, 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 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.

13. Preliminary report.

The liquidator shall submit a Preliminary Report to the Adjudicating Authority within seventy-five days from the liquidation commencement date, detailing-

- (a) the capital structure of the corporate debtor;
- (b) the estimates of its assets and liabilities as on the liquidation commencement date based on the books of the corporate debtor:

Provided that if the liquidator has reasons to believe, to be recorded in writing, that the books of the corporate debtor are not reliable, he shall also provide such estimates based on reliable records and data otherwise available to him;
- (c) whether, he intends to make any further inquiry in to any matter relating to the promotion, formation or failure of the corporate debtor or the conduct of the business thereof; and
- (d) the proposed plan of action for carrying out the liquidation, including the timeline within which he proposes to carry it out and the estimated liquidation costs.

14. Early dissolution.

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;

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he may apply to the Adjudicating Authority for early dissolution of the corporate debtor and for necessary directions in respect of such dissolution.

15. Progress reports.

(1) The liquidator shall submit Progress Reports to the Adjudicating Authority as under-

- (a) the first Progress Report within fifteen days after the end of the quarter in which he is appointed;
- (b) subsequent Progress Report(s) within fifteen days after the end of every quarter during which he acts as liquidator; and

Provided that if an insolvency professional ceases to act as a liquidator during the liquidation process, he shall file a Progress Report for the quarter up to the date of his so ceasing to act, within fifteen days of such cessation.

(2) A Progress Report shall provide all information relevant to liquidation for the quarter, including-

- (a) appointment, tenure of appointment and cessation of appointment of professionals;
- (b) a statement indicating progress in liquidation, including
 - (i) settlement of list of stakeholders,
 - (ii) details of any property that remain to be sold and realized,
 - (iii) distribution made to the stakeholders, and
 - (iv) distribution of unsold property made to the stakeholders;
- (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 in accordance with Chapter III of Part II of the Code; and

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- (f) changes, if any, in estimated liquidation costs.
- (3) A Progress Report shall enclose an account maintained by the liquidator showing-
- (a) his receipts and payments during the quarter; and
 - (b) the cumulative amount of his receipts and payments since the liquidation commencement date.
- (4) A Progress Report shall enclose a statement indicating any material change in expected realization of any property proposed to be sold, along with the basis for such change:

Provided that this statement shall not be accessible to any person during the course of liquidation, unless permitted by the Adjudicating Authority.

- (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.

21A. Presumption of security interest.

- (1) A secured creditor shall inform the liquidator of its decision to relinquish its security interest to the liquidation estate or realise its security interest, as the case may be, in Form C or Form D of Schedule II:

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

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.

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.

30. Verification of claims

The liquidator shall verify the claims submitted within thirty days from the last date for receipt of claims and may either admit or reject the claim, in whole or in part, as the case may be.

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 forty-five days from the last date for receipt of the claims.

(3) The liquidator may apply to the Adjudicating Authority to modify an entry in the list of stakeholders filed with the Adjudicating Authority, when he comes across additional information warranting such modification, and shall modify the entry in the manner directed by the Adjudicating Authority.

(4) The liquidator shall modify an entry in the list of stakeholders filed with the Adjudicating Authority, in the manner directed by the Adjudicating Authority while disposing off an appeal preferred under section 42.

(5) The list of stakeholders, as modified from time to time, shall be-

- (a) available for inspection by the persons who submitted proofs of claim;
- (b) available for inspection by members, partners, directors and guarantors of the corporate debtor;
- (c) displayed on the website, if any, of the corporate debtor.
- (d) filed on the electronic platform of the Board for dissemination on its website:

Provided that this clause shall apply to every liquidation process ongoing and commencing on or after the date of commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2021.

31A. Stakeholders' consultation committee.

(1) The liquidator shall constitute a consultation committee within sixty days from the liquidation commencement date, based on the list of stakeholders prepared under regulation 31, to advise him on the matters relating to sale under regulation 32.

(3) The liquidator may facilitate the stakeholders of each class to nominate their representatives for inclusion in the consultation committee.

(4) If the stakeholders of any class fail to nominate their representatives, the required number of stakeholders with the highest claim amount in that class shall be included in the consultation committee.

(6) The liquidator shall convene a meeting of the consultation committee when he considers it necessary and shall convene a meeting of the consultation committee when a request is received from at least fifty-one percent of representatives in the consultation committee.

(7) The liquidator shall chair the meetings of consultation committee and record deliberations of the meeting.

(8) The liquidator shall place the recommendation of committee of creditors made under sub regulation (1) of regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, before the consultation committee for its information.

(9) The consultation committee shall advise the liquidator, by a vote of not less than sixty-six percent of the representatives of the consultation committee, present and voting.

(10) The advice of the consultation committee shall not be binding on the liquidator:

Provided that where the liquidator takes a decision different from the advice given by the consultation committee, he shall record the reasons for the same in writing.

32. Sale of Assets, etc.

The liquidator may sell-

- (a) an asset on a standalone basis;

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- (b) the assets in a slump sale;
- (c) a set of assets collectively;
- (d) the assets in parcels;
- (e) the corporate debtor as a going concern; or
- (f) the business(s) of the corporate debtor as a going concern:

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

32A. Sale as a going concern.

(1) Where the committee of creditors has recommended sale under clause (e) or (f) of regulation 32 or where the liquidator is of the opinion that sale under clause (e) or (f) of regulation 32 shall maximise the value of the corporate debtor, he shall endeavour to first sell under the said clauses.

(2) For the purpose of sale under sub-regulation (1), the group of assets and liabilities of the corporate debtor, as identified by the committee of creditors under sub-regulation (2) of regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 shall be sold as a going concern.

(3) Where the committee of creditors has not identified the assets and liabilities under sub regulation (2) of regulation 39C of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the liquidator shall identify and group the assets and liabilities to be sold as a going concern, in consultation with the consultation committee.

(4) If the liquidator is unable to sell the corporate debtor or its business under clause (e) or (f) of regulation 32 within ninety days from the liquidation commencement date, he shall proceed to sell the assets of the corporate debtor under clauses (a) to (d) of regulation 32.

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.

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- (2) The liquidator may sell the assets of the corporate debtor by means of private sale in the manner specified in Schedule I when-
- (a) the asset is perishable;
 - (b) the asset is likely to deteriorate in value significantly if not sold immediately;
 - (c) the asset is sold at a price higher than the reserve price of a failed auction; or
 - (d) the prior permission of the Adjudicating Authority has been obtained for such sale:

Provided that the liquidator shall not sell the assets, without prior permission of the Adjudicating Authority, by way of private sale to-

- (a) a related party of the corporate debtor;
- (b) his related party; or
- (c) any professional appointed by him.

(3) The liquidator shall not proceed with the sale of an asset if he has reason to believe that there is any collusion between the buyers, or the corporate debtor's related parties and buyers, or the creditors and the buyer, and shall submit a report to the Adjudicating Authority in this regard, seeking appropriate orders against the colluding parties.

34. Asset memorandum.

- (1) On forming the liquidation estate under section 36, the liquidator shall prepare an asset memorandum in accordance with this Regulation within seventy-five days from the liquidation commencement date.
- (2) The asset memorandum shall provide the following details in respect of the assets which are intended to be realized by way of sale-
- (a) value of the asset, valued in accordance with Regulation 35;
 - (b) value of the assets or business(s) under clauses (b) to (f) of regulation 32, valued in accordance with regulation 35, if intended to be sold under those clauses;
 - (c) intended manner of sale in accordance with Regulation 32, and reasons for the same;

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- (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 preliminary report to the Adjudicating Authority.
- (5) The asset memorandum shall not be accessible to any person during the course of liquidation, unless permitted by the Adjudicating Authority.

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 liquidator is of the opinion that fresh valuation is required under the circumstances, he shall within seven days of the liquidation commencement date, appoint two registered valuers to determine the realisable value of the assets or businesses under clauses (a) to (f) of regulation 32 of the corporate debtor:

Provided that the following persons shall not be appointed as registered valuers, namely: -

- (a) a relative of the liquidator;
- (b) a related party of the corporate debtor;

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- (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.

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.

37. Realization of security interest by secured creditor

(1) A secured creditor who seeks to realize its security interest under section 52 shall intimate the liquidator of the price at which he proposes to realize its secured asset.

(2) The liquidator shall inform the secured creditor within twenty one days of receipt of the intimation under sub-regulation (1) if a person is willing to buy the secured asset before the expiry of thirty days from the date of intimation under sub-regulation (1), at a price higher than the price intimated under sub-regulation (1).

(3) Where the liquidator informs the secured creditor of a person willing to buy the secured asset under sub-regulation (2), the secured creditor shall sell the asset to such person.

37A. Assignment of not readily realisable assets

(1) A liquidator may assign or transfer a not readily realisable asset through a transparent process, in consultation with the stakeholders' consultation committee in accordance with regulation 31A, for a consideration to any person, who is eligible to submit a resolution plan for insolvency resolution of the corporate debtor.

38. Distribution of unsold assets

(1) The liquidator may, 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.

39. Recovery of monies due.

The liquidator shall endeavor to recover and realize all assets of and dues to the corporate debtor in a time-bound manner for maximization of value for the stakeholders.

40. Liquidator to realize uncalled capital or unpaid capital contribution

(1) The liquidator shall realize any amount due from any contributory to the corporate debtor.

(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.

41. All money to be paid in to bank account

(1) The liquidator shall open a bank account in the name of the corporate debtor followed by the words 'in liquidation', in a scheduled bank, for the receipt of all moneys due to the corporate debtor.

(2) The liquidator shall deposit in the bank account opened under sub-regulation (1) all moneys, including cheques and demand drafts received by him as the liquidator of the corporate debtor, and the realizations of each day shall be deposited into the bank account without any deduction not later than the next working day.

(3) The liquidator may maintain a cash of one lakh rupees or such higher amount as may be permitted by the Adjudicating Authority to meet liquidation costs.

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(4) All payments out of the account by the liquidator above five thousand rupees shall be made by cheques drawn or online banking transactions against the bank account.

42. Distribution.

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

(2) The liquidator shall distribute the proceeds from realization within ninety days from the receipt of the amount to the stakeholders.

(3) The insolvency resolution process costs, if any, and the liquidation costs shall be deducted before such distribution is made.

44. Completion of liquidation.

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

Provided that where the sale is attempted under sub-regulation (1) of regulation 32A, the liquidation process may take an additional period up to ninety days.

