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**Clause-wise Summary of Amendments in
The Insolvency and Bankruptcy Code (Amendment) Act, 2026 vis-a-vis IBC, 2016
As assented by the President of India
on 6th April, 2026**



**Insolvency, Bankruptcy and Valuation Standards Board
The Institute of Chartered Accountants of India
(Set up under an Act of Parliament)**



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Summary of changes in the Insolvency and Bankruptcy Code (Amendment) Act, 2026 as assented by the President of India on 6th April 2026.

- ✓ The Insolvency and Bankruptcy Code (Amendment) Bill, 2025 has been introduced in the Lok Sabha on 12th August 2025.
- ✓ The Bill was referred to the Hon'ble Select Committee on IBC, 2016.
- ✓ The Select Committee submitted its Report in December 2025.
- ✓ The Insolvency and Bankruptcy Code (Amendment) Bill, 2025, as reported by Select Committee, was placed before the Lok Sabha on 25th March 2026.
- ✓ On the basis of the Report submitted by the Select Committee, the Insolvency and Bankruptcy Code (Amendment) Bill, 2025 has been passed by Lok Sabha on 30th March 2026, by Rajya Sabha on 1st April 2026 and has been assented by the President of India on 6th April 2026.
- ✓ This is called "The Insolvency and Bankruptcy Code (Amendment) Act, 2026.
- ✓ The Insolvency and Bankruptcy Code (Amendment) Act, 2026 proposes extensive changes to the IBC, 2016, aimed at streamlining processes, clarifying definitions and introducing new mechanisms.
- ✓ Overall, the Bill focuses on speed, creditor empowerment, process clarity and flexibility, while introducing the CIIRP to handle smaller or specific categories of debtors without full CIRP disruption.
- ✓ The proposed legislation introduces a "**creditor-initiated insolvency resolution process**" with an out-of-court initiation mechanism for genuine business failures to facilitate faster and more cost-effective insolvency resolution, with minimal business disruption. Once implemented, this will help ease the burden on judicial systems, promote ease of doing business and improve access to credit.
- ✓ The proposed legislation also introduces provisions for "**group insolvency**" and "**cross-border insolvency**". There are also numerous wording updates and minor procedural alignments across sections (like replacing "prescribed" with "specified", adjusting cross-references, or adding Explanations).



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- ✓ The Govt. decided to amend the Code to improve its operation, enhance its effectiveness, clarify its original intent and incorporate novel concepts.
- ✓ The proposed amendments aim to reduce delays, maximise value for all stakeholders and improve governance of all processes under the Code. They seek to modify existing provisions to better align with the overall objectives of the Code and to introduce new provisions that follow global best practices for resolving insolvency.
- ✓ The group insolvency framework seeks to efficiently resolve insolvencies involving complex corporate group structures, minimising value destruction caused by fragmented proceedings and maximising value for creditors through coordinated decision-making.
- ✓ The cross-border insolvency framework seeks to lay the foundation for protecting stakeholder interests in domestic and foreign proceedings, promoting investor confidence and aligning domestic practices with international best practices. This will also pave the way for improved recognition of Indian insolvency proceedings in other jurisdictions.

Clause wise changes in the Insolvency and Bankruptcy Code (Amendment) Act, 2026 as assented by the President of India on 6th April 2026:-

S. No	Section No. (IBC 2016)	Text of Section (Original)	Section No. (Act 2026)	Text of Section (Act)	Rationale
1.	Section 3- Definitions	New Insertion	Clause 2 - Amendment of Section 3	After clause (27), the following clause shall be inserted, namely: "(27A)" "registered valuer" shall have the same meaning as assigned to it under Chapter XVII of the Companies Act, 2013;	Clause 2 of the Bill seeks to amend section 3 of the Insolvency and Bankruptcy Code, 2016 ('Code'). Definition of Registered Valuer has been inserted in the Code.



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<p align="center">2.</p>	<p align="center">Section 3- Definitions</p>	<p>3(31)- "security interest" means right, title or interest or a claim to property, created in favour of, or provided for a secured creditor by a transaction which secures payment or performance of an obligation and includes mortgage, charge, hypothecation, assignment and encumbrance or any other agreement or arrangement securing payment or performance of any obligation of any person:</p> <p>Provided that security interest shall not include a</p>	<p align="center">Clause 2 - Amendment of Section 3</p>	<p>In section 3, clause (31), after the existing text, insert:</p> <p>Explanation. For the removal of doubts, it is hereby clarified that the security interest shall exist only if it creates a right, title or interest or a claim to a property pursuant to an agreement or arrangement, by the act of two or more parties, and shall not include a security interest created merely by operation of any law for the time being in force.</p>	<p>Clause 2 of the Bill seeks to amend section 3 of the Insolvency and Bankruptcy Code, 2016 ('Code').</p> <p>It seeks to insert an explanation in clause (31) of section 3 of the Code to clarify that security interest shall exist only when it creates a right, title or interest or a claim to a property pursuant to an agreement or arrangement by the act of two or more parties and shall not include a security interest created merely by operation of any law for the time being in force. Hence, a provision in central or state legislation or a subordinate law that states that a charge will be made on the property of the corporate debtor for non-payment of tax or a penalty shall not be considered a security interest.</p> <p>A security interest shall only exist where the parties to an agreement or arrangement agree to create a right, title or interest or a claim to a property, whether or not it is in writing. For instance, a charge created over the</p>
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		<p>performance guarantee</p>			<p>property of the corporate debtor to secure the financial debt under an agreement, or an arrangement where a mortgage is created by deposit of title deeds of its property between two or more persons.</p>
		<p>3(31A) (No such clause existed in original Code)</p>		<p>3(31A) "service provider" means an insolvency professional, insolvency professional agency, information utility registered valuer and any person falling within the category of persons notified by the Central Government, for rendering services in relation to insolvency and bankruptcy processes under this Code and is registered with the Board;.</p>	<p>It also seeks to insert a definition of the term 'service provider' to include an insolvency professional, insolvency professional agency, information utility, registered valuer and other persons notified by the Central Government for rendering services in relation to the insolvency and bankruptcy processes under the Code.</p> <p>It enables the Central Government to notify additional categories of persons whose services are required for the implementation of the Code, thereby empowering the Board to regulate them for the efficient and proper conduct of the insolvency and bankruptcy processes. The notified category of persons will be required to</p>



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					register with the Board for rendering services in relation to the insolvency and bankruptcy processes under this Code, and after registration, they will be required to abide by the specifications laid down by the Board concerning the rendition of services along with its enforcement and disciplinary processes.
3.	Section 5- Definitions	<p>5(2A) - "base resolution plan" means a resolution plan provided by the corporate debtor under clause (c) of sub-section (4) of section 54A</p> <p>Section 5(2B)</p> <p>(No such clause existed in original Code)</p>	Clause 3- Amendment of Section 5	<p>(a) clause (2A) shall be re-numbered as clause (2B) thereof and before clause (2B) as so re-numbered, the following clause shall be inserted, namely:—</p> <p>(2A) "avoidance transaction" means a transaction as referred to in sections 43, 45, 49 and 50.</p> <p>Clause (2A) in the original Code shall be re-numbered as clause (2B).</p> <p>"base resolution plan" means a resolution plan provided by the corporate debtor under clause (c) of</p>	<p>Clause 3 of the Bill seeks to amend section 5 of the Code, to insert definitions of the phrases 'avoidance transaction' and 'fraudulent or wrongful trading' for ease of reference at multiple places in the Code.</p>



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		<p>Section 5(9A)</p> <p>(No such clause existed in original Code)</p>		<p>sub-section (4) of section 54A</p> <p>After clause (9), the following clause shall be inserted, namely: –</p> <p>(9A) “fraudulent or wrongful trading” means the fraudulent or wrongful trading as referred to in section 66.</p>	
4.	Section Definitions	5- 5(11) “Initiation date” means the date on which a financial creditor, corporate applicant or operational creditor, as the case may be, makes an application to the Adjudicating Authority for initiating corporate insolvency resolution process or pre-packaged insolvency resolution process, as the case may be	Clause 3 – Amendment of Section 5	<p>In clause (11), the following proviso shall be inserted, namely: —</p> <p>Provided that where multiple applications for initiation of the corporate insolvency resolution process in respect of a corporate debtor are pending before the Adjudicating Authority on the insolvency commencement date, the initiation date shall be the date on which the first such application was made</p>	<p>Further, Clause 3 seeks to insert a proviso to clause (11) of section 5 of the Code. It clarifies that if multiple applications to initiate the corporate insolvency resolution process in respect of a corporate debtor are pending before the Adjudicating Authority on the insolvency commencement date, and it admits one of them, then the initiation date for the corporate insolvency resolution process of such corporate debtor shall be the date on which the first such application was made before the Adjudicating Authority. The Adjudicating Authority, while passing the order for the commencement of the corporate insolvency resolution</p>



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				before the Adjudicating Authority.	process, may mention the initiation date in its order in the interest of certainty, based on the rightful first application that was made against the corporate debtor and pending on the insolvency commencement date.
5.	Section Definitions	5- 5(26) "Resolution plan" means a plan proposed by resolution applicant for insolvency resolution of the corporate debtor as a going concern in accordance with Part II. Explanation. - For removal of doubts, it is hereby clarified that a resolution plan may include provisions for the restructuring of the corporate debtor, including by way of merger, amalgamation and demerger;	Clause 3 - Amendment of Section 5	In section 5, clause (26), the Explanation has been rephrased as: For removal of doubts, it is hereby clarified that a resolution plan may include provisions for the restructuring of the corporate debtor, including by way of merger, amalgamation, demerger and sale of one or more assets of the corporate debtor through one or more plans proposed by one or more resolution applicants subject to such conditions as may be specified" shall be substituted;	Clause 3 seeks to amend this explanation to clarify that the restructuring of the corporate debtor may also include the sale of one or more its assets. It enables the invitation of plans specifically for one or more assets of the corporate debtor of complex businesses that can be included in the resolution plan providing for the insolvency resolution of the corporate debtor. The resolution applicants to whom such assets are being sold will also need to comply with the eligibility requirements under the Code. This amendment will allow the committee of creditors to adopt the best commercially viable resolution plan for resolving the insolvency of a corporate debtor and ensure the value maximisation of its assets.



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6.	Section 5- Definitions	5(28) "Voting share" means the share of the voting rights of a single financial creditor in the committee of creditors which is based on the proportion of the financial debt owed to such financial creditor in relation to the financial debt owed by the corporate debtor.	Clause 3 - Amendment of Section 5	In Section 5, clause (28) has been rephrased as: - "Voting share" means the share of the voting rights of a single financial creditor in the committee of creditors which is based on the proportion of the financial debt owed to such financial creditor in relation to the financial debt owed by the corporate debtor to the members of the committee of creditors who are eligible to vote.	Clause 3 also seeks to amend the definition of 'voting share' under clause (28) of section 5 to clarify that 'voting share' will be computed on the basis of financial debt owed to only the members of the committee of creditors who are eligible to vote as per section 21, which excludes financial creditors that are related parties of the corporate debtor from voting. Hence, it is clarified that the financial debt owed to the creditors who are not eligible to vote in the committee of creditors shall not be included when determining the voting share.
7.	Section 7 - Initiation of Corporate Insolvency Resolution Process by Financial Creditor	7(4) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), ascertain the existence of a default from the records of an information utility or on the basis of other evidence furnished by the financial creditor	Clause 4- Amendment of Section 7	7(4) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), ascertain the existence of a default from the records of an information utility or on the basis of other evidence furnished by the financial creditor under sub-section (3):	Clause 4 of the Bill seeks to amend section 7 of the Code to clarify that the Adjudicating Authority shall mandatorily admit the application to initiate the corporate insolvency resolution process once the occurrence of default is established, no disciplinary proceedings are pending against the proposed resolution professional and other procedural requirements under the section are complied with. Additionally, an explanation is inserted to clarify that the Adjudicating Authority shall not consider any other



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		<p>under sub-section (3):</p> <p>Provided that if the Adjudicating Authority has not ascertained the existence of default and passed an order under sub-section (5) within such time, it shall record its reasons in writing for the same.</p> <p>7(5) Where the Adjudicating Authority is satisfied that – (a) a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceedings pending against the proposed resolution professional, it may, by order, admit such application; or</p>		<p>Proviso is omitted</p> <p>7(5) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), by an order—</p> <p>(a) admit the application, if it is satisfied that a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceeding pending against the proposed resolution professional; or</p>	<p>grounds to reject the application where the requirements of these provisions have been complied with. Where the procedural requirements are fulfilled, the Adjudicating Authority must only ascertain whether a default exceeding the threshold of section 4 exists and admit the application. Another explanation is inserted to clarify that when a financial creditor, which is a financial institution, submits a record of default in respect of a financial debt owed to such creditor, along with its application under this section, the Adjudicating Authority shall consider it sufficient to ascertain the existence of default. Given that financial institutions, as a regulated entity, maintain their records and financial information with information utilities in a structured and reliable manner, it would be appropriate for the Adjudicating Authority to rely on such records to ascertain the occurrence of default and promptly admit the application, within fourteen days of receipt of application.</p> <p>Further, the proviso to sub-section (4) of section 7 is omitted, and the period of fourteen days for deciding the</p>
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		<p>(b) default has not occurred or the application under sub-section (2) is incomplete or any disciplinary proceeding is pending against the proposed resolution professional, it may, by order, reject such application:</p> <p>Provided that the Adjudicating Authority shall, before rejecting the application under clause (b) of sub section (5), give a notice to the applicant to rectify the defect in his application within seven days of receipt of such notice from the Adjudicating Authority.</p>		<p>(b) reject the application, if it is satisfied that a default has not occurred or the application under sub-section (2) is incomplete or a disciplinary proceeding is pending against the proposed resolution professional:</p> <p>Provided that the Adjudicating Authority shall, before rejecting the application under clause (b) of this sub-section, give a notice to the applicant to rectify the defect in his application within seven days from the date of receipt of such notice from the Adjudicating Authority:</p> <p>Provided further that if the Adjudicating Authority has not passed an order under this sub-section within a period of fourteen days from the date of receipt of the application under sub-section (2), it shall record</p>	<p>application under this section is clearly provided in sub-section (5) of section 7, which will also include the period for ascertaining the occurrence of default. Where the application is not decided within this period, the Adjudicating Authority will record reasons for such delay in writing. Within this period, the Adjudicating Authority shall also give notice to rectify any defects in not more than seven days before rejecting the application.</p>
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				<p>the reasons for such delay in writing.</p> <p>Explanation I.—For the purposes of this subsection, it is hereby clarified that where the requirements under clause (a) have been complied with, no other ground shall be considered to reject an application filed under this section.</p> <p>Explanation II.—For the removal of doubts, it is hereby clarified that where a record of default in respect of a financial debt owed to a financial institution recorded with the information utility has been furnished along with the application filed by such financial institution under this section, such record shall be considered sufficient for the Adjudicating Authority to ascertain the existence of default under this section.</p>	
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<p>8.</p>	<p>Section 9 - Application for initiation by operational creditor</p>	<p>9(3) The operational creditor shall, along with the application furnish-</p> <p>(e) any other proof confirming that there is no payment of an unpaid operational debt by the corporate debtor or such other information, as may be prescribed.</p> <p>9(5) The Adjudicating Authority shall, within 14 days of receipt of the application, by an order admit or reject the application.</p> <p>Provided that Adjudicating Authority, shall before rejecting an application under sub clause (a) of clause (ii) give a notice to the applicant to rectify the defect in</p>	<p>Clause 5 - Amendment of Section 9</p>	<p>(a) in sub-section (3), in clause (e), for the words "such other information, as may be prescribed", the words "any other information, as may be specified" shall be substituted;</p> <p>9(3)(e) The operational creditor shall, along with the application furnish- any other proof confirming that there is no payment of an unpaid operational debt by the corporate debtor or any other information, as may be specified.</p> <p>In section 9, in sub-section (5), after the existing proviso, insert:</p> <p>"Provided further that if the Adjudicating Authority has not passed an order under this sub-section within a period of fourteen days from the date of receipt of application under</p>	<p>Clause 5 of the Bill seeks to amend clause (e) of sub-section (3) of section 9 of the Code to empower the Board to specify by regulation any other type of information that the operational creditor must submit along with the application for initiation of the corporate insolvency resolution process.</p> <p>It seeks this insertion to provide that where the application filed under this provision is not decided within fourteen days, the Adjudicating Authority will record reasons for such delay in writing.</p>
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		his application within seven days of the date of receipt of such notice from the adjudicating Authority.		sub-section (2), it shall record the reasons for such delay in writing."	
9.	Section 10 – Initiation of corporate insolvency resolution process by corporate applicant	<p>10(3) The corporate applicant shall, along with the application, furnish-</p> <p>(a) the information relating to its books of account and such other documents for such period as may be specified;</p> <p>(b) the information relating to the resolution professional proposed to be appointed as an interim resolution professional; and</p> <p>(c) the special resolution passed by shareholders of the corporate debtor or</p>	Clause 6 - Amendment of Section 10	<p>(i) in clause (a), for the words "for such period as may be specified;", the words "and any other information, as may be specified; and" shall be substituted;</p> <p>(a) the information relating to its books of account and such other documents and any other information, as may be specified; and</p> <p>Clause (b) shall be omitted.</p>	<p>Clause 6 of the Bill seeks to amend clause (a) of sub-section (3) of section 10 of the Code to broaden the powers of the Board to specify any other type of information that may be furnished along with the application for commencement of corporate insolvency resolution process by a corporate applicant. It also seeks to amend section 10 to abrogate the right of the corporate debtor to propose an interim resolution professional under an application filed under this section. This seeks to eliminate the possibility of bias in the appointment of the interim resolution professional, thereby ensuring the impartial discharge of duties and maintaining the confidence of creditors in the process. It also seeks to insert a proviso in sub-section (4) of section 10, to provide that where the application is not decided within fourteen days, the Adjudicating</p>



