

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA****NOTIFICATION**

New Delhi, the 15th December, 2016

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (LIQUIDATION PROCESS) REGULATIONS, 2016**

**IBBI/2016-17/GN/REG005.**—In exercise of the powers conferred by sections 5, 33, 34, 35, 37, 38, 39, 40, 41, 43, 45, 49, 50, 51, 52, 54, 196 and 208 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Board hereby makes the following Regulations, namely-

**CHAPTER I****PRELIMINARY****1. Short title and commencement.**

- (1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
- (2) These Regulations shall come into force on the date of their publication in the Official Gazette.
- (3) These Regulations shall apply to the liquidation process under Chapter III of Part II of the Insolvency and Bankruptcy Code, 2016.

**2. Definitions.**

- (1) In these Regulations, unless the context otherwise requires-
  - (a) “books of the corporate debtor” means
    - (i) the books of account and the financial statements as defined in section 2(13) and 2(40) of the Companies Act, 2013,
    - (ii) the books of account as referred to in section 34 of the Limited Liability Partnership Act, 2008, or
    - (iii) the books of accounts as specified under the applicable law,
 as the case may be;
  - (b) “Code” means the Insolvency and Bankruptcy Code, 2016;
  - (c) “contributory” means a member of the company, a partner of the limited liability partnership, and any other person liable to contribute towards the assets of the corporate debtor in the event of its liquidation;
  - (d) “electronic means” mean an authorized and secured computer programme which is capable of producing confirmation of sending communication to the participant entitled to receive such communication at the last electronic mail address provided by such participant and keeping record of such communication;
  - (e) “identification number” means the Limited Liability Partnership Identification Number or the Corporate Identity Number, as the case may be;
  - (f) “Preliminary Report” means the report prepared in accordance with Regulation 13;
  - (g) “Progress Report” means the quarterly report prepared in accordance with Regulation 15;
  - (h) “registered valuer” means a person registered as such in accordance with the Companies Act, 2013 (18 of 2013) and rules made thereunder;
  - (i) “Schedule” means a schedule to these Regulations;
  - (j) “section” means section of the Code; and
  - (k) “stakeholders” means the stakeholders entitled to distribution of proceeds under section 53.
- (2) Unless the context otherwise requires, words and expressions used and not defined in these Regulations, but defined in the Code, shall have the meanings assigned to them in the Code.

**CHAPTER II****APPOINTMENT AND REMUNERATION OF LIQUIDATOR****3. Eligibility for appointment as liquidator.**

- (1) An insolvency professional shall be eligible to be appointed as a liquidator if he, and every partner or director of the insolvency professional entity of which he is a partner or director, is independent of the corporate debtor.

*Explanation*– A person shall be considered independent of the corporate debtor, if he-

- (a) is eligible to be appointed as an independent director on the board of the corporate debtor under section 149 of the Companies Act, 2013 (18 of 2013), where the corporate debtor is a company;
- (b) is not a related party of the corporate debtor; or
- (c) has not been an employee or proprietor or a partner:
- (i) of a firm of auditors or company secretaries or cost auditors of the corporate debtor; or
- (ii) of a legal or a consulting firm, that has or had any transaction with the corporate debtor contributing ten per cent or more of the gross turnover of such firm,

in the last three financial years.

- (2) A liquidator shall disclose the existence of any pecuniary or personal relationship with the concerned corporate debtor or any of its stakeholders as soon as he becomes aware of it, to the Board and the Adjudicating Authority.
- (3) An insolvency professional shall not continue as a liquidator if the insolvency professional entity of which he is a director or partner, or any other partner or director of such insolvency professional entity represents any other stakeholder in the same liquidation process.

**4. Liquidator's fee.**

- (1) The fee payable to the liquidator shall form part of the liquidation cost.
- (2) The liquidator shall be entitled to such fee and in such manner as has been decided by the committee of creditors before a liquidation order is passed under sections 33(1)(a) or 33(2).
- (3) In all cases other than those covered under sub-regulation (2), the liquidator shall be entitled to a fee as a percentage of the amount realized net of other liquidation costs, and of the amount distributed, as under:

Amount of Realisation / Distribution (In rupees)	Percentage of fee on the amount realized / distributed			
	in the first six months	in the next six months	in the next one year	Thereafter
<i>Amount of Realisation (exclusive of liquidation costs)</i>				
On the first 1 crore	5.00	3.75	2.50	1.88
On the next 9 crore	3.75	2.80	1.88	1.41
On the next 40 crore	2.50	1.88	1.25	0.94
On the next 50 crore	1.25	0.94	0.68	0.51
On further sums realized	0.25	0.19	0.13	0.10
<i>Amount Distributed to Stakeholders</i>				
On the first 1 crore	2.50	1.88	1.25	0.94
On the next 9 crore	1.88	1.40	0.94	0.71
On the next 40 crore	1.25	0.94	0.63	0.47
On the next 50 crore	0.63	0.48	0.34	0.25
On further sums distributed	0.13	0.10	0.06	0.05

- (4) The liquidator shall be entitled to receive half of the fee payable on realization under sub-regulation (3) only after such realized amount is distributed.

**CHAPTER III**  
**POWERS AND FUNCTIONS OF LIQUIDATOR**

**5. Reporting.**

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

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

- (2) The liquidator shall preserve a physical as well as an electronic copy of the reports and minutes referred to in sub-regulation (1) for eight years after the dissolution of the corporate debtor.
- (3) Subject to other provisions of these Regulations, the liquidator shall make the reports and minutes referred to in sub-regulation (1) available to a stakeholder in either electronic or physical form, on receipt of
- (a) an application in writing;
  - (b) costs of making such reports and minutes available to it; and
  - (c) an undertaking from the stakeholder that it shall maintain confidentiality of such reports and minutes and shall not use these to cause an undue gain or undue loss to itself or any other person.

**6. Registers and books of account.**

- (1) Where the books of account of the corporate debtor are incomplete on the liquidation commencement date, the liquidator shall have them completed and brought up-to-date, with all convenient speed, as soon as the order for liquidation is passed.
- (2) The liquidator shall maintain the following registers and books, as may be applicable, in relation to the liquidation of the corporate debtor, and shall preserve them for a period of eight years after the dissolution of the corporate debtor-
- (a) Cash Book;
  - (b) Ledger;
  - (c) Bank Ledger;
  - (d) Register of Fixed Assets and Inventories;
  - (e) Securities and Investment Register;
  - (f) Register of Book Debts and Outstanding Debts;
  - (g) Tenants Ledger;
  - (h) Suits Register;
  - (i) Decree Register;
  - (j) Register of Claims and Dividends;
  - (k) Contributories Ledger;
  - (l) Distributions Register;
  - (m) Fee Register;
  - (n) Suspense Register;
  - (o) Documents Register;

- (p) Books Register;
  - (q) Register of unclaimed dividends and undistributed properties deposited in accordance with Regulation 45; and
  - (r) such other books or registers as may be necessary to account for transactions entered into by him in relation to the corporate debtor.
- (3) The registers and books under sub-regulation (2) may be maintained in the forms indicated in Schedule III, with such modifications as the liquidator may deem fit in the facts and circumstances of the liquidation process.
- (4) The liquidator shall keep receipts for all payments made or expenses incurred by him.