(2) If the liquidator fails to liquidate the corporate debtor within **one year**, he shall make an application to the Adjudicating Authority to continue such liquidation, along with a report explaining why the liquidation has not been completed and specifying the additional time that shall be required for liquidation.

45. Final report prior to dissolution.

(1) When the corporate debtor is liquidated, the liquidator shall make an account of the liquidation, showing how it has been conducted and how the corporate debtor's assets have been liquidated.

(2) If the liquidation cost exceeds the estimated liquidation cost provided in the Preliminary Report, the liquidator shall explain the reasons for the same.

(3) The liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for –

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- (a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or
- (b) for the dissolution of the corporate debtor, in cases not covered under clause (a).

46. Unclaimed proceeds of liquidation or undistributed assets

(2) A liquidator shall deposit the amount of unclaimed dividends, if any, and undistributed proceeds, if any, in a liquidation process along with any income earned thereon till the date of deposit into the Corporate Liquidation Account before he submits an application under sub regulation (3) of regulation 45.

(3) A liquidator, who holds any amount of unclaimed dividends or undistributed proceeds in a liquidation process on the date of commencement of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2020, shall deposit the same within fifteen days of the date of such commencement, along with any income earned thereon till the date of deposit.

(4) A liquidator, who fails to deposit any amount into the Corporate Liquidation Account under this regulation, shall deposit the same along with interest thereon at the rate of twelve percent per annum from the due date of deposit till the date of deposit.

(5) A liquidator shall submit to the authority with which the corporate debtor is registered and the Board, the evidence of deposit of the amount into the Corporate Liquidation Account under this regulation, and a statement in Form-I setting forth the nature of the amount deposited into the Corporate Liquidation Account, and the names and last known addresses of the stakeholders entitled to receive the unclaimed dividends or undistributed proceeds.

(6) The liquidator shall be entitled to a receipt from the Board for any amount deposited into the Corporate Liquidation Account under this regulation.

Chapter 4

Timelines to be adhered to in IBC by IPs

1. **Timelines to be adhered to in IBC by IPs in case of Corporate Insolvency Resolution Process (CIRP) is prepared based on :**
- (i) Model timeline given under Regulation 40A of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 on the assumption that the interim resolution professional is appointed on the date of commencement of the process and the time available is hundred and eighty days, and
 - (ii) As per the timelines stipulated for filling of forms as per Regulation 40B of the said CIRP Regulation.

Time Line	Action Required	Section / Rule / Regulation / Form	Explanation/ Suggestions
	Filing of Consent with IBBI	Form 2 by IP	The applicant, wherever he is required to propose or proposes to appoint an insolvency resolution professional, shall obtain a written communication in Form 2 from the insolvency professional for appointment as an interim resolution professional. Holding of Authorisation for Assignment (AFA) issued by IPA should be valid on the date of issue of Form 2
	Filing of Consent with	Form IP 1	Within three days of signing of Form-2 of the Insolvency

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	IBBI		and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 or Form-AA of the Regulations, as the case may be. Holding of Authorisation for Assignment (AFA) issued by IPA should be valid on the date of giving consent.
T = 0 day	Commencement of CIRP and Appointment of IRP	Section 16 (1)	IP should try to take all the details of Corporate Debtor so that there is no delay in adherence to the timeline. He can start gathering the information from Information Utility or ROC etc., so as to have requisite information about the overall size, operations and complexities, if any, about the corporate debtor.
T + 3 days	Public Announcement should be in Particular Format and should be uploaded with IBBI and IPA also.	Regulation 6(1)	IP should gather information about the Newspapers before-hand that are being circulated at the Location of Office of the Corporate Debtor as well as all its Work / Factory Offices well in advance. Public announcement has to be published within 3 days of appointment of IRP. Also, the same to be emailed to public.ann@ibbi.gov.in. He should also get a quote for the advertisement so that the cost to be incurred on

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			advertisement can be shared and reimbursed from the applicant.
T + 7 days	Filing of Forms with the IBBI	Form CIRP 1	Within 7 days of appointment, IRP to file form CIRP 1 with the IBBI.
T + 14 days	This is the last date for filing of claims to IRP.	Section 15 (1) (c) / Regulations 6(2)(c) and 12 (1)	IRP must mention proper details in Form A, where the claim has to be submitted. A working email ID and postal address to be clearly mentioned for receipt of hard copies and proof of claims.
T + 21 days	IRP to verify claims within 7 days of receipt of the claims.	Regulation 13 (1)	IRP should not wait for the last date to verify all the claims. He should carry on verification work, once proof of claim is received, simultaneously along with other workings.
T + 23 days	Application for appointment of Authorised Representative (AR) of the creditors to AA	Section 21(6A)(b) / Regulation 16A	IRP should keep a track if this clause is applicable or not (applicable in case of Home Buyers), and should invite application under this Regulation within 2 days of verification of claims received.
T + 23 days	Within 2 days of verification of claims IRP should prepare and file report	Regulation 17(1)	Report to include details of Claims received, approved, provisionally approved, rejected, and other relevant details regarding formation of Committee of Creditors (CoC).

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	with NCLT and also inform about constitution of committee		If any claim is under litigation and pending for decision before any court and therefore has not been admitted or rejected, the same should be mentioned separately.
	Issue of Notice to CoC	Regulation 19(1)	IRP to ensure that the notice of 1 st meeting of CoC is issued in time. Also, atleast 5 days notice should be given for 1 st CoC meeting.
T + 30 days	1 st Meeting of Committee of Creditors to be called.	Section 22(1) / Regulation 19(2)	IRP to file its report with NCLT atleast 7 days before the 1 st meeting of CoC giving details of claims received and formation of CoC.
	Filing of Forms with ROC	INC 28	IRP to file NCLT order with ROC in the prescribed format.
	Compliance with Other Authorities, Like GST returns, TDS returns, Provident Fund, ESIC etc.		IRP should take charge of all the compliance requirements and ensure to comply with the same within given time frame.
	Appointment of RP in CoC	Section 22(2)	One of the main items on agenda of 1 st meeting of CoC should be to appoint RP in the CoC. On approval of the same, IRP takes charge as RP. In case CoC vote to change

Timelines to be adhered to in IBC by IPs

			the IRP, the IRP continues till the order for change is received from Adjudicating Authority (AA).
T + 40 days	RP to be appointed.	Regulation 17(3)	<p>Within 10 days of 1st meeting of CoC, RP is to be appointed.</p> <p>In case IRP is changed than till the time order of AA is received IRP to continue and as soon as the New RP is appointed IRP to handover the charge to the RP.</p> <p>It is to be noted that IRP should keep the entire set of documents either in electronic form or physical form (Copy) which he is handing over to RP.</p>
T + 47 days	Appointment of Professionals – Valuers	Regulation 27	<p>RP has to appoint registered valuers for different classes of assets owned by the company and put before CoC to ratify.</p> <p>Here it is to be remembered that appointment of valuers is the sole responsibility of RP.</p>
	Filing of Forms with IBBI	Form CIRP 2	Form CIRP 2 has to be filled within 7 days of appointment as RP or replacement of IRP, which will include various information like receipt and verification of claims, Constitution of CoC, First meeting of CoC etc.
	Withdrawal Application	Section 12A / Regulation	Before Issue of EOI, any withdrawal application of

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	of Application Admitted	30A	admission can be submitted with CoC for approval. Coc within 7 days to dispose of the application with 90 % majority voting. RP to file the application with AA within 3 days of such approval by CoC.
T + 54 days	Submission of Information Memorandum, (IM)	Regulation 36 (1)	Within 2 weeks of appointment of RP but not later than 54 th day from insolvency commencement date whichever is earlier, RP to prepare an IM and submit it with CoC, containing details about the working of the Corporate Debtor.
	Filing of Forms with IBBI	Form CIRP 3	Within 7 days of issue of IM to CoC, RP to file form with IBBI informing various details like valuers, handing over details, any non-compliance of the Code, applications made to AA if any, etc.
T + 75 days	Opinion on Preferential and other transactions	Regulation 35A	Within 75 days of commencement of CIRP, an opinion on preferred transaction be made and placed with CoC.
T + 75 days	Form G Invitation of Expression of Interest (EOI)	Regulation 36A	Within 75 days of insolvency commencement date, RP to prepare evaluation matrix and publish Form G in atleast 2 newspapers as per rules and also host on websites of

Timelines to be adhered to in IBC by IPs

			<p>the corporate debtor.</p> <p>Form G to invite expression of interest to be submitted by prospective interested resolution applicants.</p> <p>Also, the same to be filed with IBBI by email to invite.rp@ibbi.gov.in.</p>
T + 90 days	Receipt of EOI	Regulation 36A	Within 15 days of issue of Form G, EOI to be received by RP.
	Submission of Claims as per public notice first issued.	Regulation 12 (2)	Upto 90 days of commencement of CIRP, claims to be received by RP and verify and accept or reject the same within 7 days of receipt.
T + 100 days	Provisional List to be made by RP	Regulation 36A	Within 10 days of last date for submission of EOI, RP to prepare and issue of provisional list of interest received from Resolution Applicants.
T + 105 days	Submission of Objection, if any	Regulation 36A	Within 5 days from the date of issue of Provisional List, any objection in the provisional list may be submitted to RP.
T + 105 days	Evaluation Matrix and Request for Resolution Plan (RFRP)	Regulation 36B	Within 5 days of submission of Provisional List, RP to issue Request for Resolution Plan along with Evaluation Matrix and Information Memorandum.
T + 115 days	Final List of Resolution	Regulation 36A	Within 10 days of such last date to receive any objection,

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	Applicant (RA)		RP to prepare final list of RA received.
T + 115 days	Determination of Preferred and Other Transactions	Regulation 35A	Within 115 days of commencement of CIRP, RP to determine the preferential and other transactions.
T + 135 days	Filing Application with AA for relief	Regulation 35A	Based on above, RP to file application with AA seeking appropriate relief.
T + 135 days	Receipt of Resolution Plan	Regulation 36B	30 days from the issue of request for resolution p17lan, RP to receive the resolution plan from Prospective Resolution Applicants.
T + 142 days	Filing of Forms with IBBI	CIRP 4	RP to file form CIRP 4 within 7 days of receipt of Resolution Plan. Form to include RFRP, EOI, evaluation matrix, any non-compliance with the Code, etc.
T + 165 days	Submission with Adjudicating Authority (AA)	Regulation 39(4)	RP to submit the Resolution Plan duly approved by the CoC with the AA.
T + 180 days	Approval from AA	Section 31(1)	Adjudicating Authority to approve the resolution plan which also concludes the CIRP process.
	Filing of Form with IBBI	Form CIRP 5	RP within 7 days of Approval / Rejection of resolution plan file the same with IBBI. The form to include updated

Timelines to be adhered to in IBC by IPs

			list of claims, details of RA, details of resolution plan received, details of approval or rejection by CoC, Various financial data, and other relevant requirements as per Form.
	Other Form, as and when required	Form CIRP 6	RP to file Form 6 within 7 days of occurrence of any specific event like Preferential Transactions, Undervalued Transactions, Extortionate Transactions, Interim Finance details if any, CIRP on Guarantors, any extension of CIRP Period, Any premature Closure of CIRP, request for liquidation before completion of CIRP, non-implementation of resolution plan as approved by AA, and any other relevant event observed by the RP.