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	<p>the resolution passed by at least three-fourth of the total number of partners of the corporate debtor, as the case may be, approving filing of the application.</p> <p>10(4) The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order-</p> <p>(a) admit the application, if it is complete and no disciplinary proceeding is pending against the proposed resolution professional; or</p> <p>(b) reject the application, if it is incomplete or any disciplinary proceeding is</p>		<p>In section 10, in sub-section (4), clause (a) shall be substituted as-</p> <p>(a) admit the application, if it is complete; or</p> <p>(b) reject the application, if it is incomplete</p> <p>After the existing proviso, the following proviso shall be inserted, namely: -</p> <p>Provided further that if the Adjudicating Authority has not passed an order under this sub-section within a period of fourteen days from</p>	<p>Authority will record reasons for such delay in writing.</p>
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		<p>pending against the proposed resolution professional:</p> <p>Provided that Adjudicating Authority shall, before rejecting an application, give a notice to the applicant to rectify the defects in his application within seven days from the date of receipt of such notice from the Adjudicating Authority.</p>		<p>the date of receipt of the application under subsection (2), it shall record the reasons for such delay in writing.</p>	
10.	<p>Section 11 - Persons not entitled to make application</p>	<p>11 The following persons shall not be entitled to make an application to initiate corporate insolvency resolution process under this Chapter, namely: -</p> <p>(ba) a corporate debtor in respect of whom a resolution plan has been</p>	<p>Clause 7 - Amendment of Section 11</p>	<p>In section 11, clause (ba) shall be substituted as-</p> <p>(ba) a corporate debtor in respect of whom a resolution plan has been approved under Chapter III-A or Chapter IV-A, twelve months preceding the date of making of the application;</p>	<p>Clause 7 of the Bill seeks to amend section 11 of the Code as a consequential amendment pursuant to the insertion of the creditor-initiated insolvency resolution process under Chapter IV-A of Part II of the Code.</p>



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		approved under Chapter III-A, twelve months preceding the date of making of the application;			
11.	Section 12A - Withdrawal of application admitted under Section 7, 9 or 10	12A The Adjudicating Authority may allow the withdrawal of application admitted under section 7 or section 9 or section 10, on an application made by the applicant with the approval of ninety per cent. voting share of the committee of creditors, in such manner as may be specified.	Clause 8 - Substitution of new section for Section 12A	<p>In Section 12A, the following section shall be substituted, namely: -</p> <p>12A (1) Subject to sub-section (2), the Adjudicating Authority may allow the withdrawal of an application admitted under section 7, 9 or 10, on an application made by the resolution professional, with the approval of ninety per cent. voting share of the committee of creditors in such manner as may be specified.</p> <p>(2) Notwithstanding anything contained in any law for the time being in force, an application admitted under section 7, 9 or 10 shall not be withdrawn— (a) before the constitution of the</p>	Clause 8 of the Bill seeks to substitute section 12A of the Code to provide that the Adjudicating Authority may allow an application admitted under section 7, 9, or 10 to be withdrawn on an application made by the resolution professional with the prior approval of ninety per cent. of the voting share of the committee of creditors. The consent of the applicant who made these applications will not be required at the stage of filing the application for withdrawal, and he shall be provided an opportunity for hearing during the adjudication of this application before the Adjudicating Authority. Further, it clarifies that the Adjudicating Authority shall not allow the application admitted under section 7, 9, or 10 to be withdrawn either before the committee of creditors is constituted under section 21 of the Code or after the first invitation to submit a resolution plan by the resolution professional under any circumstances. Additionally, a period



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				<p>committee of creditors under sub-section (1) of section 21; and (b) after the first invitation for submission of a resolution plan has been issued by the resolution professional.</p> <p>(3) The Adjudicating Authority shall pass an order under sub-section (1) within a period of thirty days from the date of receipt of the application: Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.”</p>	<p>of thirty days is provided for the Adjudicating Authority to decide the withdrawal application. If the application is not decided within thirty days, the Adjudicating Authority is required to record reasons for such delay in writing.</p>
12.	Section 14 – Moratorium	Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium.....	Clause 9 - Amendment of Section 14	<p>Section 14 (1) shall be substituted as-</p> <p>Subject to provisions of sub-sections (2), (2A) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium.....</p>	<p>It seeks to amend sub-section (1) of section 14 of the Code to clarify that the applicability of the moratorium under sub-section (1) shall also be subject to sub-section (2A) of section 14.</p>



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		<p>14(3) The provisions of sub-section (1) shall not apply to —</p> <p>(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;</p> <p>(b) a surety in a contract of guarantee to a corporate debtor.</p>		<p>In section 14, sub-section (3), in clause (b), the following Explanation shall be inserted, namely: –</p> <p>“Explanation. —For the removal of doubts, it is hereby clarified that the provisions of sub-section (1) shall also apply where the surety seeks to initiate or continue any action or proceedings against the corporate debtor pursuant to a contract of guarantee.</p>	<p>It also seeks to insert an explanation into clause (b) of sub-section (3) of section 14 to clarify that the moratorium shall apply where the surety seeks to initiate or continue any action or proceedings pursuant to a contract of guarantee against the corporate debtor undergoing the corporate insolvency resolution process. Hence, the moratorium under section 14 will apply against the surety where, it seeks to initiate a proceeding against the corporate debtor pursuant to its right of subrogation in contravention of sub-section (1) of section 14. If the surety has any claims against the corporate debtor, it should submit them during the process like other creditors.</p>
13.	Section 16 - Appointment and tenure of interim resolution professional	<p>16(2) Where the application for corporate insolvency resolution process is made by a financial creditor or the corporate debtor, as the case may be, the resolution professional, as proposed respectively in the</p>	Clause 10 - Amendment of Section 16	<p>In section 16, sub-section (2), shall be substituted, namely: -</p> <p>(2) Where the application for corporate insolvency resolution process is made by a financial creditor, the resolution professional, as proposed in the application under section 7, shall be appointed as the interim</p>	<p>It seeks to amend section 16 of the Code as a consequence of the amendments to section 10, wherein the right of the corporate debtor to propose an interim resolution professional is abrogated. In such cases, the Adjudicating Authority shall make a reference to the Board for recommending an insolvency resolution professional who may act as an interim resolution professional and</p>



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	<p>application under section 7 or section 10, shall be appointed as the interim resolution professional, if no disciplinary proceedings are pending against him.</p> <p>16(3A)</p> <p>(No such clause existed in original Code)</p> <p>16(4) The Board shall, within ten days of the receipt of a reference from the</p>		<p>resolution professional, if no disciplinary proceedings are pending against him.</p> <p>After after sub-section (3), the following sub-section shall be inserted, namely:-</p> <p>(3A) Where an application for the corporate insolvency resolution process is made under section 10, the Adjudicating Authority shall make a reference to the Board for the recommendation of an insolvency professional who may act as an interim resolution professional.</p> <p>In section 16, sub-section (4) shall be substituted namely: -</p>	<p>accordingly appoint the interim resolution professional.</p>
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		Adjudicating Authority under sub-section (3), recommend the name of an insolvency professional to the Adjudicating Authority against whom no disciplinary proceedings are pending.		The Board shall, within ten days of the receipt of a reference from the Adjudicating Authority under sub-section (3) or sub-section (3A), as the case may be, the name of an insolvency professional to the Adjudicating Authority against whom no disciplinary proceedings are pending.	
14.	Section 18 - Duties of interim resolution professional	18(b) receive and collate all the claims submitted by creditors to him, pursuant to the public announcement made under sections 13 and 15;	Clause 11 - Amendment of Section 18	<p>In Section 18 clause (b) shall be substituted namely: -</p> <p>(b) receive and collate all the claims submitted by creditors to him, in such manner as may be specified pursuant to the public announcement made under sections 13 and 15;</p> <p>The following Explanation shall be inserted under Section 18(b), namely: -</p>	<p>This clause seeks to amend clause (b) of section 18 of the Code to clarify that the Board is empowered to specify the manner of collating the claims received from the creditors.</p> <p>It also seeks to insert an explanation in clause (b) of section 18 to clarify that while collating the claims, the interim resolution professional is empowered and obligated to verify the claims and, if required, determine the value of such verified claims. While collating claims, the interim resolution professional has the duty to verify them. In case the verified claim is not precise, the interim resolution professional shall determine the value of the verified claim. The amendment</p>



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				<p>Explanation. —For the removal of doubts, it is hereby clarified that the interim resolution professional, while collating the claims, shall verify them, and, if required, determine the value of such verified claims.</p>	<p>seeks to clarify this function, which will be carried out by the interim resolution professional, the resolution professional, or the liquidator, as applicable, in maintaining or updating the list of claims. The regulations will specify the circumstances in which this function should be performed and the manner in which it should be carried out.</p>
15.	<p>Section 19 - Personnel to extend cooperation to interim resolution professional</p>	<p>19(1) The personnel of the corporate debtor, its promoters or any other person associated with the management of the corporate debtor shall extend all assistance and cooperation to the interim resolution professional as may be required by him in managing the affairs of the corporate debtor.</p>	<p>Clause 12 - Amendment of Section 19</p>	<p>In Section 19, the marginal heading shall be substituted as Persons to extend cooperation to interim resolution professional For sub-section (1), the following sub-section shall be substituted, namely: -</p> <p>(1) Any person who is or has been a personnel of the corporate debtor or its promoter or associated with the management of the corporate debtor, or engaged in a contract for</p>	<p>This clause seeks to amend section 19 of the Code to provide the categories of persons required to extend assistance to and cooperate with the interim resolution professional. These categories will include any person who is or has been</p> <ul style="list-style-type: none"> (i) personnel of the corporate debtor, (ii) its promoter, (iii) associated with the management of the corporate debtor, or (iv) engaged in a contract for service with the corporate debtor. <p>Constructive cooperation from the aforementioned categories will enable the interim resolution professional to manage the affairs of the corporate</p>



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		<p>19(2) Where any personnel of the corporate debtor, its promoter or any other person required to assist or cooperate with the interim resolution professional does not assist or cooperate, the interim resolution professional may make an application to the Adjudicating Authority for necessary directions.</p> <p>19(3) The Adjudicating Authority, on</p>		<p>service with the corporate debtor, shall extend all assistance and cooperation to the interim resolution professional as may be required by him for the purposes of managing the affairs of the corporate debtor or performing the duties conferred on him under this Chapter.”</p> <p>Sub-section (2) shall be substituted namely: -</p> <p>Where any person preferred to sub-section (1) or any other person required to assist or cooperate with the interim resolution professional does not assist or cooperate, the interim resolution professional may make an application to the Adjudicating Authority for necessary directions.</p> <p>Sub-section (3) shall be substituted namely: -</p>	<p>debtor and perform his duties effectively, such as collecting information for purposes such as the conduct of the corporate insolvency resolution process, filing applications for the avoidance of transactions, etc. In case these persons fail to assist or cooperate, an application may be submitted to the Adjudicating Authority to direct them, and, if necessary to ensure compliance, any other related persons connected to them, to comply with the instructions issued by the resolution professional and to cooperate with him. It is also clarified that the provisions of section 19 apply to the interim resolution professional as well as the resolution professional.</p>
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		<p>receiving an application under sub-section (2), shall by an order, direct such personnel or other person to comply with the instructions of the resolution professional and to cooperate with him in collection of information and management of the corporate debtor.</p>		<p>The Adjudicating Authority, on receiving an application under sub-section (2), shall by an order, direct such person referred to in sub-section (1) or other person to comply with the instructions of the interim resolution professional and to cooperate with him in collection of information and management of the corporate debtor.</p> <p>After sub-section (3), the following Explanation shall be inserted, namely: -</p> <p>Explanation. - For the purposes of this section, it is hereby clarified that references to the interim resolution professional shall also include references to the resolution professional.</p>	
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16.	Section 21 - Committee of Creditors	21(11) (No such clause existed in original Code)	Clause 13 – Insertion of new Sub-section and Explanation in Section 21	<p>In section 21, after sub-section (10), the following sub-section shall be inserted, namely: -</p> <p>(11) Where the liquidation process of the corporate debtor is initiated under Chapter III, the committee of creditors constituted under this section shall also supervise the conduct of the liquidation process by the liquidator, and the provisions of this section and section 24 shall apply to such liquidation process under Chapter III as the context may require: Provided that the Board may specify any other class or classes of creditors, who may attend the meetings of the committee of creditors during liquidation process, but shall not have any right to vote in such meetings.</p> <p>Explanation.- For the purposes of Chapter III, it is hereby declared that the</p>	<p>This clause seeks to amend section 21 of the Code to enable the committee of creditors constituted during the corporate insolvency resolution process to supervise the conduct of the liquidation process by the liquidator. The committee of creditors would be able to incorporate the learnings acquired during the corporate insolvency resolution process regarding the status of the corporate debtor into supervising the conduct of the liquidation process thereby directing the liquidator in taking efficient commercial decisions to liquidate the assets. It also seeks to empower the Board to specify any other class or classes of creditors who may attend the meetings of the committee of creditors during the liquidation process in addition to its participants during the corporate insolvency resolution process. However, such specified creditors will not have a right to vote in the meetings.</p>
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				<p>provisions of sub-section (11) of this section, section 34A and sub-section (2) of section 35, as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall apply to—</p> <p>(a) the liquidation process of a corporate debtor initiated after the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026; and</p> <p>(b) the ongoing liquidation process of a corporate debtor as on such date of commencement, where the liquidator has not made an application under section 54, for which the committee of creditors shall continue for the remainder of the liquidation process.</p>	
17.	Section 22 - Appointment of resolution professional	22(3)- Where the committee of creditors resolves	Clause 14 - Amendment of Section 22	In Section 22, sub-section (3), clause (a) shall be substituted namely: -	This clause seeks to amend section 22 of the Code to provide deemed continuation of the interim resolution professional as a resolution



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	<p>under sub-section (2)-</p> <p>(a) to continue the interim resolution professional as resolution professional subject to a written consent from the interim resolution professional in the specified form, it shall communicate its decision to the interim resolution professional, the corporate debtor and the Adjudicating Authority; or</p> <p>(b) to replace the interim resolution professional, it shall file an application before the Adjudicating Authority for the appointment of the proposed resolution professional along</p>		<p>(a) to continue the interim resolution professional as resolution professional subject to a written consent from the interim resolution professional in the specified form, such person shall be deemed to be appointed as the resolution professional from the date of such resolution, and this decision shall be communicated to the interim resolution professional, the corporate debtor, and the Board</p>	<p>professional where the committee of creditors resolves to appoint him as a resolution professional. The decision regarding the appointment shall be communicated to the interim resolution professional, the corporate debtor, and the Board. It will ensure that where an interim resolution professional appointed by the Adjudicating Authority is continued as a resolution professional, separate intervention by the Adjudicating Authority is not required.</p>
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		with a written consent from the proposed resolution professional in the specified form.			
18.	Section 25 - Duties of resolution professional	25(2)(j)- file application for avoidance of transactions in accordance with Chapter III, if any;	Clause 15 - Amendment of Section 25	In section 25, sub-section (2), clause (j), shall be substituted, namely: - (j) file an application to the Adjudicating Authority in respect of an avoidance transaction or fraudulent or wrongful trading, if any;	Clause 15 of the Bill seeks to amend section 25 of the Code to clarify that the duty of the resolution professional to file an application for avoidance transaction under Chapter III also extends to fraudulent or wrongful trading under Chapter VI of Part II.
19.	Section 26 - Avoidance of transactions not to affect proceedings	26-The filing of an avoidance application under section 43, 45, 50 or 66 shall not affect the proceedings of the corporate insolvency resolution process.	Clause 16 - Substitution of new section for Section 26	For section 26 of the principal Act, the following section shall be substituted, namely: — 26. The filing of an application in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47, shall not affect the proceedings of the corporate insolvency resolution process or the liquidation process, as the case may be.	This proposed amendment of the Bill seeks to substitute section 26 of the Code to clarify that the proceedings in respect of avoidance transactions or fraudulent or wrongful trading or under section 47 of the Code shall not affect the corporate insolvency resolution process, and these proceedings will continue independently and are not affected by the completion of the corporate insolvency resolution process. Similarly, it is also provided that filing of these proceedings shall not affect the liquidation process, and



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				<p>Explanation.— For the removal of doubts, it is hereby clarified that the completion of the corporate insolvency resolution process or the liquidation process shall not affect the continuation of proceedings in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47, as the case may be.</p>	<p>completion of the liquidation process shall not affect the continuation of these proceedings. The amendments to section 54 provide how such proceedings shall continue after the liquidation process is completed and the corporate debtor is dissolved.</p>
20.	<p>Section 28A - (New Section) Restrictions on certain transactions during CIRP</p>	<p>Section 28A (No such clause existed in original Code)</p>	<p>Clause 17 - Insertion of new Section 28A</p>	<p>Introduces a list of transactions (such as related party dealings, asset transfers, or new debt outside ordinary course of business) that require prior CoC approval during CIRP.</p> <p>After section 28 of the principal Act, the following section shall be inserted, namely:—</p> <p>“28A. (1) Notwithstanding anything contained in this Code or any other law for</p>	<p>Clause 17 of the Bill seeks to insert a new section 28A in Chapter II of Part II in the Code to enable a transfer of an asset of a guarantor (personal or corporate) of the corporate debtor as part of the corporate insolvency resolution process of such corporate debtor. To transfer such asset as part of the corporate insolvency resolution process of the corporate debtor, the creditor must (i) have a security interest over an asset of the guarantor of the corporate debtor; (ii) have taken possession of the asset by enforcing its security interest under any law for the time being which should enable the creditor to transfer</p>