#### **7. Appointment of professionals.**

- (1) A liquidator may appoint professionals to assist him in the discharge of his duties, obligations and functions for a reasonable remuneration and such remuneration shall form part of the liquidation cost.
- (2) The liquidator shall not appoint a professional under sub-regulation (1) who is his relative, is a related party of the corporate debtor or has served as an auditor to the corporate debtor in the five years preceding the liquidation commencement date.
- (3) A professional appointed or proposed to be appointed under sub-regulation (1) shall disclose the existence of any pecuniary or personal relationship with any of the stakeholders, or the concerned corporate debtor as soon as he becomes aware of it, to the liquidator.

#### **8. Consultation with stakeholders.**

- (1) The stakeholders consulted under section 35(2) shall extend all assistance and cooperation to the liquidator to complete the liquidation of the corporate debtor.
- (2) The liquidator shall maintain the particulars of any consultation with the stakeholders made under this Regulation, as specified in Form A of Schedule II.

#### **9. Personnel to extend cooperation to liquidator.**

- (1) The liquidator may make an application to the Adjudicating Authority for a direction that a person who-
- (a) is or has been an officer, auditor, employee, promoter or partner of the corporate debtor;
  - (b) was the interim resolution professional, resolution professional or the previous liquidator of the corporate debtor; or
  - (c) has possession of any of the properties of the corporate debtor;

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

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

#### **10. Disclaimer of onerous property.**

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

the liquidator may, notwithstanding that he has endeavored to sell or has taken possession of the property or exercised any act of ownership in relation thereto or done anything in pursuance of the contract, make an application to the Adjudicating Authority within six months from the liquidation commencement date, or such extended period as may be allowed by the Adjudicating Authority, to disclaim the property or contract.

- (2) The liquidator shall not make an application under sub-regulation (1) if a person interested in the property or contract inquired in writing whether he will make an application to have such property disclaimed, and he did not communicate his intention to do so within one month from receipt of such inquiry.
- (3) The liquidator shall serve a notice to persons interested in the onerous property or contract at least seven days before making an application for disclaimer to the Adjudicating Authority:

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

- (a) is entitled to the benefit or subject to the burden of the contract ; or
  - (b) claims an interest in a disclaimed property or is under a liability not discharged in respect of a disclaimed property.
- (4) Subject to the order of the Adjudicating Authority approving such disclaimer, the disclaimer shall operate to determine, from the date of disclaimer, the rights, interest and liabilities of the corporate debtor in or in respect of the property or contract disclaimed, but shall not, except so far as is necessary for the purpose of releasing the corporate debtor and the property of the corporate from liability, affect the rights, interest or liabilities of any other person.
  - (5) A person affected by the disclaimer under this Regulation shall be deemed to be a creditor of the corporate debtor for the amount of the compensation or damages payable in respect of such effect, and may accordingly be payable as a debt in liquidation under section 53(1)(f).

#### **11. Extortionate credit transactions.**

A transaction shall be considered an extortionate credit transaction under section 50(2) where the terms-

- (1) require the corporate debtor to make exorbitant payments in respect of the credit provided; or
- (2) are unconscionable under the principles of law relating to contracts.

### **CHAPTER IV**

#### **GENERAL**

#### **12. Public announcement by liquidator.**

- (1) The liquidator shall make a public announcement in Form B of Schedule II within five days from his appointment.
- (2) The public announcement shall-
  - (a) call upon stakeholders to submit their claims as on the liquidation commencement date; and
  - (b) provide the last date for submission of claim, which shall be thirty days from the liquidation commencement date.
- (3) The announcement shall be published-
  - (a) in one English and one regional language newspaper with wide circulation at the location of the registered office and principal office, if any, of the corporate 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;

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
- (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.

*Illustration:* An insolvency professional becomes a liquidator on 13<sup>th</sup> February, 2017, and ceases to act as liquidator on 12<sup>th</sup> February, 2019. He shall submit Progress Reports as under:

Report No.	Period covered in the Quarter	Last Date of Submission of Report
1	13 <sup>th</sup> February - 31 <sup>st</sup> March, 2017	15 <sup>th</sup> April, 2017
2	April - June, 2017	15 <sup>th</sup> July, 2017
3	July - September, 2017	15 <sup>th</sup> October, 2017
4	October - December, 2017	15 <sup>th</sup> January, 2018
5	January - March, 2018	15 <sup>th</sup> April, 2018
6	April - June, 2018	15 <sup>th</sup> July, 2018
7	July - September, 2018	15 <sup>th</sup> October, 2018
8	October - December, 2018	15 <sup>th</sup> January, 2019
9	January - 12 <sup>th</sup> February, 2019	27 <sup>th</sup> February, 2019

He shall submit the audited accounts of his receipts and payments as under:

Audited Account No.	Period covered in the Year	Last Date of Submission
1	13 <sup>th</sup> February - 31 <sup>st</sup> March, 2017	15 <sup>th</sup> April, 2017
2	April - March, 2018	15 <sup>th</sup> April, 2018
3	April - 12 <sup>th</sup> February, 2019	27 <sup>th</sup> February, 2019

## CHAPTER V

### CLAIMS

#### 16. Proof of claim.

A person, who claims to be a stakeholder, shall prove his claim for debt or dues to him, including interest, if any, as on the liquidation commencement date.

#### 17. Claims by operational creditors.

- (1) A person claiming to be an operational creditor of the corporate debtor, other than a workman or employee, shall submit proof of claim to the liquidator in person, by post or by electronic means in Form C of Schedule II.
- (2) The existence of debt due to an operational creditor under this Regulation may be proved on the basis of-
- (a) the records available with an information utility, if any; or
  - (b) other relevant documents which adequately establish the debt, including any or all of the following -
    - (i) a contract for the supply of goods and services with corporate debtor;
    - (ii) an invoice demanding payment for the goods and services supplied to the corporate debtor;
    - (iii) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any; and
    - (iv) financial accounts.

#### 18. Claims by financial creditors.

- (1) A person claiming to be a financial creditor of the corporate debtor shall submit proof of claim to the liquidator in electronic means in Form D of Schedule II.
- (2) The existence of debt due to the financial creditor may be proved on the basis of-
- (a) the records available in an information utility, if any; or
  - (b) other relevant documents which adequately establish the debt, including any or all of the following-

- (i) a financial contract supported by financial statements as evidence of the debt;
- (ii) a record evidencing that the amounts committed by the financial creditor to the corporate debtor under a facility has been drawn by the corporate debtor;
- (iii) financial statements showing that the debt has not been repaid; and
- (iv) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any.