2. Timelines to be adhered to in IBC by IPs in case of Liquidation Process is prepared based on :

Model timeline of liquidation process of a corporate debtor from the liquidation commencement date, assuming that the process does not include compromise or arrangement under section 230 of the Companies Act, 2013 (18 of 2013) or sale under regulation 32A

Time Line	Action Required	Section/Rule / Regulation/ Form	Explanation/ Suggestions
T = 0 day	Commencement of Liquidation (LCD) and	Section 33 and 34	Where the AA rejects the Resolution Plan, it shall pass an order for liquidation. Resolution Professional of

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	appointment of Liquidator		CIRP Process shall, subject to submission of a written consent by the resolution professional to the Adjudicatory Authority in specified form, shall act as Liquidator.
T + 5 days	Public Announcement should be in Particular Format and should be uploaded with IBBI and IPA also.	Section 33 (1) (b) (ii) / Regulation 12 (1) (2) (3) FORM B	Liquidator to make public announcement within 5 days of appointment. Liquidator to send the same to the Newspaper Agencies and get the Form B published in one English and one local language in widely circulated newspaper. The announcement shall be published on the website, if any, of the corporate debtor. Also email the same to IBBI at public.ann@ibbi.gov.in for publishing on the website of board.
T + 7 days	Appointment of Registered Valuers	Regulation 35 (2)	Liquidator to appoint 2 registered valuers for class of assets duly registered in respective asset class within 7 days of appointment. Liquidator to identify, negotiate and appoint registered valuers.
T + 7 days	Filing of Forms with the IBBI	Form CIRP 5	Within 7 days of issue of liquidation order, Liquidator should file form CIRP 5 with the IBBI. The form to include various details like – Details of Resolution Plan filed with AA,

Timelines to be adhered to in IBC by IPs

			Details of approval or rejection of resolution plan by CoC, Details of Appointment of Professionals, Details of Expenses and Fees, initiation of liquidation etc.
T + 30 days	Receipt of Claims	Section 38 (1), Regulation 17, 18 ,19, 20 and 21A	Liquidator shall receive the claims from the creditors within 30 days of LCD. This date is to be mentioned in public notice as well. A working email id and address to be mentioned properly for ack of claims.
T + 30 days	Intimation of decision on relinquishment of security interest	Section 38 (1), Regulation 17, 18 ,19, 20 and 21A	Within 30 days of LCD, secured creditor shall inform the liquidator of its decision to relinquish its security interest to the liquidation estate or realise its security interest.
T + 44 days	Withdrawal/ Modification of Claim	Section 38 (5)	A creditor may withdraw or vary its claim within 14 days of its submission.
T + 60 days	Verification of Claims received under Regulation 12 (2) (b)	Regulation 30	Liquidator shall verify the claims submitted within 30 days from the last date for receipt of claims. However, Liquidator should not wait for the last date to verify the claims. He shall verify the claims and may either admit or reject the claim, in whole or in part, as the case may be.
T + 60 days	Constitution of	Regulation 31A	Liquidator shall constitute the SCC within 60 days from

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	Stakeholders' Consultation Committee (SCC)		LCD, which will advise him on the matters relating to the realisation of assets.
T + 67 days	Intimation about decision of acceptance/ rejection of claim	Section 40 (2)	Liquidator within 7 days of finalization of claims communicate his decision on admission or rejection of the claims to the creditor and corporate debtor.
T + 75 days	Filing the list of Stakeholders and announcement to Public	Regulation 31 (2)	Liquidator shall file the list of stakeholders with AA within 45 days of the last date of receipt of claims and announce the same in website of Corporate Debtors and with IBBI also.
T + 75 days	Preliminary Report to Adjudicating Authority	Regulation 13	Liquidator shall submit a Preliminary Report to AA within 75 days of LCD, containing details like Capital Structure, Estimated Assets and Liabilities as on LCD, Proposed Plan of Action, etc.
T + 75 days	Filing of Asset Memorandum along with Preliminary Report to AA	Regulation 34	Liquidator shall within 75 days prepare an asset memorandum in accordance with regulations framed. Asset memorandum to contain details such as Value of Assets, Value of Business, Manner in which it intends to sale, expected amount of realization, etc.
T + 81 days	Appeal by Creditor against the decision of	Section 42	A creditor aggrieved by the decision of the liquidator accepting or rejecting the claim, may file an appeal

Timelines to be adhered to in IBC by IPs

	Liquidator		within 14 days of receipt of such decision.
T + 6 months	Disclaimer of Onerous Property	Regulation 10(1)	Where any part of the property of the corporate debtor includes any land burdened with onerous covenants, any other property like shares or stocks in any company, or any other property which is not saleable being onerous in nature, the liquidator may make an application to the AA to disclaim such property or contract.
T + 365 days	Liquidation of Corporate Debtor	Regulation 44	The Liquidator shall liquidate the corporate debtor within a period of 1 year from the date of LCD.
	Deposit the amount of unclaimed dividends and undistributed proceeds	Regulation 46	Before the order of dissolution, the liquidator shall apply to the AA for an order to pay into the Corporate Liquidation Account in the Public Accounts of India any 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

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Submission of Progress Reports by Liquidator

Time Line	Section / Rule / Regulation / FORM	Explanation/ Suggestions
Within 15 days of end of Quarter Q1	Regulation 15 and 36	Liquidator shall submit its first progress report to the AA within 15 days from the end of the quarter in which he is appointed. This period may be of less than 90 days also.
Within 15 days of end of Quarter Q2 Q3 Q4		Within 15 days of completion of every quarter thereafter the liquidator shall submit progress report during the period he acts as liquidator. Progress Report shall contain all the information as required under the regulations. Progress report for the Fourth Quarter of the Financial Year shall include the Audited Accounts of the Liquidators Receipt and Payments for the Financial Year
15 th April		Liquidator to submit Audited Accounts of the Receipt and Payment within 15 days of end of the Financial Year.
Within 15 days of Date of Cessation	Proviso to Regulation 15 (1)	In case of cessation of the Liquidator, the liquidator to submit the progress report within 15 days of such cessation date.
Within 21 Days of Date of Intimation	Regulation 37 (2)	In case a person is willing to buy the secured asset at a price higher than the intimated price, the liquidator shall inform the secured creditor within 21 days of receipt of such intimation under regulation 37(1).
Within 90 days of Date of	Regulation 42 (2)	The Liquidator shall distribute the proceeds from realization within a

Timelines to be adhered to in IBC by IPs

Realization		period of 90 days from the receipt of such amount to the stakeholders. The insolvency resolution process cost, if any, and the liquidation cost shall be paid first before such distribution is made.
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Chapter 5

Code of Conduct for IPs in IBC

Code of Conduct for Insolvency Professionals in The Insolvency and Bankruptcy Code, 2016

Code of Conduct for Insolvency Professionals is specified in the First Schedule under Regulation 7(2)(h) of Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 which brings out the important aspects-

(i) Integrity and objectivity, (ii) Independence and impartiality, (iii) Professional competence, (iv) Representation of correct facts and correcting misapprehensions, (v) Timeliness, (vi) Information Management, (vii) Confidentiality, (viii) Occupation, employability and restrictions, (ix) Remuneration and costs and (x) Gifts and hospitality.

It has been attempted here to explain the different clauses of Code of Conduct for the Insolvency Professionals for giving a broader outlook so that possible Do's and Don'ts could be indicated.

Note: This Chapter of the Handbook is designed for the purpose of creating awareness on the subject. It must not be used as a guide for taking or recommending any action or decision. The users are advised to do their own research and take their own judgement, if they intend to take any action or decision in the matters covered in this Chapter.

SN	Code of Conduct	Possible Do's and Don'ts indicated
	Integrity and objectivity	
1	An insolvency professional must maintain integrity by being honest, straightforward, and forthright in all professional relationships.	An Insolvency Professional while discharging his/her duties cast upon him/her under various provisions of IBC 2016 and Rules & Regulations made thereunder in his/her capacity as IRP/RP/AR/Liquidator/ Bankruptcy Trustee may have to appoint various Professionals to assist/support him or to comply with relevant provisions/rules/ regulations.