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			<p>the time being in force, where a creditor of the corporate debtor has taken possession of an asset of a personal guarantor or corporate guarantor of the corporate debtor by enforcing its security interest over such asset under any law for the time being in force which empowers the creditor to transfer the asset, the creditor may, during the corporate insolvency resolution process of the corporate debtor, permit the transfer of such an asset as part of its insolvency resolution with prior approval of the committee of creditors in such manner and subject to such conditions as may be specified:</p> <p>Provided that where the corporate guarantor is undergoing a corporate insolvency resolution process or the liquidation</p>	<p>the asset. Further, such a creditor and the committee of creditors of the corporate debtor must agree to transfer the asset under this provision.</p> <p>However, where the guarantor is undergoing insolvency resolution, liquidation or bankruptcy under the Code, additional approval will be required from the committee of creditors or creditors of the guarantor, as the case may be.</p> <p>The regulations will specify the process for transferring the assets of the guarantor as part of the corporate insolvency resolution, including conditions on the types of assets that can be transferred, the eligibility of persons who can purchase these assets, and the method for determining their value in the case of a cumulative transfer. After the transfer of the asset of the guarantor as part of the corporate insolvency resolution process, the value received for such an asset shall be adjusted towards the debt of the guarantor as per the applicable law, subject to any costs, charges and expenses.</p>
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				<p>process, transfer of the asset under this subsection shall take place upon approval of the committee of creditors of the corporate guarantor, by a vote of not less than sixty-six per cent. of the voting share, and the amount received pursuant to the transfer shall form part of the corporate insolvency resolution process or the liquidation estate of the corporate guarantor, as the case may be:</p> <p>Provided further that during the liquidation process of the corporate guarantor, the approval of the committee of creditors under the first proviso is required only where the creditor has relinquished such asset to the liquidation estate under section 52: Provided also that where the personal guarantor is undergoing an insolvency resolution</p>	<p>Thereafter, any surplus shall be paid to the guarantor as per the applicable law, and if the guarantor is undergoing insolvency resolution or bankruptcy process under the Code, it shall be included as part of such process.</p>
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				<p>process or the bankruptcy process and the creditor has forfeited or surrendered his right in relation to an asset, the transfer of such asset under this sub-section shall take place upon approval by a majority of more than three-fourths in value of the creditors of the personal guarantor, and the amount received pursuant to the transfer shall form part of the insolvency resolution process or the bankruptcy process of the personal guarantor, as the case may be.</p> <p>(2) The transfer of an asset referred to in sub-section (1) under a resolution plan shall vest in the transferee all rights in, or in relation to the asset, as if the transfer had been made by the owner of such asset. (3) The amount received pursuant to the transfer of the asset shall be adjusted</p>	
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				towards the amount of debt owed by the guarantor in accordance with the applicable law, subject to any costs, charges and expenses incurred in respect of the preservation and protection of the asset before its transfer, and where such amount is more than the debt owed, the surplus shall be paid to the guarantor.	
21.	Section 30- Submission of Resolution Plan	30(2)(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	Clause 18 - Amendment of Section 30	30(2)(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	Clause 18 of the Bill seeks to amend sub-section (2) of section 30 of the Code to provide that under a resolution plan, the minimum threshold for payment to the financial creditors who have not voted in favour of the resolution plan ('dissenting financial creditors') shall be the amount that would have been paid to them- (i) in the event of liquidation under section 53 or (ii) if the amount to be distributed under the resolution plan was distributed as per the order of



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		<p>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>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,</p> <p>(b) after clause (b), the following clause shall be inserted, namely: —</p> <p>“(ba) provides for the payment of debts of the financial creditors, who do not vote in favour of the resolution plan, in such manner as may be specified, which shall not be less than the lower of the amount—</p> <p>(i) to be paid to such creditors in the event of a liquidation of the corporate debtor under section 53; or</p> <p>(ii) that would have been paid to such creditors, if the amount to be distributed under the resolution plan</p>	<p>priority under section 53, whichever is lower.</p> <p>Accordingly, if the amount payable to dissenting financial creditors under the first scenario is lower than that under the second scenario, then the amount under the first scenario shall serve as the minimum that must be paid to them for the resolution plan to be considered valid. This ensures that the requirement to provide at least a minimum amount to the dissenting financial creditors does not obstruct the approval of a feasible and viable resolution plan. It also seeks to amend clause (d) of sub-section (2) of section 30 of the Code to provide that each resolution plans shall provide for the constitution of a committee to oversee the implementation and supervision of the plan once it has been approved by the Adjudicating Authority. The regulations will provide details such as the composition of the committee, the cases in which it should be constituted, and its functions.</p>
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				<p>had been distributed, in accordance with the order of priority in sub-section (1) of section 53, as the case may be.</p> <p>Explanation I.—For the removal of doubts, it is hereby clarified that a distribution in accordance with the provisions of this clause shall be fair and equitable to such creditors.</p> <p>Explanation II.—For the purposes of this sub-section, it is hereby declared that the provisions of this sub-section as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall not apply to the corporate insolvency resolution process where any of the following acts have first occurred,—</p> <p>(i) the committee of creditors has approved a</p>	
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		(d) the implementation and supervision of the resolution plan;		<p>resolution plan under sub-section (4);</p> <p>(ii) the Adjudicating Authority has passed a liquidation order under sub-section (1) of section 33,</p> <p>(iii) the committee of creditors has approved intimation to the Adjudicating Authority to initiate the liquidation under sub-section (2) of section 33; or as the case may be, on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026;”</p> <p>For clause (d), the following clause shall be substituted, namely:—</p> <p>(d) provides for the implementation and supervision of the resolution plan, and constitution of a committee for this purpose, consisting</p>	
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				<p>of a resolution professional or any other insolvency professional, representatives of a class or classes of creditors and the resolution applicant, subject to such conditions and in such manner as may be specified.</p> <p>In sub-section (4), after the words "voting share of the financial creditors", the words "and record reasons for its approval" shall be inserted.</p>	
22.	Section 31- Approval of Resolution Plan	<p>31(1) If the Adjudicating Authority is satisfied that the resolution plan meets the requirements referred to in section 30(2), it shall by order approve the plan.</p> <p>31(4) The resolution applicant shall, pursuant to the</p>	Clause 19 - Amendment of Section 31	<p>In the sub-section (1) section 31, after the existing proviso, the following proviso shall be inserted, namely: —</p> <p>Provided further that the Adjudicating Authority may, on an application made by the resolution professional, with the approval of the committee of creditors, by a vote of not less than sixty-six per cent. of the</p>	<p>This proposed amendment of the Bill seeks to insert a new proviso in sub-section (1) of section 31 of the Code to enable the Adjudicating Authority to first approve the implementation of the resolution plan, and then, by a separate order, approve the manner of distribution provided therein within a period of thirty days. This power shall only be exercised by the Adjudicating Authority on an application made by the resolution professional with the approval of the committee of creditors. The Board will specify the form and</p>



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	<p>resolution plan approved under sub-section (1), obtain the necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later:</p> <p>Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002, the resolution applicant shall obtain the approval of the Competition Commission of India</p>		<p>voting share, in such form and manner, and subject to such conditions as may be specified, first approve the implementation of the resolution plan and thereafter approve the manner of distribution provided therein within a period of thirty days from the date of approval of implementation of such resolution plan.</p> <p>In sub-section (2) section 31, the following proviso shall be inserted, namely: —</p>	<p>manner, and any condition for making such an application. Before approving the implementation of the resolution plan, the Adjudicating Authority shall confirm that the resolution plan meets the mandatory requirements under section 30 other than the requirements concerning the manner of distribution such as the minimum distribution related requirements for certain creditors. When the resolution plan is approved without the manner of distribution, it shall be binding on all stakeholders as provided under section 31. In the meantime, the moratorium imposed under section 14 will continue to apply against the creditors and other stakeholders as the process is still in progress, subject to the implementation of the resolution plan. When the manner of distribution is subsequently approved, it shall also be binding and the process shall stand completed.</p> <p>Additionally, it seeks to insert a proviso in sub-section (2) to empower the Adjudicating Authority to provide an opportunity to the committee of creditors to rectify any defects in the resolution plan before rejecting it,</p>
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		<p>under that Act prior to the approval of such resolution plan by the committee of creditors.</p>		<p>“Provided that the Adjudicating Authority may, before rejecting the resolution plan, give notice to the committee of creditors to rectify any defects in the resolution plan.”.</p> <p>(c) after sub-section (2), the following sub-section shall be inserted, namely:-</p> <p>(2A) The Adjudicating Authority shall pass an order under sub-section (1) or (2), within a period of thirty days from the date of receipt of the resolution plan: Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing;</p> <p>30(4) The resolution applicant shall, pursuant to the resolution plan approved under sub-section (1), obtain the</p>	<p>where the defects are procedural, non-material and can be rectified by the committee of creditors. It also seeks to insert sub-section (2A) to provide that the Adjudicating Authority must give its order regarding approval or rejection within thirty days. In addition to the above, it seeks to amend the proviso to sub-section (4) of section 31 to provide that if a resolution plan provides for a combination which requires prior approval of the Competition Commission of India under the Competition Act, 2002, then such approval shall be obtained by the resolution applicant before the resolution plan is submitted to the Adjudicating Authority for approval.</p> <p>It further seeks to insert sub-sections (5) and (6) to clarify and acknowledge the concept of the clean-slate principle recognised by judicial pronouncements. Once a resolution plan is approved, claims are settled according to the plan, and unless otherwise specified, they are extinguished. Therefore, such a resolution should be recognised by and binding on all parties, and past</p>
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			<p>necessary approval required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under sub-section (1) or within such period as provided for in such law, whichever is later:</p> <p>Provided that where the resolution plan contains a provision for combination, as referred to in section 5 of the Competition Act, 2002, the resolution applicant shall obtain the approval of the Competition Commission of India under that Act before the resolution plan is submitted to the Adjudicating Authority under sub-section (6) of section 30.</p> <p>After sub-section (4), the following sub-sections shall be inserted, namely: —</p>	<p>liabilities should not serve as a basis for suspending or terminating any grant or right, or for any proceedings against the resolved corporate debtor.</p> <p>Sub-section (5) clarifies that where the Adjudicating Authority has approved a resolution plan, the grant or right given by the Central Government, State Government, local authority, sectoral regulator, or any other authority constituted under any other law for the time being in force that is associated with such a resolution plan shall not be suspended or terminated during the subsistence of the remaining period of such grants or rights. The resolution plan will specify the grants or rights of the corporate debtor that are meant to be continued. To seek this protection, the corporate debtor must comply with the obligations associated with such grants or rights for the remainder of the period. It will also apply when the assets of the corporate debtor, along with any grants or rights associated with the corporate debtor, are sold to a resolution applicant who complies with the obligations linked to such grants or rights for the remaining</p>
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				<p>(5) Notwithstanding anything contained in any other law for the time being in force and subject to sub-section (6), where a resolution plan has been approved under sub-section (1), a licence, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, associated with such resolution plan, shall not be suspended or terminated during the subsistence of the remaining period of such grants or rights, if the corporate debtor or, if applicable, the person whose resolution plan is approved under sub-section (1), complies with the obligations in respect of</p>	<p>period. However, the obligations in respect of the debts arising prior to the date of approval of the resolution plan, which were resolved during the corporate insolvency resolution process, shall be governed as per sub-section (6) of section 31. The provider of such grants and rights cannot take non-payment of such debt as a ground for suspension or termination.</p> <p>Furthermore, sub-section (6) to clarifies that after the approval of the resolution plan under sub-section (1), all claims against the corporate debtor or its assets not covered by the resolution plan will be deemed to have extinguished, and no proceedings shall be continued or instituted against the corporate debtor or its assets in connection with such claims. It is clarified that this provision does not affect any claim or proceedings against a former promoter or management or guarantor of the corporate debtor. It is also clarified that if a person with joint liability or a joint and several liability with the corporate debtor settles a debt that was owed to a creditor before the approval of the resolution plan, then</p>
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				<p>the remaining period of such grants or rights.</p> <p>(6) Where the Adjudicating Authority approves the resolution plan under subsection (1), —</p> <p>(a) unless otherwise provided in the resolution plan, any claim, against the corporate debtor and its assets under any other law for the time being in force, prior to the date of approval, shall be extinguished; and</p> <p>(b) no proceedings shall be continued or instituted against the corporate debtor or its assets on the basis of such claims, including proceedings for assessment of the claims.</p> <p>Explanation I.—For the purposes of this section, it is hereby clarified that nothing in this section shall affect a claim or any proceeding in respect of a</p>	<p>the right of such a person to be indemnified by the corporate debtor shall also be extinguished after the approval of the resolution plan.</p>
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				<p>person who was a promoter or in the management or control of the corporate debtor, a guarantor of the corporate debtor or any person having a joint liability or a joint and several liability with the corporate debtor, as the case may be.</p> <p>Explanation II. —For the purposes of this section, it is hereby clarified that if a person has a joint liability or a joint and several liability with the corporate debtor for payment of debt owed to a creditor before the approval of resolution plan, and such person makes a payment for such debt after the approval of the resolution plan, then any right of such person to be indemnified by the corporate debtor shall be extinguished.</p> <p>Explanation III. — For the removal of doubts, sub-</p>	
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				<p>sections (5) and (6) are clarificatory in nature and codify the original legislative intent of the Act.</p> <p>Save as otherwise expressly provided or decided through judicial pronouncements, the provisions of this section shall apply from the date of the commencement of the Principal Act”.</p>	
23.	Section 33- Initiation of Liquidation	33(1) Where the Adjudicating Authority, - (a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 or the fast-track corporate insolvency resolution process under section 56, as the case may be,	Clause 20 - Amendment of Section 33	<p>33(1) Where the Adjudicating Authority, -</p> <p>(a) before the expiry of the insolvency resolution process period or the maximum period permitted for completion of the corporate insolvency resolution process under section 12 as the case may be, does not receive a resolution plan under sub-section (6) of section 30.</p> <p>(b) rejects the resolution plan under section 31 for</p>	<p>Clause 20 of the Bill seeks to amend section 33 of the Code to extend the moratorium declared during the corporate insolvency resolution process to the liquidation process to the extent it is provided under clauses (a) and (b) of sub-section (1) read with sub-section (3) of section 14. It is provided that the suits or other legal proceedings on behalf of the corporate debtor shall not be commenced or continued without the leave of the Adjudicating Authority. This will ensure that the moratorium during the corporate insolvency resolution process also extends to the liquidation process.</p>