**19. Claims by workmen and employees.**

- (1) A person claiming to be a workman or an employee of the corporate debtor shall submit proof of claim to the liquidator in person, by post or by electronic means in Form E of Schedule II.
- (2) Where there are dues to numerous workmen or employees of the corporate debtor, an authorized representative may submit one proof of claim for all such dues on their behalf in Form F of Schedule II.
- (3) The existence of dues to workmen or employees may be proved by them, individually or collectively, on the basis of-
  - (a) records available in an information utility, if any; or
  - (b) other relevant documents which adequately establish the dues, including any or all of the following -
    - (i) a proof of employment such as contract of employment for the period for which such workman or employee is claiming dues;
    - (ii) evidence of notice demanding payment of unpaid amount and any documentary or other proof that payment has not been made; and
    - (iii) an order of a court or tribunal that has adjudicated upon the non-payment of dues, if any.
- (4) The liquidator may admit the claims of a workman or an employee on the basis of the books of account of the corporate debtor if such workman or employee has not made a claim.

**20. Claims by other stakeholders.**

- (1) A person, claiming to be a stakeholder other than those under Regulations 17(1), 18(1), or 19(1), shall submit proof of claim to the liquidator in person, by post or by electronic means in Form G of Schedule II.
- (2) The existence of the claim of the stakeholder may be proved on the basis of -
  - (a) the records available in an information utility, if any, or
  - (b) other relevant documents which adequately establish the claim, including any or all of the following-
    - (i) documentary evidence of notice demanding payment of unpaid amount or bank statements of the claimant showing that the claim has not been paid and an affidavit that the documentary evidence and bank statements are true, valid and genuine;
    - (ii) documentary or electronic evidence of his shareholding; and
    - (iii) an order of a court, tribunal or other authority that has adjudicated upon the non-payment of a claim, if any.

**21. Proving security interest.**

The existence of a security interest may be proved by a secured creditor on the basis of-

- (a) the records available in an information utility, if any;
- (b) certificate of registration of charge issued by the Registrar of Companies; or
- (c) proof of registration of charge with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India.

**22. Production of bills of exchange and promissory notes.**

Where a person seeks to prove a debt in respect of a bill of exchange, promissory note or other negotiable instrument or security of a like nature for which the corporate debtor is liable, such bill of exchange, note, instrument or security, as the case may be, shall be produced before the liquidator before the claim is admitted.



**23. Substantiation of claims.**

The liquidator may call for such other evidence or clarification as he deems fit from a claimant for substantiating the whole or part of its claim.

**24. Cost of proof.**

- (1) A claimant shall bear the cost of proving its claim.
- (2) Costs incurred by the liquidator for verification and determination of a claim shall form part of liquidation cost:

*Provided* that if a claim or part of the claim is found to be false, the liquidator shall endeavor to recover the costs incurred for verification and determination of claim from such claimant, and shall provide the details of the claimant to the Board.

**25. Determination of quantum of claim.**

Where the amount claimed by a claimant is not precise due to any contingency or any other reason, the liquidator shall make the best estimate of the amount of the claim based on the information available with him.

**26. Debt in foreign currency.**

The claims denominated in foreign currency shall be valued in Indian currency at the official exchange rate as on the liquidation commencement date.

*Explanation-* “The official exchange rate” is the reference rate published by the Reserve Bank of India or derived from such reference rates.

**27. Periodical payments.**

In the case of rent, interest and such other payments of a periodical nature, a person may claim only for any amounts due and unpaid up to the liquidation commencement date.

**28. Debt payable at future time.**

- (1) A person may prove for a claim whose payment was not yet due on the liquidation commencement date and is entitled to distribution in the same manner as any other stakeholder.
- (2) Subject to any contract to the contrary, where a stakeholder has proved for a claim under sub-regulation (1), and the debt has not fallen due before distribution, he is entitled to distribution of the admitted claim reduced as follows-

$$X / (1+r)^n$$

where—

- (a) “X” is the value of the admitted claim;
- (b) “r” is the closing yield rate (%) of government securities of the maturity of “n” on the date of distribution as published by the Reserve Bank of India; and
- (c) “n” is the period beginning with the date of distribution and ending with the date on which the payment of the debt would otherwise be due, expressed in years and months in a decimalized form.

**29. Mutual credits and set-off.**

Where there are mutual dealings between the corporate debtor and another party, the sums due from one party shall be set off against the sums due from the other to arrive at the net amount payable to the corporate debtor or to the other party.

*Illustration:* X owes Rs. 100 to the corporate debtor. The corporate debtor owes Rs. 70 to X. After set off, Rs. 30 is payable by X to the corporate debtor.

**30. Verification of claims**

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

**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 claims, and the filing of the list shall be announced to the public in the manner specified in Regulation 12(3).
- (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.

**CHAPTER VI****REALISATION OF ASSETS****32. Manner of sale.**

The liquidator may

- (a) sell an asset on a standalone basis; or
- (b) sell
  - (i) the assets in a slump sale,
  - (ii) a set of assets collectively, or
  - (iii) the assets in parcels.

**33. Mode of sale.**

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

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

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

- (3) The liquidator shall not proceed with the sale of an asset if he has reason to believe that there is any collusion between the buyers, or the corporate debtor's related parties and 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 set of assets or assets in parcels or assets in a slump sale, as the case may be, valued in accordance with Regulation 35, if intended to be sold as specified in Regulation 32(b);
  - (c) intended manner of sale in accordance with Regulation 32, and reasons for the same;
  - (d) the intended mode of sale and reasons for the same in accordance with Regulation 33;
  - (e) expected amount of realization from sale; and
  - (f) any other information that may be relevant for the sale of the asset.
- (3) The asset memorandum shall provide the following details in respect of each of the assets other than those referred to in sub-regulation (2)-
- (a) value of the asset;
  - (b) intended manner and mode of realization, and reasons for the same;
  - (c) expected amount of realization; and
  - (d) any other information that may be relevant for the realization of the asset.
- (4) The liquidator shall file the asset memorandum along with the 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) The liquidator shall appoint at least two registered valuers to value the assets as required under Regulation 34(2).
- (2) The provisions of Regulation 7 shall apply *mutatis mutandis* to registered valuers appointed under sub-regulation (1).
- (3) The registered valuers appointed under sub-regulation (1) shall independently submit to the liquidator the estimates of the realizable value of the asset(s) computed in accordance with internationally accepted valuation standards, after physical verification of the assets of the corporate debtor.
- (4) The average of the estimates received under sub-regulation (3) shall be considered the value of the assets.