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		<p>It is important for IPs that while appointing any professional, he/she must ensure –</p> <ol style="list-style-type: none">1. That such appointment is made in a very transparent manner by adopting due procedure such as inviting quotations from some eligible persons, due negotiations, defining the scope in a clear manner etc.2. It does not result in any conflict of interest due to past or present professional or other relationship3. The appointment is done on arms-length basis4. The fees is commensurate with the scope of work <p>An IP shall also monitor the work of Professionals to ensure that the work is done as per the scope of work and within the timelines. It is needless to mention that IBC 2016 envisages time bound processes, hence maintaining timelines is very important.</p> <p>Apart from above, an IP while dealing with any stakeholder of the Corporate Debtor such as Financial Creditor, Operational Creditor, Other Creditor, Shareholders, Directors, Employees, Workmen etc shall be fair in his/her dealings.</p> <p>He/she must observe utmost care that in such dealings the interest of all stakeholders are protected.</p> <p>To the maximum extent possible, IP shall also maintain such documents/papers in support of the above so as to substantiate matters, if it is required in future.</p>
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2	<p>An insolvency professional must not misrepresent any facts or situations and should refrain from being involved in any action that would bring disrepute to the profession</p>	<p>During the course of discharge of his/her duties as IRP/RP/AR/Liquidator/Bankruptcy Trustee, IP is required to interact with various stakeholders, professionals, authorities, potential resolution applicants etc.</p> <p>During such interactions and dealings, IP is expected to be careful. He/she must provide factual information and situation which he believes to be correct after taking due care on the authenticity of such information/situation. IP must not provide false information or misleading information to any of the persons listed above.</p> <p>IP also should refrain himself/herself from involving in any such acts or action which would bring disrepute to the profession. The list of such actions/acts may include things such as favouritism, providing false information etc.</p>
3	<p>An insolvency professional must act with objectivity in his professional dealings by ensuring that his decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the insolvency proceedings or not.</p>	<p>IP in his/her role as IRP/RP/AR/Liquidator/Bankruptcy Trustee carries out many processes envisaged under the IBC 2016 and rules & regulations made thereunder. Such processes include conducting valuation of assets of Corporate debtor, Appointment of various professionals, calling invitations for resolution plan, conducting meetings of Committee of Creditors, recording proceedings of such meetings in the form of minutes of meetings, filling various reports at the Adjudicating Authority, taking various</p>

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		<p>decisions while in order to keep the Corporate Debtor as going concern, selling assets of the Corporate Debtor, providing information to various stakeholders etc.</p> <p>While carrying out above processes, IP must be guided by the objective of the Code and objective of that particular process. The decisions taken by IP and the dealings done by IP in various processes must be rationale, fact based, as per the provisions of Code.</p> <p>In no cases IP should be bowed down or compromise his/her position due to bias, conflict of interest, coercion or undue influence from anyone.</p>
3A	<p>An insolvency professional must disclose the details of any conflict of interests to the stakeholders, whenever he comes across such conflict of interest during an assignment.</p>	<p>It may be possible that there might be situations, wherein at the time of commencement of any assignment or during the course of conducting such assignment, IP comes to know regarding any conflict of interest he/she has in the assignment.</p> <p>IP, in such situations, immediately upon becoming aware of such conflict of interest must inform such conflict to all the stakeholders of the Corporate Debtor.</p>
4	<p>An insolvency professional appointed as an interim resolution professional, liquidator, or bankruptcy trustee should not himself acquire, directly or</p>	<p>IP in his/her various roles is expected to maintain highest level of integrity and honesty. Since, IP is the one who is carrying on various processes including sale of assets, he/she is aware of many insider things which others are not.</p> <p>Hence, in order to maintain utmost</p>

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	indirectly, any of the assets of the debtor, nor knowingly permit any relative to do so	integrity and honesty, IP must not himself acquire, directly or indirectly, any of the assets of the debtor, nor knowingly permit any relative to do so.
	Independence and impartiality	
5	An insolvency professional must maintain complete independence in his professional relationships and should conduct the insolvency resolution, liquidation or bankruptcy process, as the case may be, independent of external influences	Code of Conduct expects from the Insolvency Professional that he must act independently in various processes carried on with him/her. He/she shall conduct the process and engage in his/her professional relationship without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the insolvency proceedings or not.
6	In cases where the insolvency professional is dealing with assets of a debtor during liquidation or bankruptcy process, he must ensure that he or his relatives do not knowingly acquire any such assets, whether directly or indirectly unless it is shown that there was no impairment of objectivity, independence or impartiality in the liquidation or bankruptcy process and the approval of the Board has been obtained in the matter	When an IP in his/her role as Liquidator or Bankruptcy Trustee sells assets of the Debtor, it is natural that being at the helm of affairs, he/she is the one who is aware of many insider things which others are not. Therefore, to ensure independence of the profession, integrity and honesty, IP must not allow himself/herself or his/her relatives to knowingly acquire such assets, directly or indirectly.

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7	<p>An insolvency professional shall not take up an assignment under the Code if he, any of his relatives, any of the partners or directors of the insolvency professional entity of which he is a partner or director, or the insolvency professional entity of which he is a partner or director is not independent, in terms of the Regulations related to the processes under the Code, in relation to the corporate person/ debtor and its related parties.</p>	<p>In order to protect integrity, independence and objectivity of the profession and to ensure that various processes envisaged under the IBC are carried out with upmost integrity and honesty, the IBC has stipulated certain restriction on IPs while accepting any assignment of the Code which is narrated in detail in the regulations.</p> <p>IP must take utmost care while accepting any assignment that stipulations in the regulations are duly complied with. If IP is of the opinion that there exists any relation as stipulated in the regulations, he shall not accept such assignment.</p>
8	<p>An insolvency professional shall disclose the existence of any pecuniary or personal relationship with any of the stakeholders entitled to distribution under sections 53 or 178 of the Code, and the concerned corporate person/ debtor as soon as he becomes aware of it, by making a declaration of the same to the applicant, committee of creditors, and the person proposing appointment, as</p>	<p>The provisions of the Code firmly aims at Independence of IP so as to ensure that the processes under the Code are carried out in an honest and transparent manner with fair treatment to all the stakeholders.</p> <p>Accordingly, this Code of Conduct requires every IP to disclose existence of any pecuniary or personal relationship with any of the stakeholders as per section 53 or 178 of the Code.</p> <p>Section 53 relates to Corporate Persons and Section 178 relates to Individuals and Partnership Firms.</p> <p>It is important for an IP to evaluate his relationship with various stakeholders</p>

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	applicable.	on a continuous basis. And as soon as he becomes aware of existence of any such relationship he/she must disclose it by making a declaration of the same to the applicant, committee of creditors, and the person proposing appointment, as applicable.
8A	An insolvency professional shall disclose as to whether he was an employee of or has been in the panel of any financial creditor of the corporate debtor, to the committee of creditors and to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website	Here, the importance of Independence of an IP is evident. It is expected out of IP that he/she must be fair to every stakeholder and shall not have any sort of bias or favouritism towards any one. To ensure that there shall not be any doubt over the impartiality of IP, the said Code of Conduct makes it mandatory to declare whether an IP was an employee or has been on panel of any Financial Creditor of the Corporate Debtor. Such disclosure shall also be submitted to IPA of which IP is a professional member. IPA shall publish such disclosures on its website. This will enable all the stakeholders to see such relationship, if any, of IP.
9	An insolvency professional shall not influence the decision or the work of the committee of creditors or debtor, or other stakeholders under the Code, so as to make any undue or unlawful gains for himself or his related parties, or cause any undue preference for any other persons for undue	Integrity of IP and honesty is of utmost importance. Various provisions of the Code aim at ensuring that IP shall act in an honest manner and maintain integrity of the highest level. This Code of Conduct also aims at ensuring the same. It specially restricts IP from adopting any illegal or improper means to achieve any mala fide objectives. During the assignment, an IP shall not influence any decision of any

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	or unlawful gains and shall not adopt any illegal or improper means to achieve any <i>mala fide</i> objectives.	stakeholder to make any undue or unlawful gains either for himself/herself or for his/her related parties. He shall also not indulge in any practice to give undue preference for any other persons for undue or unlawful gains.
	Professional competence.	
10	An insolvency professional must maintain and upgrade his professional knowledge and skills to render competent professional service.	Any Act keeps on evolving as per various developments, amendments, interpretation of statute by various judicial forums. In addition to this various clarifications/explanations to various provisions are being deliberated in seminar/conferences etc. An IP is expected to keep any eye of such amendments and developments which are happening in the Code. He/she must update himself/herself thoroughly with such developments. An IP must have up to date knowledge of the Code so as to render his/her services in accordance with the law. IP is also expected to acquire and develop soft skills through attending various seminars/conferences/trainings etc. which are necessary for efficient discharge of his/her duties.
	Representation of correct facts and correcting misapprehensions	
11	An insolvency professional must inform such persons under the Code as may be required, of a misapprehension or wrongful consideration of	It is one of the duty of IP to provide correct information and facts to all the concerned persons under the Code. Correct information and correct interpretation of the facts is necessary so that the process is just to everyone. Therefore, it is expected out of any IP

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	a fact of which he becomes aware, as soon as may be practicable	that he/she, during course of any assignment, if becomes aware of any misapprehension by any person or wrongful consideration of fact by any person under the Code, must inform to such persons at the earliest possible as may be practicable. IP, judiciously, shall decide as to what is misapprehension or wrongful consideration of the facts.
12	An insolvency professional must not conceal any material information or knowingly make a misleading statement to the Board, the Adjudicating Authority or any stakeholder, as applicable.	Here again the Code of Conduct talks about fairness of the process. During the course of assignment, an IP is required to submit reports/provide information/report dubious transactions etc to the Board, the Adjudicating Authority or any stakeholder. While doing so, IP must take utmost care that the information being submitted/provided is correct and not misleading. He/she must also ensure that all the material information is submitted/provided and no information is concealed for any reasons whatsoever.
Timeliness.		
13	An insolvency professional must adhere to the time limits prescribed in the Code and the rules, regulations and guidelines thereunder for insolvency resolution, liquidation or bankruptcy process, as	The objective of the Insolvency & Bankruptcy Code, 2016 is time bound resolution. Hence, it is of utmost importance that the timelines prescribed under various provisions of the Code and the rules, regulations and guidelines are religiously followed so as to complete the process within the stipulated time. The regulations also

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	<p>the case may be, and must carefully plan his actions, and promptly communicate with all stakeholders involved for the timely discharge of his duties</p>	<p>provides for model timelines for various activities.</p> <p>IP shall chalk down a calendar of various activities which are required to complete the assignment along with maximum time available for each activity. IP shall carefully plan his actions, deploy his/her resources etc to ensure that the timelines are adhered to.</p> <p>There are certain tasks/activities which are dependent on certain stakeholders. IP shall clearly communicate with such stakeholders and request them for adhering the timelines.</p>
14	<p>An insolvency professional must not act with <i>mala fide</i> or be negligent while performing his functions and duties under the Code.</p>	<p>As an IP, he/she is expected to act in a straightforward, transparent, honest and independent manner.</p> <p>Further, while discharging various duties, IP must be vigilant and alert.</p>
Information management		
15	<p>An insolvency professional must make efforts to ensure that all communication to the stakeholders, whether in the form of notices, reports, updates, directions, or clarifications, is made well in advance and in a manner which is simple, clear, and easily understood by the</p>	<p>For meaningful use of any information, apart from being conveyed, it is also important that the information must be provided well in advance and in a way which is simple, clear and easy to understand to the recipient.</p> <p>While discharging various duties in an assignment, IP is required to communicate to various stakeholders. For example, notice & agenda of meeting of Committee of Creditors, report to be filed at Board and Adjudicating Authority, information to</p>