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	<p>does not receive a resolution plan under sub-section (6) of section 30; or</p> <p>(b) rejects the resolution plan under section 31 for the non-compliance of the requirements specified therein, it shall -</p> <p>(i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;</p> <p>(ii) issue a public announcement stating that the corporate debtor is in liquidation; and</p> <p>(iii) require such order to be sent to the authority with which the corporate debtor is registered.</p>		<p>the non-compliance of the requirements specified therein, it shall -</p> <p>(i) pass an order requiring the corporate debtor to be liquidated in the manner as laid down in this Chapter;</p> <p>(ii) issue a public announcement stating that the corporate debtor is in liquidation;</p> <p>(iii) require such order to be sent to the authority with which the corporate debtor is registered.</p> <p>(II) after sub-clause (iii), the following sub-clauses shall be inserted, namely:—</p> <p>“(iv) subject to the provisions of section 52, declare a moratorium for the purposes referred to in clauses (a) and (c) of sub-section (1) read with sub-section (3) of section 14, which shall, mutatis</p>	<p>As a result, all pending and future legal proceedings against the corporate debtor will be prohibited, preventing multiple actions that could deplete resources and cause delays. It significantly reduces the financial and administrative burden on the liquidator, who would otherwise need to pursue or defend numerous claims across various forums. It is also clarified that the Adjudicating Authority, when issuing an order to initiate the liquidation process, shall also appoint the liquidator in accordance with section 34.</p> <p>Further, it seeks to insert new sub-sections (1A) and (1B) to section 33 to restore the corporate insolvency resolution process in exceptional cases, provided that the committee of creditors makes such a request by an application. The Adjudicating Authority can only restore the process if it is satisfied that the following circumstances under sub-section (1) exist—first, no resolution plan has been approved within the period stipulated under the Code, or second, the resolution plan approved by the</p>
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		<p>(2) Where the resolution professional, at any time during the corporate insolvency resolution process but before confirmation of resolution plan, intimates the Adjudicating Authority of the decision of the committee of creditors 1 [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). 2 [Explanation. – For the purpose of this sub-section, it is</p>		<p>mutandis, apply to the proceedings under this Chapter:</p> <p>Provided that provisions of this sub-clause shall not apply to legal proceedings in relation to such transactions as may be notified by the Central Government in consultation with any financial sector regulator or any other authority; and</p> <p>(v) pass an order appointing a liquidator for the liquidation process in accordance with section 34.”;</p> <p>(b) after sub-section (1), the following sub-sections shall be inserted, namely:—</p> <p>“(1A) Notwithstanding anything contained in sub-section (1), where the Adjudicating Authority is satisfied that the grounds mentioned in clause (a) or</p>	<p>committee of creditors has been rejected under section 31. After considering the application, the Adjudicating Authority will determine if the application demonstrates that there is still some potential to resolve the insolvency of the corporate debtor and may, by an order, restore the process. This ensures that errors, which cause either the process not to be completed on time or the resolution plan to be rejected, do not prevent a corporate debtor from successfully resolving insolvency and avoid forcing it into liquidation. In the first scenario, the Adjudicating Authority will restore the process and provide an appropriate duration within which the process must be completed, not exceeding one hundred twenty days. In the second scenario, it shall restore the process to the stage of invitation of the resolution plan and specify a duration within which the restored process should be completed, not exceeding one hundred twenty days. The regulation will specify the procedures and conditions for completing the restored process to ensure effective outcomes and prevent abuse. This option to restore</p>
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		<p>hereby declared that the committee of creditors may take the decision to liquidate the corporate debtor, any time after its constitution under sub-section (1) of section 21 and before the confirmation of the resolution plan, including at any time before the preparation of the information memorandum.</p>		<p>clause (b) of sub-section (1) of this section exist, it shall, before passing the liquidation order, consider an application made by the committee of creditors, in such manner and subject to such conditions as may be specified, by not less than sixty-six per cent. of the voting share, for restoring the corporate insolvency resolution process, and after considering such application, it may, by an order—</p> <p>(a) if the ground mentioned in clause (a) of sub-section (1) exists, restore the corporate insolvency resolution process to be completed within such duration as it deems fit, but not exceeding one hundred and twenty days; or</p> <p>(b) if the ground mentioned in clause (b) of sub-section (1) exists,— (i) restore the corporate insolvency</p>	<p>the process shall be available only once, irrespective of which of the two scenarios it is exercised under.</p> <p>It also enables the committee of creditors to seek dissolution of the corporate debtor at any time during the corporate insolvency resolution process, but before confirmation of the resolution plan and after complying with such conditions as may be specified by the Board. Such a request may be made where the corporate debtor does not have any meaningful or recoverable assets and undergoing the entire process will be cumbersome and costly. It further seeks to provide a thirty-day period within which the Adjudicating Authority shall pass a liquidation order.</p> <p>Additionally, when an application is made for a liquidation order due to the contravention of an approved resolution plan, the Adjudicating Authority may, in exceptional cases, reinstate the corporate insolvency resolution process instead, if it is viable for maximising the value of the corporate debtor. While reinstating the process, it may determine the stage</p>
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				<p>resolution process to the stage of invitation for submission of a resolution plan, which shall be completed in such manner and subject to such conditions as may be specified; and (ii) provide the duration for completion of such restored corporate insolvency resolution process as it deems fit, but not exceeding one hundred and twenty days.</p> <p>Explanation.—For the purposes of this section, it is hereby declared that on and from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026, the provisions of sub-sections (1A) and (1B) shall also apply to the corporate insolvency resolution process of a corporate debtor initiated under Chapter II before such date of commencement, where the</p>	<p>from which the process will commence and pass any other orders to facilitate the process. Similarly, in such cases where the Adjudicating Authority decides to make a liquidation order, it can also pass any other orders it deems fit for efficient conduct of the process.</p>
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				<p>Adjudicating Authority has not passed a liquidation order under sub-section (1) of this section, and shall not apply where the liquidation order is passed.</p> <p>(1B) The corporate insolvency resolution process of a corporate debtor may be restored in accordance with sub-section (1A) only once.</p> <p>Explanation.—For the purposes of this section, it is hereby clarified that where the Adjudicating Authority does not receive a resolution plan under sub-section (6) of section 30 within the period provided under clause (a) or clause (b) of sub-section (1A) or rejects the resolution plan received by it during such period under sub-section (2) of section 31, it shall pass a liquidation order under sub-section (1).”;</p>	
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				<p>After sub-section (2), the following sub-section shall be inserted, namely:—</p> <p>(2A) The Adjudicating Authority shall pass a liquidation order under this section within a period of thirty days from the date of receipt of an intimation or application, as the case may be, to initiate the liquidation process under this section: Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.</p>	
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		<p>(3) Where the resolution plan approved by the Adjudicating Authority 3 [under section 31 or under sub-section (1) of section 54L,] is contravened by the concerned corporate debtor, any person other than the corporate debtor, whose interests are prejudicially affected by such contravention, may make an application</p>		<p>(3) Where the resolution plan approved by the Adjudicating Authority 3 [under section 31 or under sub-section (1) of section 54L,] is contravened by the concerned corporate debtor, any person other than the corporate debtor, whose interests are prejudicially affected by such contravention, may make an application to the Adjudicating Authority for a liquidation order as referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (b) sub-section (1).</p> <p>(4) On receipt of an application under sub-section (3), if the Adjudicating Authority determines that the corporate debtor has contravened the provisions of the resolution plan, it shall pass a liquidation order as referred to in sub-</p>	
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	<p>to the Adjudicating Authority for a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) sub-section (1).</p> <p>(4) On receipt of an application under sub-section (3), if the Adjudicating Authority determines that the corporate debtor has contravened the provisions of the resolution plan, it shall pass a liquidation order as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1).</p> <p>(6) The provisions of sub-section (5) shall not apply to legal proceedings in relation to such transactions as may</p>		<p>clauses (i), (ii), (iii), (iv) and (v) of clause (b) of sub-section (1) and pass any other order as it deems fit.</p> <p>The following proviso shall be inserted, namely:—</p> <p>“Provided that where an application under sub-section (3) is made, the Adjudicating Authority may, if it deems fit, reinstate the corporate insolvency resolution process and pass appropriate orders.”;</p> <p>Sub-section (5) shall be omitted;</p> <p>For sub-section (6), the following sub-section shall be substituted, namely:—</p> <p>“(6) Where a liquidation order has been passed, no suit or other legal proceeding shall be commenced, or if pending at the date of the liquidation order, shall be</p>	
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		be notified by the Central Government in consultation with any financial sector regulator.		proceeded with by the liquidator, on behalf of the corporate debtor, except with the leave of the Adjudicating Authority and subject to such terms as the Adjudicating Authority may impose.”.	
24.	Section 34- Appointment of Liquidator and Fees	(1) Where the Adjudicating Authority passes an order for liquidation of the corporate debtor under section 33, the resolution professional appointed for the corporate insolvency resolution process under 1 [Chapter II 2 [or for the pre-packaged insolvency resolution process under Chapter III-A] shall, subject to submission of a written consent by the resolution professional to the Adjudicatory	Clause 21 - Amendment of Section 34	(a) For sub-section (1) of Section 34 the following sub-section shall be substituted, namely: - (1) Where the Adjudicating Authority passes an order for liquidation of the corporate debtor under section 33, it shall refer to the Board for making recommendation of an insolvency professional to be appointed as the liquidator and on receipt of the recommendation, appoint such insolvency professional as the liquidator. (b) For sub-sections (3), (4), (5) and (6), the	Clause 21 of the Bill seeks to amend section 34 of the Code to provide that the liquidator shall be appointed on the proposal of the committee of creditors, and the resolution professional shall not automatically be appointed as a liquidator. It can either propose the existing resolution professional or propose another insolvency professional, subject to their written consent to be appointed as the liquidator. Where the committee of creditors does not forward the name of the proposed liquidator or the Board does not confirm the name of the proposed liquidator, the Adjudicating Authority shall appoint the liquidator on reference from the Board. The existing resolution professional shall be disqualified from being appointed as a liquidator at the initiation or during the process where the



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		<p>Authority in specified form,] shall act as the liquidator for the purposes of liquidation unless replaced by the Adjudicating Authority under sub-section (4).</p>	<p>following sub-sections shall be substituted, namely: –</p> <p>(3) Any person who is or has been a personnel of the corporate debtor, or its promoter, or associated with the management of the corporate debtor, or engaged in a contract for service with the corporate debtor, shall extend all assistance and cooperation to the liquidator as may be required by him for the purposes of managing the affairs of the corporate debtor or performing the duties conferred on him under this Chapter and the provisions of section 19 shall apply in relation to liquidation and voluntary liquidation process as they apply in relation to corporate insolvency resolution process with the substitution of references to the liquidator for references to the interim resolution professional and</p>	<p>resolution plan submitted by it was rejected for failure to meet the requirements of sub-section (2) of section 30. It also seeks to substitute sub-section (3) of section 34 of the Code to apply provisions similar to the amended section 19 to the liquidation process and voluntary liquidation process.</p>
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				<p>resolution professional and references to the corporate insolvency resolution process with liquidation and voluntary liquidation process, respectively.</p> <p>(4) Notwithstanding anything contained in this section and section 34A, an insolvency professional appointed as a resolution professional for the corporate insolvency resolution process under Chapter II, shall not be appointed or replaced as the liquidator for the liquidation process of such corporate debtor.</p> <p>(5) After an order of liquidation has been passed, the resolution professional shall forward to the liquidator, all records relating to the conduct of the corporate insolvency resolution process.</p>	
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		<p>(7) The Adjudicating Authority shall, on receipt of the proposal of the Board for the appointment of an insolvency professional as liquidator, by an order appoint such insolvency</p>	<p>(6) The Board shall propose the name of an insolvency professional, other than the resolution professional appointed for the corporate insolvency resolution process under Chapter II, along with written consent from such insolvency professional in the specified form, within ten days of the reference made by the Adjudicating Authority under sub-section (1).”;</p> <p>(7) The Adjudicating Authority shall, on receipt of the proposal of the Board for the appointment of an insolvency professional as liquidator, appoint such insolvency professional as the liquidator.</p>	
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		professional as the liquidator.			
25.	(New section) Section 34A - (New) Change of liquidator	-	Clause 22- Insertion of new Section 34A	<p>Allows CoC to recommend replacement of liquidator by 66% vote, subject to Adjudicating Authority approval.</p> <p>"34A. (1) Where, at any time during the liquidation process, the committee of creditors is of the opinion that a liquidator appointed under section 34 or this section is required to be replaced, it may, by a vote of not less than sixty-six per cent. of the voting share, resolve to replace the liquidator with another insolvency professional, subject to a written consent from such proposed liquidator in such form as may be specified.</p> <p>(2)Where the committee of creditors resolves under sub-section (1) to replace a liquidator, it shall apply to the Adjudicating Authority</p>	<p>This proposed Clause 22 of the Bill seeks to insert a new section 34A in Chapter III of Part II of the Code to allow for the replacement of liquidator by the committee of creditors during the liquidation process as per this provision.</p>



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				for the appointment of the proposed liquidator, and if no disciplinary proceedings are pending against him, the Adjudicating Authority shall, by an order, replace the liquidator appointed under section 34 or this section and appoint the proposed liquidator as the liquidator.”.	
26.	Section 35- Powers and Duties of Liquidator	35(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. (j) to invite and settle claims of creditors and claimants and distribute proceeds in accordance with the provisions of this Code;	Clause 23 - Amendment of Section 35	35(1) Subject to the directions of the Adjudicating Authority, the liquidator shall have the following powers and duties, namely: - “(a) to maintain an updated list of claims of creditors in such manner as may be specified;”; (j) to settle claims of creditors and claimants and distribute proceeds in accordance with the provisions of this Code;	Clause 23 of the Bill seeks to amend section 35 of the Code to harmonise the powers and duties of the liquidator during the liquidation process with those during the corporate insolvency resolution process. This would avoid repetition of common activities and ensure faster completion of the liquidation process. The claims collated during the corporate insolvency resolution process will be maintained and updated during the liquidation process. The Board will specify the procedure for maintaining and updating the claims, including the need to verify the claims and determine their value, if necessary. However, a fresh process of invitation of claims will not be conducted.



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		<p>(l) to investigate the financial affairs of the corporate debtor to determine undervalued or preferential transactions;</p>		<p>For clause (l), the following clause shall be substituted, namely:—</p> <p>“(l) continue or institute proceedings in respect of an avoidance transaction or fraudulent or wrongful trading;”;</p> <p>(iv) the following Explanation shall be inserted, namely:—</p> <p>“Explanation.— For the purposes of this Chapter, it is hereby declared that the provisions of clauses (a) and (j) of this sub-section and sections 38 to 42 as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall not apply to the liquidation process and voluntary liquidation process initiated on and before the date of commencement of the Insolvency and Bankruptcy</p>	<p>Further, the liquidator will not be obligated to make a fresh investigation to identify avoidable transaction or fraudulent or wrongful trading. However, it will be empowered and obligated to continue or institute proceedings regarding an avoidance transaction or fraudulent or wrongful trading.</p> <p>It also seeks to extend the role of the committee of creditors constituted during the corporate insolvency resolution process to the liquidation process. The committee of creditors will supervise the conduct of the liquidation process by the liquidator. During the liquidation process, the committee of creditors will advise and guide the liquidator on commercial matters. It will act to uphold the interests of all stakeholders entitled to distribution under section 53 and perform an oversight function to ensure transparency and accountability in the conduct of the liquidation. The Board will specify how the committee will supervise the conduct of the liquidation process by the liquidator. Additionally, the role of the committee of creditors is limited to</p>
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		<p>(2) The liquidator shall have the power to consult any of the stakeholders entitled to a distribution of proceeds under section 53:</p> <p>Provided that any such consultation shall not be binding on the liquidator: Provided further that the records of any such consultation shall be made available to all other stakeholders not so consulted, in a manner specified by the Board.</p>		<p>Code (Amendment) Act, 2026.”;</p> <p>For sub-section (2), the following sub-section shall be substituted, namely:—</p> <p>(2) The committee of creditors shall supervise the conduct of the liquidation process by the liquidator under Chapter III in such manner as may be specified.</p>	<p>the liquidation process under section 35 and does not extend to voluntary liquidation. When this provision applies to voluntary liquidation pursuant to sub-section (6) of section 59, the Board will establish a separate procedure for consulting stakeholders.</p>
27.	Section 36- Liquidation Estate	36(3) Subject to sub-section (4), the liquidation estate shall comprise all assets over which the	Clause 24 - Amendment of Section 36	36(3)(f) any assets or their value recovered through “proceedings in respect of an avoidance transaction or fraudulent or wrongful	This proposed amendment seeks to amend section 36 of the Code as a consequential change pursuant to the insertion of the definitions of “avoidance transaction” and “fraudulent or wrongful trading” to



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		<p>corporate debtor has ownership rights.</p> <p>36(3)(f) any assets or their value recovered through proceedings for avoidance of transactions in accordance with this Chapter;</p>		trading or under section 47;	clarify that assets recovered from all types of proceedings in respect of avoidance transactions, fraudulent or wrongful trading, or under section 47 of the Code shall be part of the liquidation estate.
28.	Section 38- Consolidation of Claims	The liquidator shall receive or collect the claims of creditors within 30 days from the date of commencement of liquidation process.	Clause 25	Omitted	<p>Clause 25 of the Bill seeks to omit sections 38, 39, 40, 41, and 42 of the Code to prevent duplication of processes in the corporate insolvency resolution process and liquidation process. However, as provided under amendments made to section 35, the liquidator will have the power and duty to maintain an updated list of claims of creditors against the corporate debtor,</p>
29.	Section 39- Verification of Claims	The liquidator shall verify the claims within such time as specified by the Board.	Clause 25	Omitted	
30.	Section 40 - Admission or Rejection of Claims	The liquidator shall communicate his decision of admission or rejection of claims to the creditor and corporate debtor within 7 days of such decision.	Clause 25	Omitted	



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31.	Section 41- Admission or Rejection of Claims	The liquidator shall communicate his decision of admission or rejection of claims to the creditor and corporate debtor within 7 days of such decision.	Clause 25	Omitted	as per the procedure specified in the regulations.
32.	Section 42 Section 42- Appeal against the Decision of Liquidator	A creditor may appeal to the Adjudicating Authority against the decision of the liquidator within fourteen days of receipt of such decision.	Clause 25	Omitted	
33.	Section 43- Preferential transactions and relevant time.	43 (4) A preference shall be deemed to be given at a relevant time, if – (a) it is given to a related party (other than by reason only of being an employee), during the period of two years preceding the insolvency commencement date; or	Clause 26-Amendment to Section 43	43(4) A preference shall be deemed to be given at a relevant time, if – (a) it is given to a related party (other than by reason only of being an employee), during the “period starting from” two years preceding the insolvency commencement date; or (b) a preference is given to a person other than a	



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		(b) a preference is given to a person other than a related party during the period of one year preceding the insolvency commencement date		related party during the period of one year preceding the "initiation date and ending on the insolvency commencement date".	the look-back period for such transactions. Currently, the threshold for the look-back period in section 43 is the insolvency commencement date (date on which the application for initiation of the corporate insolvency resolution process is admitted). Where the admission of an application takes longer than fourteen days, the look-back period for preferential transactions may not be able to capture a significant portion of transactions that occurred before the filing of an application. This may also give corporate debtors a perverse incentive to delay admission of the application for the commencement of the insolvency resolution process to reduce the scope of an avoidable transaction. Therefore, the threshold for the look-back period for preferential transactions has been adjusted to more effectively capture a broader range of pre-filing transactions, particularly those undertaken in anticipation of the commencement of the insolvency resolution process to exclude assets from the process.
34.	Section 46-	Marginal Heading - Relevant period for	Clause 27-Amendment in Section 46	Marginal Heading-	Clause 27 of the Bill seeks to amend the marginal heading of section 46, to