**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.
- (4) If the liquidator does not inform the secured creditor in accordance with sub-regulation (2), or the person does not buy the secured asset in accordance with sub-regulation (2), the secured creditor may realize the secured asset in the manner it deems fit, but at least at the price intimated under sub-regulation (1).
- (5) Where the secured asset is realized under sub-regulation (3), the secured creditor shall bear the cost of identification of the buyer under sub-regulation (2).
- (6) Where the secured asset is realized under sub-regulation (4), the liquidator shall bear the cost of incurred to identify the buyer under sub-regulation (2).
- (7) The provisions of this Regulation shall not apply if the secured creditor enforces his security interest under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002) or the Recovery of Debts and Bankruptcy Act, 1993 (51 of 1993).

**38. Distribution of unsold assets.**

- (1) The liquidator may, with the permission of the Adjudicating Authority, distribute amongst the stakeholders, an asset that cannot be readily or advantageously sold due to its peculiar nature or other special circumstances.
- (2) The application seeking permission of the Adjudicating Authority under sub-regulation (1) shall-
  - (a) identify the asset;
  - (b) provide a value of the asset;
  - (c) detail the efforts made to sell the asset, if any; and
  - (d) provide reasons for such distribution.

**39. Recovery of monies due.**

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

**40. Liquidator to realize uncalled capital or unpaid capital contribution.**

- (1) The liquidator shall realize any amount due from any contributory to the corporate debtor.
- (2) Notwithstanding any charge or encumbrance on the uncalled capital of the corporate debtor, the liquidator shall be entitled to call and realize the uncalled capital of the corporate debtor and to collect the arrears, if any, due on calls made prior to the liquidation, by providing a notice to the contributory to make the payments within fifteen days from the receipt of the notice, but shall hold all moneys so realized subject to the rights, if any, of the holder of any such charge or encumbrance.
- (3) No distribution shall be made to a contributory, unless he makes his contribution to the uncalled or unpaid capital as required in the constitutional documents of the corporate debtor.

*Explanation:* For the purpose of this chapter and Schedule I, 'assets' include an asset, all assets, a set of assets or parcel of assets, as the case may be, which are being sold.

**CHAPTER VII****PROCEEDS OF LIQUIDATION AND DISTRIBUTION OF PROCEEDS****41. All money to be paid in to bank account.**

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

- (2) The liquidator shall deposit in the bank account opened under sub-regulation (1) all moneys, including cheques and demand drafts received by him as the liquidator of the corporate debtor, and the realizations of each day shall be deposited into the bank account without any deduction not later than the next working day.
- (3) The liquidator may maintain a cash of one lakh rupees or such higher amount as may be permitted by the Adjudicating Authority to meet liquidation costs.
- (4) All payments out of the account by the liquidator above five thousand rupees shall be made by cheques drawn or online banking transactions against the bank account.

**42. Distribution.**

- (1) Subject to the provisions of section 53, the liquidator shall not commence distribution before the list of stakeholders and the asset memorandum has been filed with the Adjudicating Authority.
- (2) The liquidator shall distribute the proceeds from realization within six months from the receipt of the amount to the stakeholders.
- (3) The insolvency resolution process costs, if any, and the liquidation costs shall be deducted before such distribution is made.

**43. Return of money.**

A stakeholder shall forthwith return any monies received by him in distribution, which he was not entitled to at the time of distribution, or subsequently became not entitled to.

**44. Completion of liquidation.**

- (1) The liquidator shall liquidate the corporate debtor within a period of two years.
- (2) If the liquidator fails to liquidate the corporate debtor within two years, 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 final report shall form part of the application for the dissolution of the corporate debtor to the Adjudicating Authority to be made under section 54.

**46. Unclaimed proceeds of liquidation or undistributed assets.**

- (1) Before the order of dissolution is passed under section 54(2), the liquidator shall apply to the Adjudicating Authority for an order to pay into the Companies Liquidation Account in the Public Account of India any unclaimed proceeds of liquidation or undistributed assets or any other balance payable to the stakeholders in his hands on the date of the order of dissolution.
- (2) Any liquidator who retains any money which should have been paid by him into the Companies Liquidation Account under this Regulation shall pay interest on the amount retained at the rate of twelve per cent per annum, and also pay such penalty as may be determined by the Board.
- (3) The liquidator shall, when making any payment referred to in sub-regulation (1), furnish to the authority with which the corporate debtor is registered, and the Board, a statement setting forth the nature of the sums included, the names and last known addresses of the stakeholders entitled to participate therein, the amount to which each is entitled to and the nature of their claim.
- (4) The liquidator shall be entitled to a receipt from the Reserve Bank of India for any money paid to it under sub-regulation (2), and such receipt shall be an effectual discharge of the liquidator in respect thereof.
- (5) A person claiming to be entitled to any money paid into the Companies Liquidation Account may apply to the Board for an order for payment of the money claimed; which may, if satisfied that such person is entitled to the whole or any part of the money claimed, make an order for the payment to that person of the sum due to him, after taking such security from him as it may think fit.

- (6) Any money paid into the Companies Liquidation Account in pursuance of this Regulation, which remains unclaimed thereafter for a period of fifteen years, shall be transferred to the general revenue account of the Central Government.

### SCHEDULE I

#### MODE OF SALE

*(Under Regulation 33 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)*

#### 1. AUCTION

- (1) Where an asset is to be sold through auction, a liquidator shall do so in the manner specified herein.
- (2) The liquidator shall prepare a marketing strategy, with the help of marketing professionals, if required, for sale of the asset. The strategy may include-
- (a) releasing advertisements;
  - (b) preparing information sheets for the asset;
  - (c) preparing a notice of sale; and
  - (d) liaising with agents.
- (3) The liquidator shall prepare terms and conditions of sale, including reserve price, earnest money deposit as well as pre-bid qualifications, if any.
- (4) The reserve price shall be the value of the asset arrived at in accordance with Regulation 34. Such valuation shall not be more than six months old. However, in the event that an auction fails at such price, the liquidator may reduce the reserve price up to seventy-five per cent of such value to conduct subsequent auctions.
- (5) The liquidator shall make a public announcement of an auction in the manner specified in Regulation 12(3);
- Provided that the liquidator may apply to Adjudicating Authority to dispense with the requirement of Regulation 12(3)(a) keeping in view the value of the asset intended to be sold by auction.
- (6) The liquidator shall provide all assistance necessary for the conduct of due diligence by interested buyers.
- (7) The liquidator shall sell the assets through an electronic auction on an online portal, if any, designated by the Board, where the interested buyers can register, bid and receive confirmation of the acceptance of their bid online.
- (8) If the liquidator is of the opinion that a physical auction is likely to maximize the realization from the sale of assets and is in the best interests of the creditors, he may sell assets through a physical auction after obtaining the permission of the Adjudicating Authority. The liquidator may engage the services of qualified professional auctioneers specializing in auctioning such assets for this purpose.
- (9) An auction shall be transparent, and the highest bid at any given point shall be visible to the other bidders.
- (10) If the liquidator is of the opinion that an auction where bid amounts are not visible is likely to maximize realizations from the sale of assets and is in the best interests of the creditors, he may apply, in writing, to the Adjudicating Authority for its permission to conduct an auction in such manner.
- (11) If required, the liquidator may conduct multiple rounds of auctions to maximize the realization from the sale of the assets, and to promote the best interests of the creditors.
- (12) On the close of the auction, the highest bidder shall be invited to provide balance sale consideration within fifteen days of the date when he is invited to provide the balance sale consideration. On payment of the full amount, the sale shall stand completed, the liquidator shall execute certificate of sale or sale deed to transfer such assets and the assets shall be delivered to him in the manner specified in the terms of sale.