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	recipients.	<p>be provided to Resolution Applicants etc.</p> <p>In such communications or exchange of information, IP must take care and ensure that the information is provided well in advance and in a manner which is simple, clear and easy to understand to the recipient.</p>
16	<p>An insolvency professional must ensure that he maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his decisions and actions.</p>	<p>An IP has been entrusted with a delicate work and is expected to maintain highest level of integrity, honesty, transparency, fairness in his dealings. The work and decisions of IP are subject to scrutiny by judicial or other persons.</p> <p>Therefore, it becomes imperative on the part of IP to maintain all records supporting and substantiating his/her decisions. The decisions taken shall be sufficiently backed by proper reasons and rationale.</p> <p>IP must maintain sufficient records so as to sufficiently demonstrate appropriateness of his/her decisions and actions which may be subject to scrutiny by judicial or any other persons.</p>
17	<p>An insolvency professional must not make any private communication with any of the stakeholders unless required by the Code, rules, regulations and guidelines thereunder, or orders of</p>	<p>Various assignments, an IP undertakes under IBC 2016 include legal processes. It involves interests of many stakeholders and it is legal duty of IP to ensure and protect interest of all stakeholders. Being a legal process, an IP must not make any private communications with any of the stakeholders. All the communications</p>

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	the Adjudicating Authority.	<p>must be official and duly recorded.</p> <p>However, if certain private communications are specifically required under the Code, rules, regulations and guidelines there under or pursuant to such orders by the Adjudicating Authority, in such case IP may do private communications. Except these, IP must not involve in any sort of private communications.</p>
18	An insolvency professional must appear, co-operate and be available for inspections and investigations carried out by the Board, any person authorised by the Board or the insolvency professional agency with which he is enrolled.	<p>An IP has been entrusted with a critical work and is expected to maintain highest level of integrity, honesty, transparency, fairness in his dealings.</p> <p>The work of IP are subject to inspections and investigations by the Board, any person authorized by the Board or the Insolvency Professional Agency which with he/she is enrolled.</p> <p>It is the duty of an IP to co-operate with such inspections and investigations whenever it is conducted. He must appear before such persons which are conducting inspections and investigations.</p> <p>It is important for an IP to maintain all records supporting and substantiating his/her work which will be helpful in such inspections and investigations. Any sort of non-cooperation or insufficient supporting documents may lead to penal actions.</p>
19	An insolvency professional must provide all information and records as may be required by the Board or	<p>An IP is expected to maintain all relevant records and information for the assignments handled by him/her.</p> <p>Upon being called for, IP shall immediately provide such records &</p>

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	the insolvency professional agency with which he is enrolled.	information to the Board or the insolvency professional agency with which he is enrolled.
20	An insolvency professional must be available and provide information for any periodic study, research and audit conducted by the Board.	In its endeavour for professional enrichment and continuous professional knowledge updation and/or for other relevant purposes, the Board may carry out various periodic study, research work and audit of assignments conducted by IPs. During such study, research work and audit, an IP must fully co-operate, provide information and make himself/herself available for such process.
Confidentiality		
21	An insolvency professional must ensure that confidentiality of the information relating to the insolvency resolution process, liquidation or bankruptcy process, as the case may be, is maintained at all times. However, this shall not prevent him from disclosing any information with the consent of the relevant parties or required by law.	IP in his/her various roles undertakes very delicate work. The role of IP is fiduciary. IP primarily is trustee of all stakeholders. IP has to protect interest of all stakeholders. In order to ensure this, IP must maintain confidentiality of the information & records possessed by him/her during insolvency resolution process, liquidation process or bankruptcy process, as the case may be. IP shall not disclose any confidential information to anyone. However, although IP must maintain confidentiality, it does not stop him from disclosing relevant information with the consent of the relevant parties or as it may be required under any law for the time being in force.

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Occupation, employability and restrictions		
22	An insolvency professional must refrain from accepting too many assignments, if he is unlikely to be able to devote adequate time to each of his assignments.	IBC or Rules & Regulations nowhere prescribes number of assignments which an IP can accept, it is imperative with this Code of Conduct that the Code envisages that IP should restrict number of assignments as per the time and infrastructure available with him. This is subjective matter and would vary from case to case.
23	An insolvency professional must not engage in any employment when he holds a valid authorisation for assignment or when he is undertaking an assignment	The Code of Conduct has clarified here that an IP must not engage in any employment when he holds a valid authorisation for assignment or when he is undertaking an assignment .
23A	Where an insolvency professional has conducted a corporate insolvency resolution process, he and his relatives shall not accept any employment, other than an employment secured through open competitive recruitment, with, or render professional services, other than services under the Code, to a creditor having more than ten percent voting power, the successful resolution applicant, the corporate	In order to ensure highest standard of Integrity, honesty, independence, transparency and fairness of the Corporate Insolvency resolution process, the Code of Conduct here puts certain restrictions on IP who has been discharged from his/her duties & his/her related parties for a period of 1 year post such discharge. There might be instances of allegations that IP or related parties has obtained employment or obtained service contract through influence or favouritism during the conduct of corporate insolvency resolution process. Therefore, the Code of Conduct has put restrictions on IP & related parties

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	debtor or any of their related parties, until a period of one year has elapsed from the date of his cessation from such process	to take any employment or render professional services to a creditor having more than ten percent voting power, the successful resolution applicant, the corporate debtor or any of their related parties, until a period of one year has elapsed from the date of his cessation from such process. However, the above employment may be undertaken during this period which is secured through open competitive recruitment. And professional services may also be given during this period which are provided under the Code.
23B	An insolvency professional shall not engage or appoint any of his relatives or related parties, for or in connection with any work relating to any of his assignment.	The provisions of Code at all places envisages independence and fairness of the processes. Hence, an IP shall not appoint any person for any work in connection with the assignment he/she is handling if such person is his/her relatives or related parties.
23C	An insolvency professional shall not provide any service for or in connection with the assignment which is being undertaken by any of his relatives or related parties. <i>Explanation.-</i> For the purpose of clauses 23A to 23C, "related party" shall have the same meaning as assigned to it in clause (24A) of section 5, but does not include	Similar to a situation as described under 23B above, there might be instances where a relative or related party of an IP is undertaking assignment under the Code. In such situation also, IP shall not accept any service engagement in connection with the such assignment.

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	an insolvency professional entity of which the insolvency professional is a partner or director	
24	An insolvency professional must not conduct business which in the opinion of the Board is inconsistent with the reputation of the profession	<p>An IP is the backbone of the IBC 2016. He/she is the one who runs entire process and has been entrusted to protect the interest of all the stake holders. He/she works in the fiduciary capacity. He/she is a trustee of all stake holders.</p> <p>Hence, an IP must command good reputation. The regulations require a person applying for registration as IP to be fit & proper person.</p> <p>To avoid any future problems, it is advisable that an IP before undertaking any business may take prior approval of the Board.</p>
Remuneration and costs		
25	An insolvency professional must provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable regulations.	<p>The IBC 2016 and rules & regulations made thereunder does not have any provision on the professional remuneration of IP. Although, there is certain percentage remuneration prescribed for liquidation, but that is also subject to decision of CoC. As such the remuneration is suggestive. The CoC is free to decide remuneration in other manner also.</p> <p>However, an IP shall charge remuneration which shall be commensurate with the work involved in the assignment. The remuneration should be fair reflection of his/her time</p>

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		deployment and resource deployment. It should not be exorbitant. The remuneration shall depend on assignment to assignment basis. The remuneration must be clearly defined in a transparent manner. There should not be any sort of ambiguity or contingency in the remuneration.
25A	An insolvency professional shall disclose the fee payable to him, the fee payable to the insolvency professional entity, and the fee payable to professionals engaged by him to the insolvency professional agency of which he is a professional member and the agency shall publish such disclosure on its website	The IPA of which an IP is a professional member has developed mechanism to disclose his/her fees, the fees payable to insolvency professional entity, and the fee payable to professionals engaged by him. The timelines have also been defined for such disclosure as how and when such disclosure shall be given. An IP shall religiously follow such timeline and disclose various fees as above. Such disclosures of Fees are then disseminated by the respective IPA on its website. Such disclosure then becomes available to all stakeholders who may, if required, can take references of such fees for deciding fees structure of other assignment.
26	An insolvency professional shall not accept any fees or charges other than those which are disclosed to and approved by the persons fixing his remuneration	An IP shall fix remuneration (fees or charges) with the applicant/Committee of Creditors which shall be commensurate with the work involved in the assignment. The remuneration should be fair reflection of his/her time deployment and resource deployment. It should not be exorbitant. Once fees or charges are fixed and approved by the persons fixing his/her remuneration, an IP shall not charge

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		any other fees or charges under whatsoever name. If there are some other charges or fees which are necessitated due to the change in scope or circumstances, an IP must first get it approved by the approving person, then only he/she may charge it.
27	An insolvency professional shall disclose all costs towards the insolvency resolution process costs, liquidation costs, or costs of the bankruptcy process, as applicable, to all relevant stakeholders, and must endeavour to ensure that such costs are not unreasonable	It is iterated at various places that an IP shall discharge his/her duties under various roles in a very transparent manner. Hence, a duty has been casted upon IP to disclose all the costs incurred towards insolvency resolution process costs, liquidation costs, or costs of the bankruptcy process, as applicable, to all relevant stakeholders. IP also must ensure that such costs are not unreasonable.
Gifts and hospitality		
28	An insolvency professional, or his relative must not accept gifts or hospitality which undermines or affects his independence as an insolvency professional	An IP has to ensure highest level of integrity, independence, transparency and fairness of the processes he/she undertakes under various provisions of the Code. An IP shall only receive the remuneration which has been fixed by the approving persons. The remuneration shall also be commensurate with the work. In addition to the remuneration, an IP or his/her relative must not accept any sort of gifts or hospitality which undermines or affects his independence as an IP.
29	An insolvency professional shall not	The interest of lot of stakeholders is involved in various processes being

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	<p>offer gifts or hospitality or a financial or any other advantage to a public servant or any other person, intending to obtain or retain work for himself, or to obtain or retain an advantage in the conduct of profession for himself</p>	<p>conducted under the Code. Hence, an IP is expected to behave and act in an honest manner. An IP has to ensure highest level of integrity, independence, transparency and fairness of the processes he/she undertakes under various provisions of the Code.</p> <p>To achieve this, an IP must not indulge in any activity which will result in compromise of his independence and/or bring disrepute to this noble profession.</p> <p>Hence, an IP shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person, intending to obtain or retain work for himself, or to obtain or retain an advantage in the conduct of profession for himself</p>
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Chapter 6