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	<p>Relevant period for avoidable transactions. -</p>	<p>avoidable transactions. -</p> <p>46(1) In an application for avoiding a transaction at undervalue, the liquidator or the resolution professional, as the case may be, shall demonstrate that –</p> <p>(i) such transaction was made with any person within the period of one year preceding the insolvency commencement date; or</p> <p>(ii) such transaction was made with a related party within the period of two years preceding the insolvency commencement date.</p>		<p>Relevant period for “Undervalued” transactions. -</p> <p>46(1) In an application for “avoidance of an undervalued transaction, the liquidator or the resolution professional, as the case may be, shall demonstrate that-</p> <p>(i) such transaction was made with any person within the period starting from one year preceding the insolvency commencement date; or</p> <p>(ii) such transaction was made with a related party within the period of two years preceding the initiation date and ending on the insolvency commencement date.</p>	<p>substitute the word “avoidable” for the word “undervalued”.</p> <p>it seeks to amend the threshold for the look-back period for undervalued transactions to more effectively capture a broader range of pre-filing transactions, particularly those undertaken in anticipation of the commencement of the insolvency resolution process to exclude assets from the process.</p>
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<p>35.</p>	<p>Section 47 - Application by creditor in case of undervalued transactions</p>	<p>47(1) Where an undervalued transaction has taken place and the liquidator or the resolution professional as the case may be, has not reported it to the Adjudicating Authority, a creditor, member or a partner of a corporate debtor, as the case may be, may make an application to the Adjudicating Authority to declare such transactions void and reverse their effect in accordance with this Chapter. (2) Where the Adjudicating Authority, after examination of the application made under sub-section (1), is satisfied that - (a) undervalued transactions had</p>	<p>Clause 28 - Amendment of Section 47</p>	<p>47(1) Where— (a) a preferential transaction under section 43; (b) an undervalued transaction under section 45; (c) an extortionate credit transaction under section 50; or (d) fraudulent trading or wrongful trading under section 66, has occurred and the liquidator or the resolution professional, as the case may be, has not reported it to the Adjudicating Authority, a creditor, either by itself or jointly with other creditors, a member, or a partner of the corporate debtor, as the case may be, may make an application to the Adjudicating Authority to pass orders in accordance with the respective provisions of this Chapter or Chapter VI, as the case may be.</p> <p>(2) Where the Adjudicating Authority, after examination of the application made under</p>	<p>Clause 28 of the Bill seeks to substitute section 47 of the Code to enable creditors (individually or jointly with other creditors) or a member or partner of the corporate debtor, as the case may be, to apply to the Adjudicating Authority for the avoidance of an avoidable transaction under sections 43, 45, or 50 of the Code or fraudulent or wrongful trading under section 66 of the Code if the liquidator or resolution professional has not reported such transaction or trading to the Adjudicating Authority. The Adjudicating Authority is empowered to pass an order for the avoidance of such transactions or fraudulent or wrongful trading as if such an application had been filed by the liquidator or resolution professional in accordance with the relevant provisions of the Code. Following the passing of such an order, the Adjudicating Authority is also empowered to pass an order requiring the Board to initiate disciplinary proceedings against the liquidator or the resolution professional, if it is satisfied that the liquidator or the resolution professional did not report the transaction or trading to the</p>
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		<p>occurred; and (b) liquidator or the resolution professional, as the case may be, after having sufficient information or opportunity to avail information of such transactions did not report such transaction to the Adjudicating Authority, it shall pass an order- (a) restoring the position as it existed before such transactions and reversing the effects thereof in the manner as laid down in section 45 and section 48; (b) requiring the Board to initiate disciplina</p>		<p>sub-section (1), is satisfied that the relevant transaction or trading under clause (a) or (b) or (c) or (d) of sub-section (1) has occurred, it shall pass an order, for the avoidance of such transaction or trading, as the case may be, as if such an application had been filed by a liquidator or a resolution professional in accordance with the relevant provisions of this Chapter or Chapter VI.</p> <p>(3) After passing an order under sub-section (2), where Adjudicating Authority is satisfied that the liquidator or the resolution professional, as the case may be, after having sufficient information or opportunity to avail information of such transaction or trading, did not report such transaction or trading to the Adjudicating Authority, it shall pass an order requiring the Board to</p>	<p>Adjudicating Authority even after having sufficient information or opportunity to obtain information regarding the same.</p>
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				initiate disciplinary proceedings against the liquidator or the resolution professional, as the case may be.”.	
36.	Section 49- Transactions defrauding creditors. -	<p>49(1)...Provided that an order under this section -</p> <p>(a) shall not affect any interest in property which was acquired from a person other than the corporate debtor and was acquired in good faith, for value and without notice of the relevant circumstances, or affect any interest deriving from such an interest, and</p>	Clause 29 -Amendment in clause (a) of the proviso to section 49	<p>49(1)...Provided that an order under this section</p> <p>(a) shall not affect any interest in property which was acquired from a person other than the corporate debtor” or a related party of the corporate debtor, as the case may be,” and was acquired in good faith, for value and without notice of the relevant circumstances, or affect any interest deriving from such an interest, and</p>	<p>Clause 29 of the Bill seeks to amend clause (a) of the proviso to section 49 of the Code to also exclude the property acquired from a related party of the corporate debtor from the exception under this proviso. It prevents the transactions wherein the asset of the corporate debtor is transferred to its related party, and consequently, such an asset is transferred from the related party to a third party, from being exempted as “transactions defrauding creditors”. However, if the asset is further transferred from the third party to another person, it can still be exempted if the other requirements are met. This ensures that the transfer of the property through a related party does not gain protection under clause (a) of the proviso to section 49, which should apply to transactions taken in good faith between the sellers and buyers of the property that belonged to the corporate debtor.</p>



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37.	Section 50- Extortionate credit transactions. -	50(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.	Clause 30- Amendment of Section 50	50(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 starting from two years preceding the initiation date and ending on" 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.	Clause 30 of the Bill seeks to amend sub-section (1) of section 50 of the Code to make changes to the look-back period for determining extortionate credit transactions. Similar to amendments to section 43, it seeks to amend the threshold for the look-back period for extortionate credit transactions to more effectively capture a broader range of pre-filing transactions, particularly those undertaken in anticipation of the commencement of the insolvency resolution process to exclude assets from the process.
38.	Section 52 - Secured creditor in		Clause 31 - Amendment of Section 52	Requires that the sale price not be lower than the fair	Ensures asset realisation is at fair value to protect overall creditor interest.



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	liquidation proceedings	<p>52(2) If a secured creditor proceeds to realise its security interest, it shall inform the liquidator of the price at which the secured asset is to be realised.</p>		<p>value determined by a registered valuer.</p> <p>For Section 52, sub-section (2), the following sub-section shall be substituted, namely: —</p> <p>“(2) Where the secured creditor intends to realise the security interest under clause (b) of sub-section (1), he shall inform the liquidator of such security interest and identify the asset subject to such security interest to be realised within a period of fourteen days from the liquidation commencement date, and if he fails to do so, such security interest shall be deemed to be relinquished to the liquidation estate:</p> <p>Provided that where more than one secured creditor has any security interest over an asset of the corporate debtor, no</p>	<p>Clause 31 of the Bill seeks to amend sub-section (2) of section 52 of the Code to include a mandatory timeline of fourteen days from the liquidation commencement date for a secured creditor to convey its decision of whether it intends to realise the security interest outside the liquidation process. If they fail to do so, such security interest will be considered to be relinquished to the liquidation estate. This is to ensure the prompt completion of the liquidation process and prevent any delays in liquidating the corporate debtor.</p> <p>It also seeks to insert a proviso in sub-section (2) to clarify that in the event that more than one secured creditor has any security interest over an asset of the corporate debtor, no secured creditor shall be entitled to realise its security interest unless the realisation is agreed upon by the secured creditors representing not less than sixty-six per cent. of the value of all claims that are secured by such security interests. In cases where multiple secured creditors have claims secured by a security interest over a</p>
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		<p>52(8) The amount of insolvency resolution process costs, due from secured creditors who realise their security interests in the manner provided in this section, shall be deducted from the proceeds of any realisation by such secured creditors, and they shall transfer such amounts to the liquidator to be</p>	<p>secured creditor shall be entitled to realise its security interest, unless the realisation is agreed upon by the secured creditors representing not less than sixty-six per cent. of the value of all claims that are secured by such security interests.”.</p> <p>For sub-section (8) of Section 52, the following sub-section shall be substituted, namely: —</p> <p>(8) The amount of insolvency resolution process, costs and the liquidation costs, and workmen’s dues as referred to in clause (a) and sub-clause (i) of clause (b) of sub-section (1) of section 53, respectively, shall be deducted from the proceeds of any realisation</p>	<p>specific asset of the corporate debtor, only those secured claims related to that asset are considered. This is regardless of whether the value of the asset is enough to cover all claims or the priority of the security interest. These claims are combined, and secured creditors representing at least sixty per cent. in value of this total secured claim must agree to realisation outside the liquidation process.</p> <p>It further seeks to amend sub-section (8) of section 52 to clarify that the contribution of the amount towards the insolvency resolution process costs, liquidation costs and workmen’s dues under clause (a) and sub-clause (i) of clause (b) of sub-section (1) of section 53 shall be deducted from the proceeds of any realisation by the secured creditors, when the secured creditor decides to realise its security interest outside the liquidation process. This will ensure that a secured creditor who chooses to realise its security interest outside the liquidation process contributes towards the insolvency resolution costs, liquidation costs, and</p>
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		included in the liquidation estate.		<p>by the secured creditors who realise their security interests in the manner provided in this section, and they shall transfer such amounts to the liquidator to be included in the liquidation estate in such manner, within such period and subject to such conditions to secure the payment as may be specified.”;</p> <p>After sub-section (9), the following Explanation shall be inserted, namely:— “Explanation.—</p> <p>For the purposes of this section, it is hereby declared that the provisions of sub-section (2) as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, shall not apply to the liquidation process initiated on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026.</p>	<p>workmen’s dues, as these would have been distributed if the secured creditor had relinquished their security interest to the liquidation estate. The Board will specify the period and conditions for transferring the amount to the liquidator and securing the payment. It also ensures that workmen do not receive any lesser amount than the portion of dues accorded priority under sub-clause (i) of clause (b) of sub-section (1) of section 53 in the liquidation process if the secured creditors choose to stand outside the collective liquidation process to realise their security interests. The requirement of contribution by secured creditors in such a case will ensure the protection of the interests of the workmen.</p>
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<p>39.</p>	<p>Section 53 - Distribution of assets</p>	<p>53(1)(b)(ii) debts owed to a secured creditor in the event such secured creditor has relinquished security interest to the liquidation estate, and workmen's dues for the period of twenty-four months preceding the liquidation commencement date, equally.</p> <p>53(1)(e)(i) any amount due to the Central Government and the State Government including the amount to be received on</p>	<p>Clause 32 - Amendment of Section 53</p>	<p>53(1) in clause (b), in sub-clause (ii), the following Explanation shall be inserted, namely: —</p> <p>“Explanation.— For the removal of doubts, it is hereby clarified that where the value of the security interest relinquished by the secured creditor is less than the total debt owed to such secured creditor by the corporate debtor, he shall be a secured creditor to the extent of the value of such security interest, determined in such manner as may be specified, and for the remaining value of such debt, he shall be considered to be an unsecured creditor,”;</p> <p>(i) in clause (e) of Section 23(1), in sub-clause (i), the following Explanation shall be inserted, namely: —</p>	<p>Clause 32 of the Bill seeks to insert an explanation in sub-clause (ii) of clause (b) of sub-section (1) of section 53 of the Code to clarify that in cases where the value of the security interest that the secured creditor has relinquished to the liquidation estate is less than the total debt that the corporate debtor owes to that secured creditor, such secured creditor will be considered a secured creditor to the extent of the value of such security interest. The Board will specify the manner of determining the value of the security interest. For the remaining value of such debt, it shall be considered an unsecured creditor.</p> <p>It further seeks to insert an explanation in sub-clause (i) of clause (e) of sub-section (1) of section 53 to clarify that the dues of the Central and State Governments, whether or not a security interest is created to secure such amounts, shall not receive a higher order of priority under sub-section (1) of section 53. The Central and State Government dues for the</p>
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		<p>account of the Consolidated Fund of India and the Consolidated Fund of a State, if any, in respect of the whole or any part of the period of two years preceding the liquidation commencement date;</p>		<p>“Explanation.—For the removal of doubts, it is hereby clarified that any amount, whether or not a security interest is created to secure such amount, by an act of two or more parties or merely by operation of law, due to the Central Government and the State Government, in respect of the whole or any part of the period of two years preceding the liquidation commencement date, shall be distributed under this sub-clause, and any remaining amount, whether or not such security interest is created to secure the amount, due to the Central Government and the State Government, shall be distributed under clause (f);”</p> <p>53-In sub-section (2), the following Illustrations shall be inserted, namely: —</p>	<p>period of two years preceding the liquidation commencement date shall be distributed as per the order of priority under sub-clause (i) of clause (e) of sub-section (1) of section 53, whether or not a security interest is created to secure such amount. Such dues shall not be distributed as per the higher order of priority under sub-clause (ii) of clause (b) of sub-section (1) of section 53 along with the secured creditors even though a security interest is created to secure these dues. Beyond the period of two years preceding the liquidation commencement date, any remaining dues of the Central and State Government will be distributed as per the lower order of priority under clause (f) of sub-section (1) of section 53.</p> <p>Additionally, the clause seeks to insert illustrations after sub-section (2) to clarify the scope and application of sub-section (2) of section 53.</p>
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				<p>“Illustration I.—The workmen and the secured creditors of the corporate debtor have a contractual arrangement which provides that in the event of insolvency or liquidation of the corporate debtor, all debt owed to the secured creditors shall be cleared before clearing any debt owed to the workmen. Such a contractual arrangement shall be disregarded. Amendment of section 53.</p> <p>Illustration II. —“X”, a secured creditor of the corporate debtor, has a contractual arrangement with “Y”, another secured creditor of the corporate debtor. As per the contractual arrangement, in the event of insolvency or liquidation of the corporate debtor, the debt owed to “X” shall be cleared before clearing any debt owed to “Y”. Such a</p>	
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				contractual arrangement shall not be disregarded.”.	
40.	Section 54 - Dissolution of Corporate Debtor	<p>54(1) Where the assets of the corporate debtor have been completely liquidated, the liquidator shall make an application to the Adjudicating Authority for dissolution.</p> <p>(2) The Adjudicating Authority shall on application filed by the liquidator under sub-section (1) order that the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly.</p> <p>(3) A copy of an order under sub-section (2)</p>	Clause 33 - Amendment of Section 54	<p>Adds provision for filing a final compliance certificate along with dissolution application.</p> <p>For sub-section (1), the following sub-sections shall be substituted, namely: —</p> <p>“(1) The liquidator shall completely liquidate the assets of the corporate debtor and make an application for its dissolution to the Adjudicating Authority within a period of one hundred and eighty days from the liquidation commencement date in such manner as may be specified: Provided that the Adjudicating Authority may, on an application by the liquidator along with sufficient reasons, extend</p>	<p>Clause 33 of the Bill seeks to substitute sub-section (1) of section 54 of the Code to provide timelines for completing the liquidation process within a period of one hundred and eighty days from the liquidation commencement date. This period can be extended by the Adjudicating Authority, on an application by the liquidator, by such a period as it deems fit, provided that such period does not exceed ninety days.</p>