**2. PRIVATE SALE**

- (1) Where an asset is to be sold through private sale, a liquidator shall conduct the sale in the manner specified herein.
- (2) The liquidator shall prepare a strategy to approach interested buyers for assets to be sold by private sale.
- (3) Private sale may be conducted through directly liaising with potential buyers or their agents, through retail shops, or through any other means that is likely to maximize the realizations from the sale of assets.
- (4) The sale shall stand completed in accordance with the terms of sale.
- (5) Thereafter, the assets shall be delivered to the purchaser, on receipt of full consideration for the assets, in the manner specified in the terms of sale.

**SCHEDULE II****FORM A****PROFORMA FOR REPORTING CONSULTATIONS WITH STAKEHOLDERS**

*(Under Regulation 8 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)*

**Separate proforma to be used for each stakeholder or group of homogenous stakeholders**

NAME AND REGISTRATION NO. OF LIQUIDATOR:	
NAME OF CORPORATE DEBTOR BEING LIQUIDATED:	
LIQUIDATION CASE NO:	
NAME OF THE STAKEHOLDER: DATE OF CONSULTATION (IF HELD IN PERSON): NUMBER AND DATES OF COMMUNICATIONS RECEIVED FROM STAKEHOLDER: SUMMARY OF CONSULTATION:	

**SCHEDULE II****FORM B****PUBLIC ANNOUNCEMENT**

*(Regulation 12 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016)*

**FOR THE ATTENTION OF THE STAKEHOLDERS OF [Name of Corporate Debtor]**

1.	NAME OF CORPORATE DEBTOR	
2.	DATE OF INCORPORATION OF CORPORATE DEBTOR	
3.	AUTHORITY UNDER WHICH CORPORATE DEBTOR IS INCORPORATED/ REGISTERED	
4.	CORPORATE IDENTITY NUMBER / LIMITED LIABILITY IDENTITY NUMBER OF CORPORATE DEBTOR	
5.	ADDRESS OF THE REGISTERED OFFICE AND PRINCIPAL OFFICE (IF ANY) OF CORPORATE DEBTOR	
6.	DATE OF CLOSURE OF INSOLVENCY RESOLUTION PROCESS	
7.	LIQUIDATION COMMENCEMENT DATE OF CORPORATE DEBTOR	
8.	NAME, ADDRESS, EMAIL ADDRESS, TELEPHONE NUMBER AND THE REGISTRATION NUMBER OF THE LIQUIDATOR	
9.	LAST DATE FOR SUBMISSION OF CLAIMS	

Notice is hereby given that the Hon'ble National Company Law Tribunal (Name of Bench) has ordered the commencement of liquidation of the [name of the corporate debtor] on [date of passing of order of liquidation under section 33 of the Code].

The stakeholders of [name of the corporate debtor] are hereby called upon to submit a proof of their claims, on or before [insert the date falling thirty days after the liquidation commencement date], to the liquidator at the address mentioned against item 8.

The financial creditors shall submit their proof of claims by electronic means only. All other stakeholders may submit the proof of claims in person, by post or by electronic means.

Submission of false or misleading proofs of claim shall attract penalties.

Name and Signature of the Liquidator:

Date and Place:

## SCHEDULE II

### FORM C

#### PROOF OF CLAIM BY OPERATIONAL CREDITORS EXCEPT WORKMEN AND EMPLOYEES

(Under Regulation 17 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

[Date]

To

The Liquidator

[Name of the Liquidator]

[Address as set out in the public announcement]

From

[Name and address of the operational creditor]

**Subject:** Submission of proof of claim in respect of the liquidation of [name of corporate debtor] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the operational creditor] hereby submits this proof of claim in respect of the liquidation of [name of corporate debtor]. The details for the same are set out below:

1.	NAME OF OPERATIONAL CREDITOR (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION, IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
2.	ADDRESS OF OPERATIONAL CREDITOR FOR CORRESPONDENCE	
3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST, AS AT LIQUIDATION COMMENCEMENT DATE AND DETAILS OF NATURE OF CLAIM	PRINCIPAL : INTEREST : TOTAL CLAIM :
4.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED	
5.	DETAILS OF ANY DISPUTE AS WELL AS THE RECORD OF PENDENCY OF SUIT OR ARBITRATION PROCEEDINGS	
6.	DETAILS OF HOW AND WHEN DEBT INCURRED	
7.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE OPERATIONAL CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM	



8.	DETAILS OF ANY RETENTION OF TITLE IN RESPECT OF GOODS OR PROPERTIES TO WHICH THE DEBT REFERS OR ANY OTHER SECURITY	
9.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
10.	DETAILS OF THE BANK ACCOUNT TO WHICH THE OPERATIONAL CREDITOR'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
11.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	(i) (ii) (iii)

Signature of operational creditor or person authorised to act on his behalf (Please enclose the authority if this is being submitted on behalf of the operational creditor)
Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

#### AFFIDAVIT

I, [*name of deponent*], currently residing at [*address of deponent*], do solemnly affirm and state as follows:

- The above named corporate debtor was, at liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and still is, justly and truly indebted to me [or to me and [*insert name of co-partners*], my co-partners in trade, or, as the case may be] in the sum of Rs. \_\_\_\_\_ for \_\_\_\_\_ [*please state consideration*].
- In respect of my claim of the said sum or any part thereof, I have relied on and the documents specified below:  
*[Please list the documents relied on as evidence of debt.]*
- The said documents are true, valid and genuine to the best of my knowledge, information and belief.
- In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/ our use, had or received any manner of satisfaction or security whatsoever, save and except the following:  
*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the operational creditor which may be set-off against the claim.]*

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Before me,

Notary / Oath Commissioner

Deponent's signature

**VERIFICATION**

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_\_

Deponent's signature

**SCHEDULE II****FORM D****PROOF OF CLAIM BY FINANCIAL CREDITORS**

(Under Regulation 18 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

[Date]

To

The Liquidator

[Name of the Liquidator]

[Address as set out in the public announcement]

From

[Name and address of the registered office and principal office of the financial creditor]

**Subject:** Submission of proof of claim in respect of the liquidation of [name of corporate debtor] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the financial creditor] hereby submits this proof of claim in respect of the liquidation of [name of corporate debtor]. The details for the same are set out below:

1.	NAME OF FINANCIAL CREDITOR (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION, IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
2.	ADDRESS AND EMAIL OF FINANCIAL CREDITOR FOR CORRESPONDENCE.	
3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST, AS AT THE LIQUIDATION COMMENCEMENT DATE AND DETAILS OF NATURE OF CLAIM (WHETHER TERM LOAN, SECURED, UNSECURED)	PRINCIPAL : INTEREST : TOTAL CLAIM :
4.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED	
5.	DETAILS OF ANY ORDER OF A COURT OF TRIBUNAL THAT HAS ADJUDICATED ON THE NON-PAYMENT OF DEBT	
6.	DETAILS OF HOW AND WHEN DEBT INCURRED	
7.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE FINANCIAL CREDITOR WHICH MAY BE SET-OFF AGAINST THE CLAIM	

8.	DETAILS OF ANY SECURITY HELD, THE VALUE OF THE SECURITY, AND THE DATE IT WAS GIVEN	
9.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
10.	DETAILS OF THE BANK ACCOUNT TO WHICH THE FINANCIAL CREDITOR'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
11.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	(i) (ii) (iii)

Signature of financial creditor or person authorised to act on his behalf (please enclose the authority if this is being submitted on behalf a financial creditor)
Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

#### AFFIDAVIT

I, [name of deponent], currently residing at [address of deponent], do solemnly affirm and state as follows:

- The above named corporate debtor was, at the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ and still is, justly and truly indebted to me [or to me and [insert name of co-partners], my co-partners in trade, or, as the case may be] in the sum of Rs. \_\_\_\_\_ for .....[please state consideration].
- In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:  
[Please list the documents relied on as evidence of debt and of non-payment.]
- The said documents are true, valid and genuine to the best of my knowledge, information and belief.
- In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/ our use, had or received any manner of satisfaction or security whatsoever, save and except the following:  
[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the financial creditor which may be set-off against the claim.]

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature.

**VERIFICATION**

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_.

Deponent's signature.

**SCHEDULE II****FORM E****PROOF OF CLAIM BY A WORKMAN OR EMPLOYEE**

(Under Regulation 19 of the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016)

[Date]

To

The Liquidator

[Name of the Liquidator]

[Address as set out in public announcement]

From

[Name and address of the workman / employee]

**Subject:** Submission of proof of claim in respect of liquidation of (Name of corporate debtor) under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the workman / employee], hereby submits this proof of claim in respect of the liquidation of [name of corporate debtor]. The details for the same are set out below:

1.	NAME OF WORKMAN/EMPLOYEE	
2.	PAN, PASSPORT, THE IDENTITY CARD ISSUED BY THE ELECTION COMMISSION OF INDIA OR AADHAAR CARD OF WORKMAN / EMPLOYEE	
3.	ADDRESS AND EMAIL ADDRESS (IF ANY) OF WORKMAN / EMPLOYEE FOR CORRESPONDENCE	
4.	TOTAL AMOUNT OF CLAIM (INCLUDING ANY INTEREST AS AT THE LIQUIDATION COMMENCEMENT DATE)	
5.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE DEBT CAN BE SUBSTANTIATED.	
6.	DETAILS OF ANY DISPUTE AS WELL AS THE RECORD OF PENDENCY OR ORDER OF SUIT OR ARBITRATION PROCEEDINGS	
7.	DETAILS OF HOW AND WHEN CLAIM AROSE	
8.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE	

	CORPORATE DEBTOR AND THE WORKMAN / EMPLOYEE WHICH MAY BE SET-OFF AGAINST THE CLAIM	
9.	DETAILS OF THE BANK ACCOUNT TO WHICH THE WORKMAN / EMPLOYEE'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
10.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	(i) (ii) (iii)

Signature of workman / employee or person authorised to act on his behalf [Please enclose the authority if this is being submitted on behalf of an operational creditor]
Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

#### AFFIDAVIT

I, [name of deponent], currently residing at [insert address], do solemnly affirm and state as follows:

5. [Name of corporate debtor], the corporate debtor was, at the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_, justly and truly indebted to me in the sum of Rs. [insert amount of claim].
6. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:  
[Please list the documents relied on as evidence of claim]
7. The said documents are true, valid and genuine to the best of my knowledge, information and belief.
8. In respect of the said sum or any part thereof, I have not nor has any person, by my order, to my knowledge or belief, for my use, had or received any manner of satisfaction or security whatsoever, save and except the following:

[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the workman / employee which may be set-off against the claim.]

Solemnly, affirmed at [insert place] on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

Before me,

Notary/ Oath Commissioner

Deponent's signature

**VERIFICATION**

I, the Deponent hereinabove, do hereby verify and affirm that the contents of paragraph \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief and no material facts have been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_

Deponent's signature.

**SCHEDULE II****FORM F****PROOF OF CLAIM BY AUTHORISED REPRESENTATIVE OF WORKMEN OR EMPLOYEES**

*(Under Regulation 19 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)*

[Date]

To

The Liquidator

*[Name of the Liquidator]*

*[Address as set out in the public announcement]*

From

*[Name and address of the authorised representative of workmen/ employees]*

**Subject:** Submission of proof of claim in respect of the liquidation of *[name of corporate debtor]* under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

I, *[name of duly authorised representative of the workmen/ employees]* currently residing at *[address of duly authorised representative of the workmen/ employees]*, on behalf of the workmen and employees employed by the above named corporate debtor, solemnly affirm and say:

1. That the abovenamed corporate debtor was, on the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_ and still is, justly truly indebted to the several persons whose names, addresses, and descriptions appear in the Annexure below in amounts severally set against their names in such Annexure for wages, remuneration and other amounts due to them respectively as workmen or/ and employees in the employ of the corporate debtor in respect of services rendered by them respectively to the corporate debtor during such periods as are set out against their respective names in the said Annexure.
2. That for which said sums or any part thereof, they have not, nor has any of them, had or received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credits, mutual debts, or other mutual dealings between the corporate debtor and the workmen / employees which may be set-off against the claim.]*

Signature :

## ANNEXURE

## 1. Details of Employees/ Workmen

S NO.	NAME OF EMPLOYEE/ WORKMEN	IDENTIFICATION NUMBER (PAN/, PASSPORT NUMBER/, AADHAAR NO. / ID CARD ISSUED BY THE ELECTION COMMISSION AND EMPLOYEE ID NO., IF ANY	TOTAL AMOUNT DUE AND DETAILS ON NATURE OF CLAIM	PERIOD OVER WHICH AMOUNT DUE	DETAILS OF EVIDENCE OF DEBT INCLUDING EMPLOYMENT CONTRACTS AND OTHER PROOFS
1.					
2.					
3.					
4.					
5.					

2. Particulars of how dues were incurred by the corporate debtor, including particulars of any dispute as well as the record of pendency of suit or arbitration proceedings.
3. Particulars of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the workmen / employee which may be set-off against the claim.
4. Please list out and attach the documents relied on to prove the claim.