Important Circulars/ Facilitations issued by IBBI

Important Circulars/ Facilitations were issued by IBBI for the purpose of guidance, compliances and disclosures etc

I. Important Circulars as compiled from the IBBI website (www.ibbi.gov.in) are listed below with relevant Extracts.

Date of Notification	Pertaining to	Remarks / Relevant Extract of the Circular
18 Mar, 2021	Circular - Reporting of status of ongoing corporate insolvency resolution processes through Form CIRP 7	IRP / RP to file this form for reporting of status of ongoing CIRP. Many times Form CIRP 1 to CIRP 6 could not be filed as they have to be filed within 7 days of completion of any activity. But due to any reason related activity is not complete, it becomes difficult to file those forms. This form is required to filed within 3 days from the due date of the completion of any activity and continue to file CIRP 7 every 30 days, until the said activity remains incomplete.
04 Mar, 2021	Circular - Filing of list of stakeholders under clause (d) of sub-regulation (5) of regulation 31 of the IBBI (Liquidation Process) Regulations, 2016	Regulation 31 (5) (d) of Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2021 requires that the liquidator shall file the list of stakeholders on the electronic platform of the Board for

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		<p>dissemination on its website, to improve transparency and enable stakeholders to ascertain the details of their claims at a central platform. This requirement is applicable to every liquidation process whether ongoing or commencing on or after the said date.</p>
<p>06 Jan, 2021</p>	<p>Circular - Retention of records relating to Corporate Insolvency Resolution Process</p>	<p>(i) An IP shall preserve - (a) an electronic copy of all records for a minimum period of eight years, and (b) a physical copy of physical records for minimum period of three years, from the date of completion of the CIRP or the conclusion of any proceeding relating to the CIRP, before the Board, the Adjudicating Authority (AA), Appellate Authority or any Court, whichever is later.</p> <p>(ii) An IP shall preserve records relating to that period of a CIRP when he acted as IRP or RP, irrespective of the fact that he did not take up the assignment from its commencement or continue the assignment till its conclusion.</p> <p>(iii) An IP shall preserve copies of records relating to or forming the basis of</p> <p>a. his appointment as IRP or RP, including the terms of appointment;</p>

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		<ul style="list-style-type: none">b. handing over / taking over by him;c. admission of CD into CIRP;d. public announcement;e. the constitution of CoC and CoC meetings;f. claims, verification of claims, and list of creditors;g. engagement of professionals, registered valuers, and insolvency professional entity, including work done, reports etc., submitted by them;h. information memorandum;i. all filings with the AA, Appellate Authority and their orders;j. invitation, consideration and approval of resolution plan;k. . statutory filings with IBBI and IPA;l. correspondence during the CIRP;m. insolvency resolution process cost;n. applications for avoidance transactions or fraudulent trading; ando. any other records, which is required to give a complete account of the CIRP. <p>(iv) An IP shall preserve the records at a secure place and ensure that unauthorised</p>
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		persons do not have access to the same.
29 Oct, 2020	Circular - Serving of copy of the application to the Board, as mandated under Rules 4, 6 and 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016	The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, as amended vide notification No. G.S.R. 583(E) dated 24th Sept., 2020 requires an applicant to provide a copy of the application for initiating corporate insolvency resolution process against a corporate debtor, inter alia, to the Board, before filing the same with the Adjudicating Authority. The Board has made available a facility on its website at https://www.ibbi.gov.in/intimation-applications/iaaa for serving a copy of the application online to the Board.
20 Jan, 2020	Deposit of unclaimed dividends and / or undistributed proceeds of voluntary liquidation process in accordance with regulation 39 of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017	In terms of proviso to Regulation 39(1), the IBBI has opened a separate bank account for deposit of unclaimed dividends and / or undistributed proceeds of voluntary liquidation processes. The particulars of this account are as under: Name of the Account : IBBI-Corporate Voluntary Liquidation Account Account Number : 2254002100020356 Nature of Account : Current Name of the Bank : Punjab

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		National Bank IFSC Code : PUNB0225400 Name of the Branch : Barakhamba Road Branch, New Delhi
16 Sep, 2019	Valuation required under the provisions of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016	Circular No. IBBI/RV/019/2018 dated 17th October, 2018 of IBBI mandates that the valuations required under the Code or any of the regulations made thereunder shall be conducted by a registered valuer.
07 Sep, 2019	Statutory Repositories under regulation 21(2)(c)(ii) of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017	For the purposes of regulation 21(2)(c)(ii) of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2019, the Board hereby approves MCA 21 database of the Ministry of Corporate Affairs and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) registry as repositories.
14 Aug, 2019	Filing of Forms for the purpose of monitoring CIRPs and performance of IPs under the IBC, 2016 and the regulations made thereunder	Keeping in view the responsibilities of the IPs, the Code provides for monitoring of their performances. It casts a duty on the IBBI and the IPA to monitor performance of IPs, and collect, maintain and disseminate information and records relating to insolvency and bankruptcy processes. In order to facilitate submission of

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		records and information by IPs to the IBBI as well as for monitoring of the processes and performance of IPs, a set of Forms were devised in consultation with stakeholders and the IPAs, in pursuance of the mandate and in synchronisation with the provisions in the Code. These form CIRP 1 to CIRP 6 have been discussed separately in detail under Chapter 7 of this book.
13 Aug, 2019	Valuation under the Insolvency and Bankruptcy Code, 2016: Appointment of Registered Valuer	Vide this circular it is reiterated that- (i) appointment of any person, other than a 'registered valuer', that is, a valuer registered with the IBBI under the Companies (Registered Valuers and Valuation) Rules, 2017, on or after 1st February, 2019, to conduct any valuation required under the Insolvency and Bankruptcy Code, 2016, is illegal and amounts to violation of the Circular aforesaid; and (ii) payment, whether as fee or otherwise, to any person, other than a 'registered valuer' for any valuation referred to in paragraph (i), shall not form part of the insolvency resolution process costs or liquidation cost.
12 Apr, 2019	Compliance with regulations 7(2) (ca)	Vide this circular it is clarified that- (a) Form E / Form G for

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	and 13 (2) (ca) of IBBI (Insolvency Professionals) Regulations, 2016	the year 2018-19 shall be submitted electronically by an IP / IPE before 30th April, 2019; and (b) Form E / Form G shall be submitted by every IP / IPE even if he has not earned any professional fee or does not have turnover during 2018-19.
17 Oct, 2018	Valuation under the Insolvency and Bankruptcy Code, 2016	Every valuation required under the Code or any of the regulations made thereunder is required to be conducted by a 'registered valuer', that is, a valuer registered with the IBBI under the Companies (Registered Valuers and Valuation) Rules, 2017. It is hereby directed that with effect from 1st February, 2019, no insolvency professional shall appoint a person other than a registered valuer to conduct any valuation under the Code or any of the regulations made thereunder
14 Sep, 2018	Voting in the Committee of Creditors	A person, who is not a member of the CoC, does not have voting right in the CoC. A person, who is not a member of the CoC, cannot be regarded as one who has voted against a resolution plan or abstained from voting
31 Aug, 2018	Compliance of regulation 13 (2) of the IBBI (Insolvency Professionals)	An insolvency professional entity (IPE) is recognised by the Insolvency and Bankruptcy Board of India (Board) under

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	Regulations, 2016	<p>Chapter V of the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016, subject to conditions specified under sub-regulation (2) of regulation 13.</p> <p>In view of the above, it is directed that an IPE shall inform the Board: - (a) within seven days from the date when an insolvency professional ceases to be its director or partner or joins as its partner or director; and (b) forthwith and in any case, not later than 7th September, 2018, if it has failed to inform any cessation or joining of an insolvency professional as its partner or director in the past.</p>
10 Aug, 2018	Notice for Meetings of the Committee of Creditors	<p>As members of the committee of creditors (CoC), the financial creditors discharge several critical responsibilities, including invitation, receipt, consideration and approval of resolution plans under the Code. Their conduct has serious implications for continued business of a corporate debtor and consequently on the economy.</p> <p>In view of the above, the interim resolution professional or the resolution professional, as the case may be, is directed that he shall, in every notice of meeting of the CoC and any</p>

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		other communication addressed to the financial creditors, other than creditors under section 21 (6A) (b), require that they must be represented in the CoC or in any meeting of the CoC by such persons who are competent and are authorised to take decisions on the spot and without deferring decisions for want of any internal approval from the financial creditors.
06 Jul, 2018	Empanelment of Insolvency Professional Entities	Section 206 of the Insolvency and Bankruptcy Code, 2016 (Code) prohibits a person from rendering services as an insolvency professional (IP) unless he is: (a) enrolled as a member of an Insolvency Professional Agency (IPA), and (b) registered with the Insolvency and Bankruptcy Board of India (IBBI). Thus, no person other than a person registered as an IP with the IBBI can render services as an IP. An IPE is neither enrolled as a member of an IPA nor registered as an IP with the IBBI. It cannot act as IP under the Code
12 Jun, 2018	Fee and other Expenses incurred for Corporate Insolvency Resolution Process	An IP is obliged under section 208(2)(a) of the Code to take reasonable care and diligence while performing his duties, including incurring expenses.