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		<p>shall within seven days from the date of such order, be forwarded to the authority with which the corporate debtor is registered.</p>		<p>the stipulated time by such period as it deems fit, but not exceeding a period of ninety days.</p> <p>(1A) Where a proceeding in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47 is pending before an application is made under sub-section (1) or a decision is made to dissolve the corporate debtor under sub-section (2) of section 33, the committee of creditors shall determine the manner of pursuing such proceedings and the distribution of the proceeds arising out of such proceedings, in such manner and subject to such conditions as may be specified.</p> <p>(1B) Where any suit or other legal proceeding against the corporate debtor in respect of any proceeds to be distributed under section 53 is pending</p>	<p>It further seeks to insert sub-sections (1A) and (1B) to enable the committee of creditors to determine the manner of pursuing proceedings in respect of an avoidance transaction or fraudulent or wrongful trading or under section 47 and any suit or other legal proceedings against the corporate debtor concerning any proceeds to be distributed under section 53 after the dissolution of the corporate debtor, respectively. It will be the duty of the committee of creditors to make suitable arrangements to pursue such proceedings and distribute the proceeds recovered from such proceedings as per the procedure specified by the Board, before the liquidator or the resolution professional applies to dissolve the corporate debtor to the Adjudicating Authority.</p>
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				<p>before application is made under sub-section (1) or a decision is made to dissolve the corporate debtor under sub-section (2) of section 33, the committee of creditors shall make appropriate arrangements for pursuing such suit or proceeding, and distribution of proceeds to the parties in such suit or proceedings, in such manner and subject to such conditions as may be specified.”;</p> <p>54(b) after sub-section (2), the following sub-sections shall be inserted, namely:–</p> <p>–</p> <p>“(2A) Without prejudice to the provisions of sub-section (2), the Adjudicating Authority may, on receipt of the decision of the committee of creditors to dissolve the corporate debtor under sub-section (2) of section 33, order that</p>	<p>It also seeks to insert sub-section (2A) to empower the Adjudicating Authority to pass an order of dissolution of the corporate debtor on receipt of the decision of the committee of creditors to dissolve the corporate debtor under sub-section (2) of section 33 of the Code without completing corporate insolvency resolution process or undergoing liquidation process. It may be considered by the Adjudicating Authority whether the corporate debtor has any meaningful or recoverable assets, or if the entire process will be cumbersome and costly when passing the dissolution order.</p>
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				<p>the corporate debtor shall be dissolved from the date of that order and the corporate debtor shall be dissolved accordingly:</p> <p>Provided that if, on the passing of an order under this sub-section, any asset of the corporate debtor remains with it, such asset may be disposed of in such manner as may be specified, and the proceeds thereof shall be distributed for payment of the insolvency resolution process costs and any surplus remaining after payment of such costs shall be credited to the Insolvency and Bankruptcy Fund formed under section 224.</p> <p>(2B) Notwithstanding anything contained in sub-section (2) and sub-section (2A), the passing of the dissolution order shall not affect the continuation of</p>	<p>It also seeks to insert sub-section (2B), to provide that the passing of the dissolution order shall not affect the continuation of proceedings in respect of avoidance transaction or fraudulent or wrongful trading or under section 47 and any suit or other legal proceedings against the corporate debtor concerning any proceeds to be distributed under section 53. Before passing the dissolution order, the Adjudicating Authority should confirm whether such proceedings are pending and if the committee of creditors has made appropriate arrangements for</p>
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				<p>proceedings referred to in sub-section (1A) and (1B).”.</p> <p>After sub-section (3), the following sub-section shall be inserted, namely: —</p> <p>“(4) The Adjudicating Authority shall pass a dissolution order under this section within a period of thirty days from the date of receipt of the application under sub-section (1) or the intimation of the</p>	<p>their continuation post-dissolution. Further, the forums conducting these proceedings should acknowledge the arrangements made by the committee of creditors under sub-sections (1A) and (1B) and the dissolution order passed by the Adjudicating Authority confirming them and proceed with those proceedings accordingly.</p> <p>Further, it seeks to insert sub-section (4) to provide a period of thirty days for the Adjudicating Authority to pass a dissolution order.</p>
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				<p>decision of the committee of creditors to dissolve the corporate debtor under sub-section (2) of section 33: Provided that if the Adjudicating Authority has not passed an order within such period, it shall record the reasons for such delay in writing.”.</p>	
41.	<p>Section 54A -Corporate debtors eligible for pre-packaged insolvency resolution process.</p>	<p>54A(2) Without prejudice to sub-section (1), an application for initiating pre-packaged insolvency resolution process may be made in respect of a corporate debtor, who commits a default referred to in section 4, subject to the following conditions, that—</p> <p>(a) it has not undergone pre-packaged insolvency</p>	<p>Clause 34 -Insertion of new Section 54A</p>	<p>54A(2) Without prejudice to sub-section (1), an application for initiating “pre-packaged insolvency resolution process or creditor-initiated insolvency resolution process, or” may be made in respect of a corporate debtor, who commits a default referred to in section 4, subject to the following conditions, that—</p> <p>(a) it has not undergone pre-packaged insolvency “or a creditor-initiated insolvency resolution process” or completed</p>	<p>Clause 34 seeks to amend sub-section (2) of section 54A of the Code as a consequential change pursuant to the insertion of Chapter IV-A titled “Creditor-Initiated Insolvency Resolution Process”.</p>



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	<p>resolution process or completed corporate insolvency resolution process, as the case may be, during the period of three years preceding the initiation date.</p> <p>(b) it is not undergoing a corporate insolvency resolution process.</p> <p>(e) the financial creditors of the corporate debtor, not being its related parties, representing such number and in such manner as may be specified, have proposed the name of the insolvency professional to be appointed as resolution professional for conducting the pre-packaged insolvency resolution process of</p>		<p>corporate insolvency resolution process, as the case may be, during the period of three years preceding the initiation date.</p> <p>(b) it is not undergoing a corporate insolvency resolution process or a creditor-initiated insolvency resolution process.</p> <p>(e) the financial creditors of the corporate debtor, not being its related parties, representing such number and in such manner as may be specified, have proposed the name of the insolvency professional to be appointed as resolution professional for conducting the pre-packaged insolvency resolution process of the corporate debtor, and the financial creditors of the corporate debtor, not being its related parties, representing not less than fifty-one per cent.</p>	
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	<p>the corporate debtor, and the financial creditors of the corporate debtor, not being its related parties, representing not less than sixty-six per cent. in value of the financial debt due to such creditors, have approved such proposal in such form as may be specified: Provided that where a corporate debtor does not have any financial creditors, not being its related parties, the proposal and approval under this clause shall be provided by such persons as may be specified;</p> <p>(3) The corporate debtor shall obtain an approval from its financial creditors, not being its related parties, representing</p>		<p>in value of the financial debt due to such creditors, have approved such proposal in such form as may be specified: Provided that where a corporate debtor does not have any financial creditors, not being its related parties, the proposal and approval under this clause shall be provided by such persons as may be specified;</p> <p>(3) The corporate debtor shall obtain an approval from its financial creditors, not being its related parties, representing not less than fifty-one per cent. in value of the financial debt due to such creditors, for the filing of an application for initiating pre-packaged insolvency resolution process, in such form as may be specified: Provided that where a corporate debtor does not have any financial</p>	
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		not less than sixty-six per cent. in value of the financial debt due to such creditors, for the filing of an application for initiating pre-packaged insolvency resolution process, in such form as may be specified: Provided that where a corporate debtor does not have any financial creditors, not being its related parties, the approval under this sub-section shall be provided by such persons as may be specified.		creditors, not being its related parties, the approval under this sub-section shall be provided by such persons as may be specified.	
42.	Section 54C - Application to initiate pre-packaged insolvency resolution process.	54C (3) The corporate applicant shall, along with the application, furnish— (a) the declaration, special resolution or resolution, as the case may be, and the	Clause 35 -Substitution of new Section 54C (3)	54C (3) The corporate applicant shall, along with the application, furnish such information as may be specified.”. (a) the declaration, special resolution or resolution, as the case may be, and the	Clause 35 of the Bill seeks to substitute sub-section (3) of section 54C of the Code to enable the Board to specify the information to be furnished by the corporate applicant along with the application to initiate the pre-packaged insolvency resolution process to ensure efficiency.



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	<p>approval of financial creditors for initiating pre-packaged insolvency resolution process in terms of section 54A;</p> <p>(b) the name and written consent, in such form as may be specified, of the insolvency professional proposed to be appointed as resolution professional, as approved under clause (e) of sub-section (2) of section 54A, and his report as referred to in clause (a) of sub-section (1) of section 54B;</p> <p>(c) a declaration regarding the existence of any transactions of the corporate</p>		<p>approval of financial creditors for initiating pre-packaged insolvency resolution process in terms of section 54A;</p> <p>(b) the name and written consent, in such form as may be specified, of the insolvency professional proposed to be appointed as resolution professional, as approved under clause (e) of sub-section (2) of section 54A, and his report as referred to in clause (a) of sub-section (1) of section 54B;</p> <p>(c) a declaration regarding the existence of any transactions of the corporate debtor that may be within the scope of provisions in respect of avoidance of transactions under Chapter III or fraudulent or wrongful trading under Chapter VI, in such form as may be specified.</p>	
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		debtor that may be within the scope of provisions in respect of avoidance of transactions under Chapter III or fraudulent or wrongful trading under Chapter VI, in such form as may be specified.		(d) information relating to books of account of the corporate debtor and such other documents relating to such period as may be specified.	
43.	Section 54F- Duties and powers of resolution professional during pre-packaged insolvency	54F(5) The personnel of the corporate debtor, its promoters and any other person associated with the management of the corporate debtor shall extend all assistance and	Clause 36 -Amendment in Section 54F	In section 54F, for sub-section (5), the following sub-section shall be substituted, namely: — “(5) Any person who is or has been a personnel of the corporate debtor, or its promoter, or associated	Clause 36 of the Bill seeks to substitute sub-section (5) of section 54F of the Code to apply provisions similar to the amended section 19 to the pre-packaged insolvency resolution process to ensure assistance and cooperation with the resolution professional.



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	resolution process.	cooperation to the resolution professional as may be required by him to perform his duties and exercise his powers, and for such purposes, the provisions of sub-sections (2) and (3) of section 19 shall, mutatis mutandis apply, in relation to the proceedings under this Chapter.		with the management of the corporate debtor, or engaged in a contract for service with the corporate debtor, shall extend all assistance and cooperation to the resolution professional as may be required by him to perform his duties and exercise his powers, and for such purposes, the provisions of sub-sections (2) and (3) of section 19 shall, mutatis mutandis, apply in relation to the proceedings under this Chapter.”.	
44.	Section 54L- Approval of resolution plan	54L.... (2) The order of approval under sub-section (1) shall have such effect as provided under 70 sub-sections (1), (3) and (4) of section 31, which shall, mutatis mutandis apply, to the proceedings under this Chapter ...(4) Notwithstanding	Clause 37- Substitution of Section 54L	54L.... (2) The order of approval under sub-section (1) shall have such effect as provided under 70 sub-sections (1), (3) and “, (4), (5) and (6)” of section 31, which shall, mutatis mutandis apply, to the proceedings under this Chapter (b) in sub-section (3), the following proviso shall be inserted, namely: —	Clause 37 of the Bill seeks to amend section 54L of the Code to apply certain changes made to sections 31 and 33 to the pre-packaged insolvency resolution process under Chapter III-A of Part II of the Code.



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		<p>anything to the contrary contained in this section, where the Adjudicating Authority has passed an order under sub-section (2) of section 54J and the resolution plan approved by the committee of creditors under sub-section (4) or sub-section (12), as the case may be of section 54K, does not result in the change in the management or control of the corporate debtor to a person who was not a promoter or in the management or control of the corporate debtor, the Adjudicating Authority shall pass an order —</p> <p>(a)...</p>		<p>“Provided that the Adjudicating Authority may, before rejecting the resolution plan, give notice to the committee of creditors to rectify any defects in the resolution plan.”;</p> <p>...(4) Notwithstanding anything to the contrary contained in this section, where the Adjudicating Authority has passed an order under sub-section (2) of section 54J and the resolution plan approved by the committee of creditors under sub-section (4) or sub-section (12), as the case may be of section 54K, does not result in the change in the management or control of the corporate debtor to a person who was not a promoter or in the management or control of the corporate debtor, the Adjudicating Authority shall pass an order —</p>	
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		(b) terminating the pre-packaged insolvency resolution process and passing a liquidation order in respect of the corporate debtor as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 33; and (c)....		(a)... (b) terminating the pre-packaged insolvency resolution process and passing a liquidation order in respect of the corporate debtor as referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (b) of sub-section (1) of section 33; and (c)....	
45.	Section 54N- Termination of pre-packaged insolvency resolution process	54N(4)(a) of liquidation in respect of the corporate debtor as referred to in sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 33; and	Clause 38 -Amendment in Section 54N	54N(4)(a) of liquidation in respect of the corporate debtor as referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (b) of sub-section (1) of section 33; and	Clause 38 of the Bill seeks to amend section 54N of the Code to apply changes made to section 33 dealing with the initiation of the liquidation process to the pre-packaged insolvency resolution process.
46.	CHAPTER IV- Fast Track Corporate Insolvency Resolution Process	-	Clause 39 -Omission of Sections 55 to 58	In Part II of the principal Act, Chapter IV shall be omitted.	Clause 39 of the Bill seeks to omit Chapter IV of Part II of the Code comprising of sections 55 to 58, which deal with the fast-track corporate insolvency resolution process. Consequential amendments are made to the Code for the omission of the provisions related to the fast-track corporate insolvency resolution process.