## AFFIDAVIT

I, *[insert full name, address and occupation of deponent]* do solemnly affirm and state as follows:

1. The above named corporate debtor was, at the liquidation commencement date that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ and still is, justly and truly indebted to the workmen and employees in the sum of Rs. \_\_\_\_\_ for \_\_\_\_ *[please state the nature and duration of employment]*.
2. In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:  
*[Please list the documents relied on as evidence of proof]*
3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.
4. In respect of the said sum or any part thereof, the workmen / employees have not, nor has any person, by my order, to my knowledge or belief, for my use, had or has received any manner of satisfaction or security whatsoever, save and except the following:  
*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the workmen / employees which may be set-off against the claim.]*

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature

#### VERIFICATION

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_\_\_

Deponent's signature

#### SCHEDULE II

#### FORM G

#### PROOF OF CLAIM BY ANY OTHER STAKEHOLDER

(Under Regulation 20 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)

[Date]

To

The Liquidator

[Name of the Liquidator]

[Address as set out in the public announcement]

From

[Name and address of the other stakeholder]

**Subject:** Submission of proof of claim in respect of the liquidation of [name of corporate debtor] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the other stakeholder] hereby submits this proof of claim in respect of the liquidation in the case of [name of corporate debtor]. The details for the same are set out below:

1.	NAME OF OTHER STAKEHOLDER (IF AN INCORPORATED BODY PROVIDE IDENTIFICATION NUMBER AND PROOF OF INCORPORATION. IF A PARTNERSHIP OR INDIVIDUAL PROVIDE IDENTIFICATION RECORDS* OF ALL THE PARTNERS OR THE INDIVIDUAL)	
2.	ADDRESS AND EMAIL OF THE OTHER STAKEHOLDER FOR CORRESPONDENCE.	
3.	TOTAL AMOUNT OF CLAIM, INCLUDING ANY INTEREST AS AT LIQUIDATION COMMENCEMENT AND DETAILS OF NATURE OF CLAIM	PRINCIPAL : CLAIM INTEREST : TOTAL CLAIM :
4.	DETAILS OF DOCUMENTS BY REFERENCE TO WHICH THE CLAIM CAN BE SUBSTANTIATED	



5.	DETAILS OF HOW AND WHEN CLAIM AROSE	
6.	DETAILS OF ANY MUTUAL CREDIT, MUTUAL DEBTS, OR OTHER MUTUAL DEALINGS BETWEEN THE CORPORATE DEBTOR AND THE OTHER STAKEHOLDER WHICH MAY BE SET-OFF AGAINST THE CLAIM	
7.	DETAILS OF ANY RETENTION OF TITLE IN RESPECT OF GOODS OR PROPERTIES TO WHICH THE CLAIM REFERS	
8.	DETAILS OF ANY ASSIGNMENT OR TRANSFER OF DEBT IN HIS FAVOUR	
9.	DETAILS OF THE BANK ACCOUNT TO WHICH THE OTHER STAKEHOLDER'S SHARE OF THE PROCEEDS OF LIQUIDATION CAN BE TRANSFERRED	
10.	LIST OUT AND ATTACH THE DOCUMENTS RELIED ON IN SUPPORT OF THE CLAIM.	(i) (ii) (iii)

Signature of other stakeholder or person authorised to act on his behalf (Please enclose the authority if this is being submitted on behalf of the other stakeholder)
Name in BLOCK LETTERS
Position with or in relation to creditor
Address of person signing

\*PAN, Passport, AADHAAR Card or the identity card issued by the Election Commission of India.

#### AFFIDAVIT

I, [insert full name, address and occupation of deponent to be given] do solemnly affirm and state as follows:

- The above named corporate debtor was, at the liquidation commencement date, that is, the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ and still is, justly and truly indebted to me [or to me and [insert name of co-partner], my co-partners in trade, or, as the case may be,] in the sum of Rs. \_\_\_\_\_ for \_\_\_\_\_ [please state consideration].
- In respect of my claim of the said sum or any part thereof, I have relied on the documents specified below:  
  
[Please list the documents relied on as evidence of proof.]

3. The said documents are true, valid and genuine to the best of my knowledge, information and belief.
4. In respect of the said sum or any part thereof, I have not, nor have my partners or any of them, nor has any person, by my/our order, to my/our knowledge or belief, for my/ our use, had or received any manner of satisfaction or security whatsoever, save and except the following:

*[Please state details of any mutual credit, mutual debts, or other mutual dealings between the corporate debtor and the other stakeholder which may be set-off against the claim.]*

Solemnly, affirmed at \_\_\_\_\_ on \_\_\_\_\_ day, the \_\_\_\_\_ day of \_\_\_\_\_  
20\_\_\_\_

Before me,

Notary / Oath Commissioner.

Deponent's signature.

#### VERIFICATION

I, the Deponent hereinabove, do hereby verify and affirm that the contents of para \_\_\_ to \_\_\_ of this affidavit are true and correct to my knowledge and belief. Nothing is false and nothing material has been concealed therefrom.

Verified at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 201\_\_

Deponent's signature.

#### SCHEDULE III

*(Under Regulation 6 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016)*

**The formats contained in this Schedule are indicative in nature, and the liquidator may make such modifications to them as he deems fit in the facts and circumstances of the liquidation.**

#### CASH BOOK

Name of Corporate Debtor.....(in liquidation)

Date	Particulars	Ledger Folio No.	Receipt				Payments				Balance		
			Voucher No.	Cash	Bank	Total	Voucher No.	Cash	Bank	Total	Cash	Bank	Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Under 'particulars', the head of account to which the entry relates should be indicated so that the entry may be posted under the proper head in the General Ledger.

**GENERAL LEDGER**

Name of Corporate Debtor.....(in liquidation)

.....(Head of account)

<i>Date</i>	<i>Particulars</i>	<i>Dr.</i> <i>(Rs.)</i>	<i>Cr.</i> <i>(Rs.)</i>	<i>Balance</i> <i>(Rs.)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>

*Instructions:*

1. A General Ledger should be maintained with such heads of account as the liquidator may think necessary and appropriate. The following heads of account may be found suitable:

- (1) Asset account
- (2) Investments account
- (3) Book Debts & Outstandings account
- (4) Calls
- (5) Rents Collected
- (6) Interest on Securities and Deposits
- (7) Advances received
- (8) Miscellaneous receipts payments
- (9) Establishment
- (10) Legal charges
- (11) Rents, Rates and Taxes
- (12) Fees and Commission account
- (13) Other expenses
- (14) Suspense account
- (15) Secured creditors
- (16) Dividend account.

2. The entries in the General Ledger should be posted from the Cash Book.

3. The total of the debit balances and the total of the credit balances of the several heads of account in the General Ledger should agree, after taking into consideration the cash and bank balances as shown in the Cash Book. The totals should be tallied once a month.