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		He must, therefore, ensure that not only fee payable to him is reasonable, but also other expenses incurred by him are reasonable. What is reasonable is context specific and it is not amenable to a precise definition.
23 Apr, 2018	Commencement of Disciplinary Proceedings	<p>The Insolvency and Bankruptcy Code, 2016 (Code) envisages that an insolvency professional may be appointed as interim resolution professional, resolution professional, liquidator, or a bankruptcy trustee if no disciplinary proceeding is pending against him.</p> <p>It is, therefore, clarified that- (i) a disciplinary proceeding is considered as pending against an insolvency professional from the time he has been issued a show cause notice by the Insolvency and Bankruptcy Board of India till its disposal by the disciplinary committee; and (ii) an insolvency professional who has been issued a show cause notice shall not accept any fresh assignment as interim resolution professional, resolution professional, liquidator, or a bankruptcy trustee under the Code.</p>
23 Feb, 2018	Designated website for publishing Forms	The interim resolution professional, the resolution

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	under the Regulations	professional or the liquidator, as the case may be, shall send the Forms to the Board for publishing the same on the designated website, namely, www.ibbi.gov.in.
23 Feb, 2018	Confidentiality of Information relating to processes under the IBC 2016	The disclosure of information, except as provided for in the Code, or rules, regulations or circulars issued thereunder, is restricted. Unauthorised access to or leakage of such information has the potential to impact the processes under the Code. An Insolvency Professional, whether acting as Interim Resolution Professional, Resolution Professional or Liquidator, except to the extent provided in the Code and rules, regulations or circulars issued thereunder, - (i) shall keep every information related to confidential; and (ii) shall not disclose or provide access to any information to any unauthorised person.
16 Jan, 2018	Fees payable to an insolvency professional and to other professionals appointed by an insolvency professional	The Code of Conduct for Insolvency Professionals under the IBBI (Insolvency Professionals) Regulations, 2016 require that an insolvency professional must provide services for remuneration which is charged in a transparent manner, and is a reasonable reflection of the work

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		<p>necessarily and properly undertaken. He shall not accept any fees or charges other than those which are disclosed to and approved by the persons fixing his remuneration.</p> <p>In view of the above, it is clarified that an insolvency professional shall render services for a fee which is a reasonable reflection of his work, raise bills / invoices in his name towards such fees, and such fees shall be paid to his bank account. Any payment of fees for the services of an insolvency professional to any person other than the insolvency professional shall not form part of the insolvency resolution process cost.</p> <p>Similarly, any other professional appointed by an insolvency professional shall raise bills / invoices in his / its (such as registered valuer) name towards such fees, and such fees shall be paid to his / its bank account.</p>
16 Jan, 2018	Disclosures by Insolvency Professionals and other Professionals appointed by Insolvency Professionals conducting	In the interest of transparency, it has been decided that an insolvency professional and every other professional appointed by the insolvency professional for a resolution process shall make disclosures of his relationship with the

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	<p>Resolution Processes</p>	<p>Corporate Debtor, Financial Creditor(s), Interim Finance Provider(s), and Prospective Resolution Applicant(s)</p> <p>The Insolvency Professional shall ensure timely and correct disclosures by him and the other Professionals appointed by him. Any wrong disclosure and delayed disclosure shall attract action against the Insolvency Professional and the other Professional as per the provisions of the law.</p>
<p>03 Jan, 2018</p>	<p>Insolvency professional to use Registration Number and Registered Address in all his communications</p>	<p>It is hereby directed that in all his communications, whether by way of public announcement or otherwise to a stakeholder or to an authority, an insolvency professional shall prominently state: (i) his name, address and email, as registered with the IBBI, (ii) his Registration Number as an insolvency professional granted by the IBBI, and (iii) the capacity in which he is communicating (Example: As Interim Resolution Professional of XYZ Limited, As Resolution Professional of ABC Limited, etc.).</p> <p>Additionally, an insolvency professional may use a process (Example: CIRP, Liquidation, etc.) specific address and email in its communications, if he</p>

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		<p>considers it necessary subject to the conditions that: (i) the process specific address and email are in addition to the details required in Para 2 above, and (ii) the insolvency professional continues to service the process specific address and email for at least six months from conclusion of his role in the process.</p>
<p>03 Jan, 2018</p>	<p>Insolvency professional to ensure compliance with provisions of the applicable laws.</p>	<p>It is hereby directed that while acting as an Interim Resolution Professional, a Resolution Professional, or a Liquidator for a corporate person under the Code, an insolvency professional shall exercise reasonable care and diligence and take all necessary steps to ensure that the corporate person undergoing any process under the Code complies with the applicable laws.</p> <p>It is clarified that if a corporate person during any of the aforesaid processes under the Code suffers any loss, including penalty, if any, on account of non-compliance of any provision of the applicable laws, such loss shall not form part of insolvency resolution process cost or liquidation process cost under the Code. It is also clarified that the insolvency professional will be responsible for the non-</p>

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		compliance of the provisions of the applicable laws if it is on account of his conduct
03 Jan, 2018	Insolvency professional not to outsource his responsibilities	<p>It has been observed that a few insolvency professionals are advising the prospective resolution applicants to submit a certificate from another person to the effect that they are eligible to be resolution applicants. This requirement amounts to outsourcing responsibilities of an insolvency professional to another person. Further, this adds to cost of the resolution applicant and delays submission of resolution plans. The Code read with regulations do not envisage such a certification from a third person. It is hereby directed that an insolvency resolution professional shall not outsource any of his duties and responsibilities under the Code. He shall not require any certificate from another person certifying eligibility of a resolution applicant.</p>

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II. Important Facilitations as compiled from the IBBI website (www.ibbi.gov.in) are listed below with relevant Extracts.

Date of Facilitation	Pertaining to	Remarks / Relevant Extracts of the Facilitation
14 Apr, 2021	Summary - Judgment dated 13th April 2021 of the Hon'ble Supreme Court of India in the matter of Ghanashyam Mishra and Sons Pvt. Ltd. Vs. Edelweiss Asset Reconstruction Company Ltd. & Ors. [Civil Appeal No. 8129 of 2019 with WP (Civil) No. 1177 of 2020 and other appeals]	Scheme of Code says - One of the dominant objects of Code is to see to it, that an attempt is made to revive the corporate debtor (CD) and make it a running concern Conclusion (a) The claims of the parties, which are not included in the resolution plan could be agitated by them before the other fora, as observed by the Appellate Authority, is not permissible. (b) Any person/s other than part of resolution plan, are not entitled to recover any claims or claim any debts owed to them from the CD accruing prior to the transfer to resolution applicant, once the resolution plan is approved by the competent authority.
16 Mar, 2021	Summary - Judgment dated 10th March, 2021 of the Hon'ble Supreme Court of India in the matter of Kalparaj Dharamshi & Anr. Vs. Kotak Investment Advisors Ltd. & Anr. [Civil Appeal Nos. 2943-2944 of 2020]	The Hon'ble Supreme Court in the given case held that (i) equity underlying section 14 of the Limitation Act, 1963 (Limitation Act) would be applicable to the parties for exclusion of time while counting the period within which time an appeal can be filed under the Code if it were bona fide prosecuting in a wrong forum, (ii) the respondent bidder has not waived or acquiesced its rights of filing an objection against the approved resolution plan just by

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		agreeing to submit a revised resolution plan, and (iii) the commercial wisdom of Committee of Creditors (CoC) holds primacy in the matters of approval of resolution plans.
16 Mar, 2021	Summary - Judgment dated 15th March, 2021 of the Hon'ble Supreme Court of India in the matter of Arun Kumar Jagatramka. Vs. Jindal Steel and Power Ltd. & Anr. [Civil Appeal No. 9664 of 2019 and other appeals]	The Hon'ble Supreme Court in its order dated 15th March, 2021 in the given case, held that (i) prohibition placed by the Parliament in Section 29A and Section 35(1)(f) of the Insolvency and Bankruptcy Code, 2016 (IBC) must also attach itself to a scheme of compromise or arrangement under Section 230 of the Companies Act, 2013 (Act of 2013), when the company is undergoing liquidation under the auspices of the IBC, and (ii) Regulation 2B of IBBI (Liquidation Process) Regulations, 2016 is Constitutionally valid.
16 Mar, 2021	Summary-Judgment dated 1st March, 2021 of the Hon'ble Supreme Court of India in the matter of P. Mohanraj & Ors. V. M/s Shah Brothers Ispat Pvt. Ltd.(Civil Appeal No. 10355/2018)	Hon'ble Supreme Court has decided the question whether the institution or continuation of a proceeding under Section 138/141 of the Negotiable Instruments Act can be covered by the moratorium under Section 14 of the Code. It was held that - The moratorium provision contained in Section 14 of the IBC would apply only to the corporate debtor. The natural persons mentioned in Section 141 continue to be statutorily liable under Chapter XVII of the Negotiable Instruments Act.

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09 Mar, 2021	Summary - Judgment dated 8th March, 2021 of the Hon'ble Supreme Court of India in the matter of Gujarat Urja Vikas Nigam Limited Vs. Mr. Amit Gupts & Ors. [Civil Appeal No. 9241 of 2019]	While holding that (i) The NCLT/NCLAT can exercise jurisdiction under section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016 (Code) to stay termination of contracts solely on account of Corporate Insolvency Resolution Process (CIRP) being initiated against the Corporate Debtor (CD), and (ii) The NCLT/NCLAT correctly stayed the termination of the Power Purchase Agreement (PPA), since allowing it to terminate the same would certainly result in the corporate death of the CD, the Hon'ble Supreme Court in its order dated 8th March, 2021 made some important observations in the context of insolvency proceedings.
13 Nov, 2020	Facilitation Letter on Mistakes Committed by IPs	The IBBI and Insolvency Professional Agencies (IPAs) have come across some mistakes being committed by a some of the IPs in conduct of CIRPs. These mistakes are costs to the CD and the economy, and often amount to contravention of provisions of the law. Most of these are probably unintentional and can be avoided with a little more care and diligence. This Facilitation lists out a few such mistakes with a hope that these will not be committed by any IP, pre-empting the IBBI/IPA to initiate any disciplinary action.