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47.	Chapter IV-A Creditor-Initiated Insolvency Resolution Process	-	Clause 40 - New Chapter IV-A titled Creditor-Initiated Insolvency Resolution Process comprising new sections 58A to 58K in Part II of the Code Insertion	After Chapter IV of the principal Act, the following Chapter shall be inserted, namely: — "CHAPTER IV-A CREDITOR-INITIATED INSOLVENCY RESOLUTION PROCESS	Clause 40 of the Bill seeks to insert a new Chapter IV-A titled Creditor-Initiated Insolvency Resolution Process comprising new sections 58A to 58K in Part II of the Code, which provide for: — (i) Section 58A seeks to provide the types of corporate debtors who shall be eligible for the creditor-initiated insolvency resolution process. Sub-section (1) empowers the Central Government to notify the types of corporate debtors in respect of whom the creditor-initiated insolvency resolution process may be initiated. Additionally, sub-section (2) stipulates specific types of corporate debtors for whom, despite eligibility under sub-section (1), the creditor-initiated insolvency resolution process shall not be initiated. For instance, the corporate debtors for whom either an insolvency resolution or liquidation process has been commenced and is still undergoing, are excluded from being an eligible corporate debtor in respect of whom the creditor-initiated insolvency resolution
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					<p>process may be initiated. Also, the corporate debtors for whom any insolvency resolution process has taken place three years preceding the creditor-initiated insolvency commencement date will not be eligible for this process. To determine this eligibility, three years will be calculated from the date of the public announcement from which the creditor-initiated insolvency resolution process commences.</p> <p>(ii) Section 58B seeks to provide the procedure for initiating the creditor-initiated insolvency resolution process. Sub-section (1) provides that a financial creditor of the corporate debtor in respect of whom default is committed may initiate the creditor-initiated insolvency resolution process, should belong to the class of financial institutions notified by the Central Government. Only these notified financial creditors shall have the right to initiate the process. Additionally, since this is an insolvency process under Part II, the minimum default threshold specified in section 4 of the Code must be satisfied. Also, the</p>
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					<p>Central Government may prescribe other conditions for initiation of the process, which will be required to be complied with for initiating the process.</p> <p>Sub-section (2) lists the mandatory requirements that must be complied with by the financial creditor seeking to initiate the process under this Chapter. First, the financial creditor must obtain approval to initiate the process from the financial creditors belonging to the notified class of financial institutions representing not less than fifty-one per cent. of the total value of the debt due to such financial creditors. After that, the financial creditor shall inform the corporate debtor about its intent to initiate the process and give it at least thirty days to make any representation. Within this period, the corporate debtor can either repay the default amount or make a representation to the financial creditor for not initiating the process. If the default continues to exist, the financial creditor may consider the representation of the corporate debtor and decide whether to proceed with initiating the process. Since the default still exists, it will be up to the</p>
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					<p>subjective satisfaction of the financial creditor whether or not to initiate the process. Where the financial creditor decides to pursue the initiation of the process, it shall again seek the approval of the financial creditors belonging to such notified class of financial institutions, representing not less than fifty-one per cent. in value of the debt due to such financial creditors, to initiate the process. If the financial creditor fails to obtain approval within thirty days, it will need to start the procedure again under sub-section (2) if it intends to initiate the process. This ensures that the financial creditor does not delay the initiation of the process and promptly considers the representation.</p> <p>Sub-section (3) provides that if requirements under sub-section (2) are fulfilled, the financial creditor may appoint an insolvency professional as the resolution professional. No disciplinary proceedings should be pending against such insolvency professional. The financial creditor (after considering the representation of the corporate debtor) can appoint the resolution professional</p>
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					<p>immediately after obtaining the approval of the notified class of financial institutions. If no representation is received, implying that the corporate debtor has no objection to initiating the process, the financial creditor may immediately appoint the resolution professional after the completion of the period for making the representation.</p> <p>Sub-section (4) provides that the resolution professional, after its appointment, shall make a public announcement of the initiation of the process and communicate the same to the Adjudicating Authority and the Board. The resolution professional shall also submit a report based on its own evaluation, along with such communication, confirming whether the requirements under sections 58A and 58B are met. The Board shall specify the period within which the public announcement should be made and its form and manner. The creditor-initiated insolvency resolution process shall be deemed to have initiated from the date of the public announcement, and no order or direction from the Adjudicating Authority or the Board</p>
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					<p>shall be required for the same. This will be an out-of-court commencement of the process. If the public announcement is not made within the specified period, the pre-commencement procedures would expire, and any later public announcement shall not be considered valid. The Board shall specify appropriate procedure to ensure that the resolution professionals adhere to the period and procedures for commencing the process.</p> <p>Sub-section (5) provides that after the process under Chapter IV-A is commenced, no application for initiation of the corporate insolvency resolution process or the pre-packaged insolvency resolution process in respect of the corporate debtor shall be filed during the creditor-initiated insolvency resolution process period. Since the corporate debtor will be undergoing an insolvency resolution process, its creditors will be required to participate in this process by submitting claims. Hence, no default of a corporate debtor should be the basis for filing or</p>
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					<p>admitting an application to initiate another insolvency resolution process.</p> <p>(iii) Section 58C seeks to allow the corporate debtor to object to the commencement of the process under section 58B by applying to the Adjudicating Authority within thirty days from the creditor-initiated insolvency commencement date. The right to object to the commencement of the process before the Adjudicating Authority, can be exercised only after the process has been initiated and not before the public announcement under section 58B. If the corporate debtor chooses not to object within the specified period, it will be assumed that it has no objection and that the initiation of the process is valid.</p> <p>Sub-section (2) of section 58C provides that where the Adjudicating Authority is satisfied that a default has not occurred, or both a default has not occurred and also the initiation of the process is in contravention of the procedure stipulated under sections 58A or 58B, it may, by an order, declare the commencement of the process as void ab-initio. The Adjudicating Authority will only be</p>
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					<p>required to ascertain whether these two requirements are fulfilled, and no other ground or objection shall be considered. However, if the Adjudicating Authority is satisfied that a default has occurred, but the initiation of the process is in contravention of sections 58A or 58B, it shall convert the creditor-initiated insolvency resolution to the corporate insolvency resolution process and pass an order under sub-section (1) of section 58H. When objections are raised solely due to non-compliance with the procedure specified under sections 58A or 58B, and not based on the existence of the default, the Adjudicating Authority shall assume that a default exists and convert the process to the corporate insolvency resolution process if it is satisfied that there is material non-compliance with such procedure.</p> <p>(iv) Section 58D sets out the period for the completion of the creditor-initiated insolvency resolution process. Sub-section (1) provides that the process shall be completed within one hundred and fifty days. Sub-section (2) allows this period to be extended by period of forty-five days. Any extension to this</p>
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					<p>period extension shall not be granted more than once. Sub-section (3) provides that where the committee of creditors does not approve any resolution plan within the stipulated period in sub-section (1) or under the extended period under sub-section (2), the Adjudicating Authority shall pass an order under sub-section (1) of section 58H converting the creditor-initiated insolvency resolution process into corporate insolvency resolution process. The Board will provide the procedure for the resolution professional to inform the Adjudicating Authority, and accordingly, it will convert this process into the corporate insolvency resolution process. Such a mandatory period will ensure timely resolution of insolvency. It will also ensure that protections (like moratorium) during the process with control of the corporate debtor by its management do not continue beyond the period mentioned in this section to avoid any misuse of the process.</p> <p>(v) Section 58E sets out the duties and powers of the resolution professional during the creditor-initiated insolvency resolution period. The resolution professional shall exercise and</p>
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					<p>perform these duties and powers only after the commencement of the process by public announcement and not before such commencement. He will be required to call for submission of claims, prepare the information memorandum, perform the duties referred to in clauses (a) to (c) of section 18 and clauses (e) to (j) of sub-section (2) of section 25, exercise powers referred to in sub-section (3) and (4) of section 54F, file such report and documents with the Board and perform such other duties specified by the Board. The resolution professional is also required prepare a report confirming whether the conduct of the process is in accordance with the procedural requirements and that the resolution plan complies with the requirements of sections 29A and 30. The provisions similar to section 19 apply to the creditor-initiated insolvency resolution process to ensure assistance and cooperation with the resolution professional.</p> <p>(vi) Section 58F states that the management of the affairs of the corporate debtor shall continue to vest in the Board of Directors or the</p>
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					<p>partners of the corporate debtor, as the case may be, during the creditor-initiated insolvency resolution process period. The provisions of section 54H shall, mutatis mutandis apply, to the proceedings under this Chapter. However, prior approval from the committee of creditors shall be required for certain actions mentioned in section 28. Additionally, the resolution professional shall, from the creditor-initiated insolvency commencement date, attend all meetings of the members, Board of directors, and committee of directors, or partners of the corporate debtor. The resolution professional can reject any decision or resolution made in these meetings, and if rejected, such decision or resolution shall not be approved or adopted. The regulations may provide for any condition in the exercise of this right and the manner for the same. This will ensure that the management of the corporate debtor is conducted in an orderly manner which aligns with the creditor-initiated insolvency resolution process. Also, the promoter and personnel of the corporate debtor are required to provide relevant information related to</p>
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					<p>the corporate debtor to the resolution professional for preparing the information memorandum and shall be liable for any non-compliance.</p> <p>(vii) Section 58G seeks to allow the resolution professional to make an application before the Adjudicating Authority for a moratorium for the purpose of sub-section (1) read with sub-section (3) of section 14 after obtaining approval of the committee of creditors. This application may also be filed before the constitution of the committee of creditors, after obtaining approval of the financial creditors of the corporate debtor belonging to the class of financial institutions notified under sub-section (1) of section 58B, who represent not less than fifty-one per cent. in value of the debt due to such financial creditors. Sub-section (2) states that the moratorium shall commence from the date of application and shall continue to be in operation during the creditor-initiated insolvency resolution process period. The Adjudicating Authority may confirm the moratorium, if it is satisfied that the moratorium is required for the proper and efficient</p>
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					<p>conduct of the creditor-initiated insolvency resolution process or reject the application.</p> <p>While confirming, the Adjudicating Authority may consider factors such as the necessity to protect and preserve the assets of the corporate debtor, the conduct of the process in a fair and orderly manner, or the non-cooperation by the management of the corporate debtor. Further, the scope of its jurisdiction is limited to considering the need for the moratorium during the process, and it shall not be required to determine the correctness of the initiation of the process or the extent of the moratorium. Once the moratorium is imposed under this section, unless it is rejected by the Adjudication Authority, it shall have effect until the creditor-initiated insolvency resolution process period has concluded. Post confirmation, the Adjudicating Authority is not empowered to consider a request to lift or modify the moratorium. To inform the public about the imposition of the moratorium, the resolution professional must make a public</p>
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					<p>announcement when an application for a moratorium is filed and, after that, if the application is rejected. This will ensure that all stakeholders of the corporate debtor, especially its creditors, have information about the imposition of a moratorium.</p> <p>(viii) Section 58H provides that the Adjudicating Authority shall convert the creditor-initiated insolvency resolution process to the corporate insolvency resolution process in the following cases: (a) where it does not receive a resolution plan for approval within the stipulated period under section 58D; (b) where it is satisfied that the corporate debtor or its personnel have failed to assist or cooperate with the resolution professional; or (c) where it rejected the resolution plan. Clearly outlining the events for the conversion of the process ensures that it proceeds promptly and prevents the management of the corporate debtor from abusing its protections. While passing an order for conversion, the Adjudicating Authority shall also decide the stage from which the corporate insolvency resolution</p>
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					<p>process shall commence. It may consider any recommendations made by the committee of creditors in this regard and decide on the appropriate stage for commencing the process. Also, it shall accordingly appoint the resolution professional for the creditor-initiated insolvency resolution process as the interim resolution professional or the resolution professional for the corporate insolvency resolution process, declare a moratorium for the purposes referred to in section 14, and declare that the costs incurred during the creditor-initiated insolvency resolution process shall be included as part of the insolvency resolution process costs.</p> <p>Additionally, sub-section (2) provides that the committee of creditors may, at any time during the creditor-initiated insolvency resolution process, decide to convert the creditor-initiated insolvency resolution process to the corporate insolvency resolution process, and the resolution professional shall make an application to the Adjudicating Authority. On receipt of such application, the Adjudicating Authority shall pass an</p>
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					<p>order for conversion of the process to the corporate insolvency resolution process. Sub-section (3) clarifies that where any order of conversion is passed under this section, it shall be deemed to be an order under section 7 of the Code, the proceedings initiated for avoidance transaction or fraudulent or wrongful trading or under section 47 shall continue. The creditor-initiated insolvency resolution process period shall be included in the relevant period for determining avoidance transactions. Additionally, when passing the conversion order, the Adjudicating Authority shall decide the stage at which the corporate insolvency resolution process shall commence, based on the procedures that have taken place during the creditor-initiated insolvency resolution process and their appropriateness. When making this decision, it may take into account any recommendations from the committee of creditors, if they choose to provide them.</p> <p>(ix) Section 58-I lays down the procedure for withdrawal of the public announcement made under section</p>
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					<p>58B and closing the creditor-initiated insolvency resolution process. Sub-section (1) provides that the Adjudicating Authority may allow withdrawal of the public announcement on an application made by the resolution professional with the approval of ninety per cent. of the voting share of the committee of creditors. Sub-section (2) provides that the public announcement shall not be withdrawn before the constitution of the committee of creditors and after the first invitation for submission of a resolution plan issued by the resolution professional. Sub-section (3) provides that the Adjudicating Authority shall pass an order under sub-section (1) within a period of fourteen days from the date of receipt of the application.</p> <p>(x) Section 58J provides for the procedure for approval of the resolution plan by the Adjudicating Authority. Sub-section (1) provides that where the committee of creditors approves a resolution plan by a vote of not less than sixty-six percent of the voting share, the resolution professional shall submit such</p>
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					<p>approved resolution plan to the Adjudicating Authority, along with the report referred to in clause (c) of sub-section (1) of section 58E confirming whether the conduct of the process is in accordance with the procedural requirements and that the resolution plan, filed along with it, complies with the requirements of sections 29A and 30. The report shall be given due regard by the Adjudicating Authority when approving the resolution plan to ensure prompt adjudication. Sub-section (2) provides that the Adjudicating Authority shall pass an order in accordance with section 31, which shall, mutatis mutandis, apply to the creditor-initiated insolvency resolution process, and the resolution plan approved during this process have the same effect as approved during the corporate insolvency resolution process. While considering the request for approval of the resolution plan, the Adjudicating Authority shall have limited jurisdiction to ensure procedural compliance, similar to its jurisdiction under section 31 during the corporate insolvency resolution process.</p>
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					(xi) Section 58K provides that certain provisions of Part II of the Code that shall, mutatis mutandis apply, to the creditor-initiated insolvency resolution process with suitable modifications. Further, the Board is empowered to specify the conditions and procedural requirements for establishing a detailed process for creditor-initiate insolvency resolution process to ensure efficient outcomes.
48.	Section 59- Voluntary liquidation of corporate persons.	<p>59(2) The voluntary liquidation of a corporate person under sub-section (1) shall meet such conditions and procedural requirements as may be specified by the Board.</p> <p>59(3)(b)(ii) a report of the valuation of the assets of the company, if any prepared by a registered valuer;</p> <p>(4) The company shall notify the</p>	Clause 41 - Amendment of Section 59	<p>59(2) The voluntary liquidation of a corporate person under sub-section (1) shall meet such conditions and procedural requirements and be completed within such period which shall not be more than one year, as may be specified.</p> <p>59(3)(b)(ii) a report of the valuation of the assets of the company, if any prepared by a valuer registered under section 247 of the Companies Act, 2013.</p>	<p>Clause 41 of the Bill seeks to amend section 59 of the Code to provide for a period to be specified by the Board within which the voluntary liquidation is to be completed, which shall not be more than one year. It also provides that the report of the valuation of the assets of the company, as required under sub-section (3) of section 59, will be prepared by a valuer registered under section 247 of the Companies Act, 2013. Further, it provides the procedure for termination of the voluntary liquidation in certain circumstances. There may be scenarios where such termination may be warranted. For instance, business opportunities may emerge that can make the corporate person profitable or viable after initiating the voluntary</p>



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	<p>Registrar of Companies and the Board about the resolution under sub-section (3) to liquidate the company within seven days of such resolution or the subsequent approval by the creditors, as the case may be.</p> <p>(5) Subject to approval of the creditors under sub-section (3), the voluntary liquidation proceedings in respect of a company shall be deemed to have commenced from the date of passing of the resolution under sub-clause (c) of sub-section (3).</p>		<p>(4) The company shall inform the Registrar of Companies and the Board about the resolution under sub-section (3) to liquidate the company within seven days of such resolution or the subsequent approval by the creditors, as the case may be.</p> <p>(5) Subject to approval of the creditors under sub-section (3), the voluntary liquidation proceedings in respect of a company shall be deemed to have commenced from the date of passing of the resolution under sub-clause (c) of sub-section (3).</p> <p>“(5A) Any time after the commencement of a voluntary liquidation proceeding under sub-section (5) but before an application under sub-</p>	<p>liquidation process. To account for this, the amendment has provided a streamlined manner of making such terminations similar to commencement procedure of the voluntary liquidation process.</p>
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				<p>section (7) is filed, the voluntary liquidation proceeding shall be terminated if the following conditions are satisfied, namely: -</p> <p>(a) the members of the company have passed a special resolution for terminating the voluntary liquidation proceeding;</p> <p>(b) where the company owes debt to any person on the date of the resolution under clause (a), creditors representing two-thirds in value of such debt have approved the resolution passed under clause (a) within a period of seven days of such resolution; and</p> <p>(c) such other conditions as may be specified.</p> <p>(5B) The liquidator shall intimate the Board and the Registrar of Companies regarding the special resolution under clause (a) of sub-section (5A) within a period of seven days of</p>	
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		<p>59(6) The provisions of sections 35 to 53 of Chapter III and Chapter VII shall apply to voluntary liquidation proceedings for corporate persons with such modifications as may be necessary.</p>		<p>passing the resolution or subsequent approval of the creditors under clause (b) thereof, as the case may be.</p> <p>(5C) A voluntary liquidation proceeding shall be deemed to have been terminated from the date on which the liquidator intimates the Registrar of Companies under sub-section (5B), and such termination shall bring the term of the liquidator to an end and have such other consequences as may be specified.</p> <p>59(6) The clause (b) of section 18 of Chapter II, sections 35 to 53 of Chapter III and Chapter VII shall apply to voluntary liquidation proceedings for corporate persons with such modifications as may be necessary.</p>	<p>It also seeks to amend sub-section (6) of section 59 due to the omission of sections 38 to 42 of the Code, dealing with the consolidation, verification, admission or rejection and determination of claims. A reference to clause (b) of section 18 is inserted, which will apply to the voluntary liquidation process with such modifications as necessary. It clarifies that the omission of sections 38 to 42 under Chapter III of Part II of the Code does not affect the powers and duties of the liquidator to verify the claims and determine their value. The</p>
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					regulations may also provide a detailed process for claims invitation and consideration.
49.	New Insertion Section 59A- Group Insolvency	-	<p>Clause 42 – New insertion of VS- Group Insolvency in part II</p> <p>Power to make rules for initiating proceedings for coordination and cooperation of corporate debtors of group.</p>	<p>In the principal Act, in Part II, after Chapter V, the following Chapter shall be inserted, namely: —</p> <p>‘CHAPTER VA GROUP INSOLVENCY</p> <p>59A. (1) Notwithstanding anything to the contrary contained in this Code, the Central Government may, prescribe the manner and conditions for conducting insolvency proceedings under Part II, where these proceedings are initiated against two or more corporate debtors that form part of a group.</p> <p>(2) Without prejudice to the generality of foregoing provision, such rules may, provide for all or any of the following matters, namely:—</p>	<p>Clause 42 of the Bill seeks to insert a new Chapter VA titled “Group Insolvency” in Part II of the Code to enable the Central Government to make rules concerning the manner and conditions for conducting insolvency proceedings and liquidation proceedings under Part II, where these proceedings are initiated against two or more corporate debtors that form part of a group. The group insolvency framework will facilitate improved coordination between insolvency resolution and liquidation processes for corporate debtors that form part of a group to maximise the value. In addition to these general powers, an indicative list of subject matters on which the Central Government may make rules to guide the implementation of this framework is provided. It aims to establish a voluntary procedural coordination framework for group insolvency. This will, among other things, seek the appointment of a group coordinator to facilitate communication, information sharing, and alignment of</p>