**BANK LEDGER****Corporate debtor's (in liquidation) account with the Scheduled Bank**

<i>Date</i>	<i>Particulars</i>	<i>Deposits</i>		<i>Withdrawals</i>		<i>Balance</i> <i>Rs.</i>
		<i>Challan Number</i>	<i>Rs.</i>	<i>Cheque Number</i>	<i>Rs.</i>	
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

**REGISTER OF ASSETS**

<i>Sl. No.</i>	<i>Description of assets</i>	<i>Date of taking possession</i>	<i>Serial number of Sales Register</i>	<i>Date of sale</i>	<i>Date of realization</i>	<i>Amount</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.							
2.							

*Instructions:*

1. All the assets of the corporate debtor except the liquidator's investments in securities and outstandings to be realized should be entered in this Register.

**SECURITIES AND INVESTMENTS REGISTER**

<i>Sl. No.</i>	<i>Petition number and name of the corporate debtor</i>	<i>Date of investment</i>	<i>Nature and particulars of security in which investment is made</i>	<i>Amount Invested (Rs.)</i>	<i>Dividend or interest received with date of receipt (Rs.)</i>	<i>Date of disposal</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1.							
2.							

**REGISTER OF BOOK DEBTS AND OUTSTANDINGS**

<i>Sl. No.</i>	<i>Name and address of debtor</i>	<i>Particulars of debt</i>	<i>Amount due (Rs.)</i>	<i>Date of bar by limitation</i>	<i>Amount realised (Rs.)</i>	<i>Action taken</i>	<i>Date of realisation</i>	<i>Reference to Suits Register</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
1.									
2.									

*Instructions:*

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

**TENANTS LEDGER**

1. Description of property:
2. Name and address of tenant:
3. Date of tenancy:
4. Period of tenancy:

5. Rent (monthly or annual):
6. Special terms, if any:
7. Arrears on date of taking charge of property:
8. Advance received, if any:

Month	Demand	Realisation		Balance	Remarks
	Amount (Rs.)	Date	Amount (Rs.)	Amount (Rs.)	
1	2	3	4	5	6
January					
February					

### SUITS REGISTER

Sl. No.	Number of suit or appeal and court	Name and address of plaintiff/ appellant and his advocate	Name and address of defendant/ respondent and his advocate	Amount of claim	Date of filing	Dates of hearing	Date of decree or final order	Nature of relief granted	Amount decreed	Costs decreed	Reference to Decree Register	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13
1.												
2.												

*Instructions:*

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

### DECREE REGISTER

Number of suit or appeal and court	Name and address of judgment debtor	Amount Decreed (Rs.)	Date of decree	Action taken	Amount realized (Rs.)	Date of realisation	Reference to Suits Register
1	2	3	4	5	6	7	8
1.							
2.							

*Instructions:*

1. The purpose of the Register is to enable the liquidator to keep watch on the progress of the realization of decrees in favour of the corporate debtor in his charge.
2. Every decree or order for payment of money or delivery of property in favour of the corporate debtor including an order for payment of costs whether made in a suit, appeal or application, should be entered in this Register.

**REGISTER OF CLAIMS AND DISTRIBUTIONS**

Claims						Distributions declared and paid									Remarks
Sl. No.	Name and Address of creditor	Amount claimed (Rs.)	Nature of claim (Rs.)	Amount admitted (Rs.)	Whether ordinary or preferential	Date	Amount (Rs.)	Date and Mode of Payment	Rate	Amount (Rs.)	Date and mode of payment	Rate	Amount (Rs.)	Date and mode of payment	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1.															
2.															

**Instructions:**

1. Only claims admitted either wholly or in part should be entered in this Register.
2. The page on the left side should be reserved for claims and the page on the right side for Distributions.

**CONTRIBUTORY'S LEDGER**

Sl. No.	Name and address of contributory	Number of shares or extent of interest held, and amount paid thereon	Calls			Remarks	Returns of share capital			Remarks
			First call		2 <sup>nd</sup> call/ 3 <sup>rd</sup> call		Date of return	Date of Payment	Amount paid (Rs.)	
			Date of call and amount called	Amount paid and date of payment						
1	2	3	4	5	6 to 9	10	11	12	13	14
1.										
2.										

**Instructions:**

Only contributories settled on the list of stakeholders should be entered in this Register and they should be entered in the same order as in the list.

**DISTRIBUTIONS REGISTER**

Date on which distribution is made:

Total amount payable in this round of distribution:

Date	Number on list of stakeholders	Particulars	Receipts	Payments
1	2	3	4	5
1.				
2.				

**Instructions:**

1. Separate pages should be set apart for preferential and ordinary distributions.
2. The payments should be entered as and when they are made. Any amount which is returned unpaid should be re-entered in the account under 'Receipts'.
3. The number in column 2 should be the number of the stakeholders in the list of stakeholders as finally settled.

4. The total amount of unclaimed distribution payable into the Public Account of India, and the amount paid into the Bank with the date of payment, should be shown at the end of the account.

#### FEE REGISTER

<i>Amount realized on which fee are payable</i>	<i>Amount distributed on which fee are payable</i>	<i>Fee payable on the amounts in the two preceding columns</i>	<i>Fee, if any payable otherwise under order of Adjudicating Authority</i>	<i>Total fee payable</i>	<i>Date of payment</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
1.					
2.					

*Instructions:*

1. There should be a fresh opening for each year.
2. The fees due to the liquidator should be entered in the Register as soon as the audit of the account for a quarter is completed.

#### SUSPENSE REGISTER

<i>Date</i>	<i>Particulars</i>	<i>Debit (Rs.)</i>	<i>Credit (Rs.)</i>	<i>Balance (Rs.)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1.				
2.				

*Instructions:*

1. Advances made by the liquidator to any person should be entered in this Register.
2. There should be a separate opening for each person.

#### DOCUMENTS REGISTER

<i>Sl. No.</i>	<i>Description of document</i>	<i>Date of receipt</i>	<i>From whom received</i>	<i>Reference number of shelf in which document is kept</i>	<i>How disposed of</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

*Instruction:* All documents of title like title-deeds, shares, promissory notes, etc., should be entered in this Register.

**BOOKS REGISTER**

<i>Date</i>	<i>From whom received</i>	<i>Serial Number</i>	<i>Description of books, including files</i>	<i>Shelf number</i>	<i>How disposed of</i>	<i>Remarks</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

*Instruction:* All books and files of the corporate debtor which come into the hands of the liquidator should be entered in this Register.

**REGISTER OF UNCLAIMED DIVIDENDS AND UNDISTRIBUTED ASSETS DEPOSITED**

<i>Sl. No.</i>	<i>Name of person entitled to the dividend or return</i>	<i>Whether Creditor or Contributory</i>	<i>Number on list of stakeholders</i>	<i>Date of declaration of dividend or return</i>	<i>Rate of dividend or return</i>	<i>Total amount payable (Rs.)</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
1.						
2.						

Dr. M. S. SAHOO, Chairperson

[ADVT.-III/4/Exty./347/16]