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12 Sep, 2020	Facilitation Letter - Role of the Government and its Agencies in the Corporate Insolvency Resolution and Liquidation Processes	This facilitation provides various issues related to the Role of Government and its Agencies in implementation of the CIRP and Liquidation Process.
07 Aug, 2020	Facilitation - In aid of IPs : Avoidance Transactions-Red Flag Document	In furtherance to its endeavour of achieving the objectives of the Code and keeping in mind the role of an IP, IBBI has facilitated the preparation of this Document for the use of IPs in understanding and identifying various red flags which may point to the need for a review of Avoidance transactions as covered under Sections 43, 45, 50 and 66 of the Code. This document is intended to guide the IPs to identify situations which would merit such Avoidance Transaction review and resultant application to AA.
05 Aug, 2020	Facilitation letter - In aid of Insolvency Professionals conducting Liquidation Process	An Insolvency Professional (IP) plays a key role in various processes under the Insolvency and Bankruptcy Code, 2016 (Code). He acts as liquidator in liquidation and voluntary liquidation processes and the entire liquidation process revolves around him. The Adjudicating Authority (AA), the National Company Law Appellate Tribunal (NCLAT), and High Courts, through their orders

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		and judgements, have guided liquidators in the conduct of liquidation process. This facilitation presents a few significant directions and observations from these orders and judgements, which an IP may find useful.
01 Mar, 2019	Facilitation Letter - In aid of Insolvency Professionals and Committee of Creditors involved in the Corporate Insolvency Resolution Process	It is, necessary that the IP and the CoC have a complete and clear understanding of their roles and responsibilities in a CIRP under the Code. A charter of their responsibilities prepared in consultation with the three insolvency professional agencies is given in annexure to this facilitation for guidance. This charter is only indicative and meant for the sole purpose of educating the stakeholders. A stakeholder must refer to the Code and Rules/Regulations made thereunder or seek professional advice if he intends to take any action or decision in any matter under the Code.
29 Jun, 2018	Facilitation Letter - In aid of Insolvency Professionals conducting Corporate Insolvency Resolution Process	The law facilitates and empowers the IP to discharge his responsibilities effectively. It obliges every officer of the CD to report to him. It also obliges the promoter of the CD to extend all assistance and cooperation to him. There is an assurance of supply of essential goods and services to, and a moratorium on

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		proceedings against, the CD. The Code empowers the IP to appoint professionals to assist him. He can seek orders from the Hon'ble Adjudicating Authority (AA) if he comes across any preferential, undervalued, extortionate, or fraudulent transaction. He can take support services from the insolvency professional entity of which he is a partner / director. He has protection for actions taken in good faith. There is bar on trial of offences against an IP except on a complaint filed by the IBBI.
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Note - The Circulars and Facilitations as issued by IBBI and which are listed in this chapter with relevant extracts have been compiled from IBBI website (www.ibbi.gov.in) for the purpose of creating awareness. The users are advised to cross-check with the original material if they intend to take any action or decision upon the content herein in this chapter.

Chapter 7

Forms related to IPs under IBC

Filing of various forms and their timelines for filing with Insolvency and Bankruptcy Board of India (IBBI) and Insolvency Professional Agency (IPA)

Form No	Time Line	To be filled by	Remark
IP 1	Within three days of signing of Form -2 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 or Form- AA of the Regulations, as the case may be.	IP	Once an IP issues form giving consent to be appointed as IRP or RP as the case may be, the IP should submit the form IP 1 within 3 days of issue of same with the IBBI online. This form is to be filled irrespective of the fact that the application is admitted by Adjudicating Authority or not. This form can be updated subsequently in case of any information further available.
CIRP 1	Within 7 days of Making public announcement	IRP	Form CIRP 1 has to be filed with IBBI within 7 days of public announcement. This form include details of corporate debtor, IRP, public announcement and other relevant details.
CIRP 2	Within 7 days of confirmation/replacement of IRP under section 22	IRP	This form includes all the details related to corporate debtor, taking over of management, details of

Forms related to IPs under IBC

			Claims, CoC formation and its first meeting, details of expenses incurred, any non-compliance of the Code, etc. from public announcement till confirmation/ replacement of IRP.
CIRP 3	Within 7 days of Issue of IM to the members of CoC	RP	RP to file this form at IBBI website within 7 days of issue of Information Memorandum to members of CoC. This form include details given in IM, details of RP, etc. from appointment of RP till issue of IM to members of CoC.
CIRP 4	Within 7 days of the issue of RFRP	RP	RP to file this form online at IBBI within 7 days of issue of Request for Resolution Plan (RFRP). This form include details of expression of interest, evaluation matrix, and other related provisions, etc. from issue of IM till issue of RFRP.
CIRP 5	Within 7 days of approval / rejection of the resolution plan or issue of order for liquidation as the case maybe , by the AA	RP	RP to file this form Online with IBBI within 7 days of either approval or rejection of the resolution plan or issue of order for liquidation by the Adjudicating Authority. This form include updated list of Claims, updated CoC, details of resolution plans,

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			and relevant details from issue of RFRP till completion of CIRP.
CIRP 6	Within 7 days of the occurrence of relevant event.	IRP/RP	IRP / RP need to file this form within 7 days of occurrence of any event like – filling of application in respect of preferential, undervalued, fraudulent or extortionate transactions, raising of any interim finance, IRP of guarantors of the CD, premature closure of CIRP, any extension of CIRP, etc.
CIRP 7	Within 3 days / and every 30 days.	IRP/RP	Where any active like issue of public announcement, appointment of RP, issue of information memorandum, issue of RFRP, CIRP is not completed by the specified date then IRP/RP shall file form CIRP 7 within 3 days of the said date, and continue to file form CIRP 7, every 30 days, until the said activity remains incomplete.
Form AA	AFA Application		For the purpose of obtaining AFA, the insolvency professional member has to submit application online mode with his IPA in form AA.
FORM E	Payment of Fees to IBBI		As per regulation 7(2)(ca) if IBBI (IP) Regulations 2016, as IP is required to pay to

Forms related to IPs under IBC

			the IBBI, a fee calculated @ 0.25% of professional fees earned by him during the preceding financial year within 30 days from the closure of the financial year, i.e. upto 30 th April, in prescribed format Form E. If it is not paid, later it has to be paid with interest. This needs to be cleared before obtaining Authorisation for Assignment (AFA).
FORM I	Fees and Cost Disclosure	IRP	This form is to be filled with IPA providing details of Basic Cost Sheet for insolvency resolution of corporate person. It include details of company, number of claimants and claims received, etc. This form is to be submitted online. It is to be submitted by IRP within 7 days of his demitting office as IRP. So even when the same IRP becomes RP, this form is mandatory to file.
FORM II	Fees and Cost Disclosure	IRP	This form is to be filled with IPA providing details of process cost of corporate debtor for the period under IRP. This form is to be submitted Online. It is to be submitted by IRP within 7 days of his demitting office as IRP. It includes details

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			of various expenses incurred / amount ratified by CoC, including appointment of Professionals, CoC meeting, Other Expenses, etc.
FORM III	Fees and Cost Disclosure	RP	This form is to be filled with IPA providing details of insolvency resolution process cost of corporate debtor for the period under RP. This form is to be submitted online. It is to be submitted by RP within 7 days of his demitting office as RP.
Online	Disclosure by IP		In terms of IBBI circular no. IP/005/2018 dated 16.01.2018, every IP (IRP or RP), has to submit this form online with IPA, giving details about appointment of other professionals under various head / class of assets.

Chapter 8

Learning for IPs under IBC

The Disciplinary Committee of Insolvency and Bankruptcy Board of India passed various Orders. The details were observed for the Disciplinary Cases decided by IBBI over a period of time to understand what should be done and what should not be done and what care and precaution has to be taken during the conduct of a particular activity under IBC.

The Disciplinary Actions by IBBI included Monetary penalty, Suspension or Cancellation of Registration.

Some of the mistakes committed by IPs that were observed from the decided cases of Disciplinary Committee of IBBI are given below.

1. **Information Memorandum:** Provisions relating to Information Memorandum (IM) are contained in Section 25(2)(g) read with Section 29 of the Code as well as in Regulation 36 of the CIRP regulations. The contraventions that were noticed in this area included failure to prepare IM, sharing of IM before publication of EOI, outsourcing of IM.
2. **Assignment without having Authorisation:** Regulation 7A of the IBBI (Insolvency Professionals) Regulations, 2016 (IP Regulations) requires that an IP shall not accept or undertake an assignment, unless he holds a valid authorisation for assignment (AFA) on the date of such acceptance or commencement of such assignment, as the case may be. Instances were found, where IP undertook assignment without having an AFA..
3. **Appointment of Registered Valuers:** Provisions relating to registered valuers are contained in Regulation 27 of the CIRP Regulations read with IBBI Circular IBBI/RV/019/2018 (w.e.f 1st February 2019) The contraventions that were noticed in this area were appointment of valuers that are not registered with the Board, having got 2 valuations which were close, 3rd valuation was taken at the request of COC member.
4. **Insolvency Resolution Process Costs:** Provisions relating to Insolvency Resolution Process Costs (IRPC) are contained in Section

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5(13) and in Regulation 31, 32 33 and 34 of CIRP Regulations of the Code read with IBBI circular dated 12.06.2018. The contraventions that were noticed in this area included COC appointed a legal counsel for COC, the cost of which was included in the IRPC.

5. **Delay in timelines:** Timebound resolution of corporate debtor is one of the central tenets of the Code and hence, various provisions have been incorporated in the Code, Regulations and Circulars specifying timelines for various activities to be performed by the IRP / RP. Delays were observed in areas including in appointment of professionals, filing necessary disclosures and publishing public announcement.
6. **Fees charged by IP:** Regulation 33 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 requires that the applicant shall fix the expenses to be incurred on or by the IRP. Regulation 34 requires that the committee of creditors (CoC) shall fix the expenses to be incurred on or by the RP. Regulation 39D requires the CoC to fix the fee payable to the liquidator, in the event the CD proceeds for liquidation. Contraventions observed in this area included charging exorbitant fees.
7. **Raising of Invoice:** Provisions relating to fees of IRP / RP are contained in Regulation 33 and 34 of the CIRP Regulations and in Circular No. IP/004/2018 dated 16.01.2018. As per the provisions, only IRP/IP is entitled to directly receive the fee payable along with out-of-pocket expenses in relation to a resolution process for which he has been appointed as IRP / RP. The provisions require that invoice for fees of IRP / RP or any other professional appointed by the IRP / RP should be in his name. Contraventions noted in this area included raising invoices in the name of LLP / Firm in which IRP / RP is a partner.
8. **Avoidance Transactions:** The Code and the CIRP Regulations imposes a duty on the RP to file applications in respect of avoidance transactions (preferential, undervalued, extortionate and fraudulent transactions) for seeking appropriate directions from the Adjudicating Authority. He is required to form an opinion on such transactions within 75 days of the Insolvency Commencement Date (ICD) and to file applications to the AA within 135 days of the ICD. Contraventions noted in this area were failure to determine avoidance transactions

and file application in this.

9. **Outsourcing of primary functions:** Circular No. IP/003/2018 dated 03.01.2018 mentions about Insolvency Professional not to outsource his responsibility. Similarly Section 28 (h) casts the responsibility on the RP to obtain prior approval of COC for delegating his authority to any other person. Contraventions noted in this area included outsourcing of preparation of Information memorandum, claims verification.

Note: This Chapter of the Handbook is prepared for the purpose of learning. The users are advised to cross-check with the original material if they intend to take any action or decision in the matters covered in this Chapter.



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