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				<p>(a) a common Bench for the insolvency proceedings of the corporate debtors that form part of a group and the manner of the transfer of pending proceedings of such corporate debtors to such Bench, and for proceedings under the rules made under this section;</p> <p>(b) coordination between the insolvency proceedings of the corporate debtors that form part of a group, including the coordination between their committee of creditors and interim resolution professionals, resolution professionals, or liquidators;</p> <p>(c) appointment and replacement of a common insolvency professional to facilitate coordination between the insolvency proceedings of the corporate debtors that form part of a group;</p> <p>(d) formation of a committee comprising of</p>	<p>proceedings. The coordination will be through an agreement among the participating corporate debtors and their committees of creditors. Additionally, a common bench may also be constituted for further procedural coordination.</p> <p>Also, there may be situations where implementation of this framework will require alterations to the existing provisions of the Code, and the Central Government is suitably empowered to make those modifications. Further, before the rules framed under this section are issued, a draft of every rule proposed to be issued shall be laid down before each House of Parliament as per the procedure provided in this Chapter.</p> <p>Introduces a legal framework for conducting coordinated insolvency proceedings where two or more corporate debtors belong to the same group (linked by control or significant ownership).</p> <p>Section 59A sets up the legal infrastructure for group insolvency in India, enabling common benches,</p>
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				<p>the committee of creditors of the corporate debtors that form part of a group;</p> <p>(e) making of an agreement that provides measures to coordinate and synchronise different aspects of the insolvency proceedings of the corporate debtors that form part of a group, which shall be binding on the corporate debtors approving the same including their committees of creditors, and the Adjudicating Authority may issue necessary orders to implement the approved agreement; and</p> <p>(f) treatment of the costs incurred for taking measures to coordinate the insolvency proceedings of the corporate debtors that form part of a group.</p> <p>(3) The rules made by the Central Government under this section may provide</p>	<p>joint decision-making, shared professionals, and coordinated plans for multiple interconnected companies, with checks via parliamentary scrutiny. This aligns India with global best practices for complex corporate group resolutions.</p> <p>Central Government Powers-</p> <p>Central Government can prescribe rules, manner, and conditions for group insolvency under Part II of IBC.</p> <p>Scope of Rules (sub-sec. 2):</p> <p>Rules may provide for:</p> <p>a) Common Bench – One NCLT Bench for all group companies' proceedings, with provisions for transfer of cases.</p> <p>b) Coordination Mechanisms – Between CoCs, IRPs, RPs, or liquidators of group entities.</p> <p>c) Common Insolvency Professional – Appointment/replacement to manage coordination.</p> <p>d) Joint CoC Committee – Comprising CoCs of group companies.</p>
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				<p>that any of the provisions of the Code shall apply with such modifications, as may be required to administer and implement the provisions of this section. Explanation.—For the purposes of this Chapter, the expressions—</p> <p>(a) “control” includes the right to appoint majority of the directors or other key managerial personnel entitled to manage the affairs of the corporate person or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding, management rights, ownership interest, shareholders agreements, voting agreements, articles of association, limited liability partnership agreements or in any other manner;</p>	<p>e) Coordination Agreement – Binding plan for synchronized resolution, enforceable by AA orders.</p> <p>f) Cost Sharing – Treatment of costs for coordination measures.</p> <p>Modification of Code Provisions</p> <p>Rules may allow adapted application of existing IBC provisions to enable group insolvency.</p> <p>Definitions (Explanation):</p> <p>Control: Right to appoint majority directors/KMPs or influence management/policy (direct/indirect, alone/in concert).</p> <p>Group: Corporate debtors linked by control or significant ownership, includes holding, subsidiary, associate companies (as per Companies Act, 2013).</p> <p>Insolvency Proceedings: CIRP & liquidation under Part II.</p>
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				<p>“group” means two or more corporate debtors that are interconnected by control or significant ownership, and include a holding company, a subsidiary company and an associate company of a corporate debtor, as defined under the Companies Act, 2013;</p> <p>(c) “insolvency proceedings” means the corporate insolvency resolution process and liquidation process under Part II of this Code;</p> <p>(d) “significant ownership” includes the right to exercise twenty-six per cent. or more voting rights.’</p> <p>(4) Notwithstanding anything contained in section 241, a draft of every rule proposed to be issued under this section, shall be laid before each House of Parliament, while it is in session, for a</p>	<p>Significant Ownership: 26% or more voting rights.</p> <p>Parliamentary Oversight</p> <p>Draft rules to be laid before both Houses for 30 days (single/multiple sessions).</p> <p>If both Houses disapprove or modify, rules must be aligned accordingly.</p> <p>30-day count excludes long adjournments/prorogation.</p> <p>Final rules to be laid before Parliament post-notification.</p>
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				total period of thirty days which may be comprised in one session or in two or more successive sessions, and if both Houses agree in disapproving the issue of	
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				<p>rule or both Houses agree in making any modification in the rule, the rule shall not be notified or shall be notified only in such modified form, as may be agreed upon by both the Houses of Parliament.</p> <p>(5) The period of thirty days referred to in sub-section (4) shall not include any period during which the House referred to in sub-section (4) is prorogued or adjourned for more than four consecutive days.</p> <p>(6) Every rule notified under this section shall be laid, as soon as may be after it is made, before each House of Parliament.'</p>	
50.	Section Appeals Appellate Authority	61- and	61(6)	In section Section 61, insertion of a new sub-section	



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		(No such clause existed in the original code)	Clause 43– New insertion	(6) The National Company Law Appellate Tribunal shall dispose of the appeal within three months from the date of its receipt.”.	
51.	Section 64A - (New Section) Special provisions for certain classes of corporate persons	-	Clause 44 - Insertion of new Section 64A	<p>After section 64 of the principal Act, the following section shall be inserted, namely: –</p> <p>“64A. If any person has initiated a frivolous or vexatious proceeding before the Adjudicating Authority under this Part, it may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to two crore rupees.”.</p> <p>Creates offence for deliberate non-cooperation with IRP/RP/liquidator, punishable with imprisonment up to three years or fine.</p>	Clause 43 of the Bill seeks to insert a new section 64A in Chapter VI of Part II of the Code to introduce a penalty for initiating frivolous or vexatious proceedings before the Adjudicating Authority under Part II of the Code to deter persons from initiating such proceedings and delay the insolvency resolution and liquidation processes.



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52.	<p>Section 65- Fraudulent or malicious initiation of proceedings.</p>	<p>65(3) If any person initiates the pre-packaged insolvency resolution process-</p> <p>(a) fraudulently or with malicious intent for any purpose other than for the resolution of insolvency; or</p> <p>(b) with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to one crore rupees.</p>	<p>Clause 45 – Amendment of Section 65(3)</p>	<p>65(3) If any person initiates the pre-packaged insolvency resolution process or creditor-initiated insolvency resolution process-</p> <p>(a) fraudulently or with malicious intent for any purpose other than for the resolution of insolvency; or</p> <p>(b) with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to one crore rupees.</p>	<p>Clause 44 of the Bill seeks to amend section 65 of the Code due to the insertion of Chapter IV-A titled "Creditor-Initiated Insolvency Resolution Process".</p> <p>The Bill introduces a faster, creditor-led insolvency mechanism (CIIRP) aimed at efficiency. Without safeguards, this could be exploited to pressure solvent companies or settle unrelated disputes.</p> <p>Amending Section 65 ensures that creditors cannot weaponize CIIRP for ulterior motives.</p> <p>The penalty under this section shall also apply to a person who initiates the creditor-initiated insolvency resolution process fraudulently or with the intent of malice or to defraud any person.</p>
53.	<p>Section 66 - Fraudulent trading or wrongful trading</p>	<p>66(1) If during the corporate insolvency resolution process or a liquidation process, it is found that any business of the corporate debtor has</p>	<p>Clause 46 - Amendment of Section 66</p>	<p>Marginal Heading :-</p> <p>Section 66- Fraudulent or wrongful trading</p> <p>(1) If during the corporate insolvency resolution process or a liquidation process, it</p>	<p>Clause 45 of the Bill seeks to amend section 66 of the Code relating to fraudulent or wrongful trading to clarify that the liquidator is also permitted to file applications under this section during the liquidation process</p>



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	<p>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.</p> <p>(2) On an application made by a resolution professional during the corporate insolvency</p>		<p>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 <i>or the liquidator</i>, 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.</p> <p>(2) On an application made by a resolution professional during the corporate insolvency resolution process or by a liquidator, the Adjudicating Authority may by an order direct that a director or</p>	
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		<p>resolution process, the Adjudicating Authority may by an order direct that a director or partner of the corporate debtor, as the case may be, shall be liable to make such contribution to the assets of the corporate debtor as it may deem fit, if-</p> <p>(a) before the insolvency commencement date, such director or partner knew or ought to have known that the there was no reasonable prospect of avoiding the commencement of a corporate insolvency resolution process in respect of such corporate debtor; and</p> <p>(b) such director or partner did not</p>		<p>partner of the corporate debtor, as the case may be, shall be liable to make such contribution to the assets of the corporate debtor as it may deem fit, if-</p> <p>(a) before the insolvency commencement date, such director or partner knew or ought to have known that the there was no reasonable prospect of avoiding the commencement of a corporate insolvency resolution process in respect of such corporate debtor; and</p> <p>(b) such director or partner did not exercise due diligence in minimising the potential loss to the creditors of the corporate debtor.</p>	
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		exercise due diligence in minimising the potential loss to the creditors of the corporate debtor.			
54.	Section 67A - (New Section) Punishment for concealment of property	Marginal heading- Fraudulent management of corporate debtor during pre-packaged insolvency resolution process.	Clause 47 - Insertion of new Section 67A	Marginal heading- Fraudulent management of corporate debtor during "pre-packaged insolvency resolution process or creditor-initiated insolvency resolution process.	Creates specific offence for concealment or destruction of property during insolvency or liquidation, with imprisonment up to five years and fine. Clause 46 of the Bill seeks to amend section 67A of the Code due to the insertion of Chapter IV-A under Part II titled "Creditor-Initiated Insolvency Resolution Process". The penalty under this section shall also apply to the officers of the corporate debtor during the creditor-initiated insolvency resolution process.
55.	Section 67B - Contravention of moratorium or resolution plan	No such section existed in the original code	Clause 48 -Insertion of new sections 67B and 67C	"67B. (1) Where a corporate debtor or any of its officer contravenes the provisions of section 14, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this	



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				<p>behalf, as the case may be, impose penalty upon the officer, who committed or authorised or permitted such contravention, which shall not be less than one lakh rupees, but may extend to two crore rupees.</p> <p>(2) Where any creditor contravenes the provisions of section 14, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, as the case may be, impose penalty upon any person who authorised or permitted such contravention by a creditor, which shall not be less than one lakh rupees, but may extend to two crore rupees.</p> <p>(3) Where a corporate debtor, any of its officers or creditors or any person on whom the approved resolution plan is binding under section 31,</p>	
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				<p>contravenes any of the terms of such resolution plan or abets such contravention, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, as the case may be, impose penalty upon such corporate debtor, officer, creditor or person, which shall not be less than one lakh rupees, but may extend to one crore rupees or twenty per cent. of the amount to be distributed under the resolution plan, whichever is higher.</p> <p>67C. Where— (a) an operational creditor has concealed in an application under section 9, the fact that the corporate debtor had notified him of a dispute in respect of the unpaid operational debt or the full and final payment</p>	
	Section 67C- Contravention for non- disclosure of dispute or	No such section existed in the original code			



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	payment of debt by operational creditor			thereof; or (b) any person who authorised or permitted such concealment under clause (a); or any person who acted on such authorisation or permission, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, as the case may be, impose penalty upon such operational creditor or person, which shall not be less than one lakh rupees but may extend to two crore rupees.”.	
56.	Section 74- Punishment for contravention of moratorium or the resolution plan	(1) Where the corporate debtor or any of its officer violates the provisions of section 14, any such officer who knowingly or	Clause 49	Omitted	



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		<p>wilfully committed or authorised or permitted such contravention shall be punishable with imprisonment for a term which shall not be less than three years, but may extend to five years or with fine which shall not be less than one lakh rupees, but may extend to three lakh rupees, or with both. (2) Where any creditor violates the provisions of section 14, any person who knowingly and wilfully authorised or permitted such contravention by a creditor shall be punishable with imprisonment for a term which shall not be less than one year, but may extend to five years, or with fine which shall not</p>			
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		<p>be less than one lakh rupees, but may extend to one crore rupees, or with both.</p> <p>(3) Where the corporate debtor, any of its officers or creditors or any person on whom the approved resolution plan is binding under section 31, knowingly and wilfully contravenes any of the terms of such resolution plan or abets such contravention, such corporate debtor, officer, creditor or person shall be punishable with imprisonment of not less than one year, but may extend to five years, or with fine which shall not be less than one lakh rupees, but may extend to one crore rupees, or with both.</p>			
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57.	Section 76- Punishment for non-disclosure of dispute or 1[payment] of debt by operational creditor.	Where- (a) an operational creditor has wilfully or knowingly concealed in an application under section 9 the fact that the corporate debtor had notified him of a dispute in respect of the unpaid operational debt or the full and final 2[payment] of the unpaid operational debt; or (b) any person who knowingly and wilfully authorised or permitted such concealment under clause (a) such operational creditor or person, as the case may be, shall be punishable with imprisonment for a term which shall not be less than one year but may extend to five years or with fine	Clause 50	Omitted	
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		which shall not be less than one lakh rupees but may extend to one crore rupees, or with both.			
58.	Section 96- Interim-moratorium.	-	Clause 51 – New Insertion of Sub section (4) of Section 96	In section 96 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely: — “(4) The provisions of this section shall not apply where an application is filed for initiating an insolvency resolution process in respect of a personal guarantor to a corporate debtor.”.	Clause 47 of the Bill seeks to insert a new sub-section (4) to section 96 of the Code to provide that provisions of section 96 of the Code will not apply where an application to initiate an insolvency resolution process in respect of a personal guarantor to a corporate debtor is filed by a creditor or the debtor itself.
59.	Section 99- Submission of report by resolution professional. -	99(1) The resolution professional shall examine the application referred to in section 94 or section 95, as the case may be, within ten days of his appointment, and submit a report to the Adjudicating Authority	Clause 52 – Amendment to Section 99	99(1) The resolution professional shall examine the application referred to in section 94 or section 95, as the case may be, within twenty-one days of his appointment, and submit a report to the Adjudicating Authority recommending for approval or rejection of the application.	Clause 48 of the Bill seeks to amend sub-section (1) of section 99 of the Code to extend the period to twenty-one days within which the resolution professional shall examine the application filed under section 94 or section 95 and to submit its report to the Adjudicating Authority. Further, it seeks to amend sub-section (10) of section 99 to require the resolution professional to provide a copy of its report to both the debtor and the



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		<p>recommending for approval or rejection of the application.</p> <p>(10) The resolution professional shall give a copy of the report under sub-section (7) to the debtor or the creditor, as the case may be.</p>		<p>(10) The resolution professional shall give a copy of the report under sub-section (7) to the debtor or and the creditor.</p>	<p>creditor, who are parties to the proceeding. This amendment will ensure fairness in the process as both the debtor and creditor in a proceeding will be informed of the findings of the report, and it will assist them in presenting their submissions before the Adjudicating Authority.</p>
60.	<p>Section 106- Report of resolution professional on repayment plan. –</p>	<p>106 (4) For the purposes of sub-section (3) -</p> <p>(a) the date on which the meeting is to be held shall be not less than fourteen days and not more than twenty-eight days from the date of submission of report under subsection(1);</p> <p>(b)the resolution professional shall consider the convenience of creditors in fixing the date and venue of the</p>	<p>Clause 53 – New Insertion and amendment in Section 106</p>	<p>After sub-section (1), the following sub-section shall be inserted, namely: –</p> <p>106(1A) Where no repayment plan is submitted within the period stipulated under sub-section (1), the resolution professional shall submit a report to the Adjudicating Authority, and the Adjudicating Authority shall pass an order terminating the insolvency resolution process of the debtor and the debtor or the creditors shall be entitled to file an</p>	<p>Clause 49 of the Bill seeks to insert a new sub-section (1A) into section 106 of the Code to provide that where no repayment plan is submitted within twenty-one days from the last date of claim submission as required under section 105 of the Code, the resolution professional must submit a report to the Adjudicating Authority. The Adjudicating Authority will then terminate the process if it is satisfied that the debtor failed to prepare the repayment plan in consultation with the resolution professional within the stipulated period. No extension will be granted, and after the termination of the process, the debtor or creditor will be entitled to apply for bankruptcy of the debtor.</p>



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		meeting of the creditors		<p>application for bankruptcy under Chapter IV.”.</p> <p>(b) after sub-section (3), the following sub-section shall be inserted, namely:—</p> <p>“(3A) Notwithstanding anything to the contrary contained in the provisions of sub-section (2) and sub-section (3), where the repayment plan is in respect of the debtor who is a personal guarantor to a corporate debtor, the resolution professional shall summon the meeting of the creditors by issuing a notice in writing specifying therein the date, time and place of such meeting.”;</p> <p>106(4) For the purposes of sub-section (3) and sub-section (3A)</p> <p>(a) the date on which the meeting is to be held shall be not less than fourteen days and not more than</p>	<p>It further seeks to insert a new sub-section (3A) into section 106 to provide that where the repayment plan is being submitted during the insolvency resolution process of a debtor who is a personal guarantor to a corporate debtor, it is mandatory for the resolution professional to summon a meeting of the creditors for consideration of the repayment plan by issuing a notice</p>
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				<p>twenty-eight days from the date of submission of report under subsection (1);</p> <p>(b) the resolution professional shall consider the convenience of creditors in fixing the date and venue of the meeting of the creditors</p>	
61.	Section-121 Application for bankruptcy. -	121 (c)where an order has been passed by an Adjudicating Authority under sub-section 3 of section 118.	Clause 54 – Amendment to Section -121 Application for bankruptcy. -	<p>121 (c) where an order has been passed by an Adjudicating Authority under sub-section 3 of section 118; or</p> <p>After clause (c), the following clause shall be inserted, namely: —</p> <p>“(d) where an order has been passed by an Adjudicating Authority under sub-section (1A) of section 106.”.</p>	Clause 50 of the Bill seeks to amend section 121 of the Code to clarify that once the Adjudicating Authority issues an order terminating the insolvency resolution process of the debtor due to the non-preparation of the repayment plan in accordance with sub-section (1A) of section 106, a creditor individually or jointly with other creditors or a debtor, may make an application for bankruptcy of the debtor.
62.	Section 124- Effect of application. -		Clause 55 – New Insertion of 124(4)	In section 124 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely: —	Clause 51 of the Bill seeks to insert a new sub-section (4) to section 124 of the Code to provide that provisions of section 124 of the Code will not apply where an application to initiate a



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				<p>“(4) The provisions of this section shall not apply where an application is filed for initiating a bankruptcy process in respect of a personal guarantor to a corporate debtor.”.</p>	<p>bankruptcy process in respect of a personal guarantor to a corporate debtor is filed by a creditor or the debtor itself.</p>
63.	Section-164 - Undervalued transactions.	-	Clause 56 - New Insertion of 164A	<p>After section 164 of the principal Act, the following section shall be inserted, namely: —</p> <p>“164A. Where the debtor has entered into an undervalued transaction as referred to in sub-section (6) of section 164 and the Adjudicating Authority is satisfied that such transaction was deliberately entered into by such debtor—</p> <p>(a) for keeping its assets beyond the reach of any person who is entitled to make a claim against the debtor; or</p> <p>(b) in order to adversely affect the interests of such</p>	<p>Clause 52 of the Bill seeks to insert a new section 164A in the Code for the insolvency resolution and bankruptcy of individuals and partnership firms under Part III of the Code concerning transactions defrauding creditors similar to section 49 under Part II of the Code.</p>



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				<p>a person in relation to the claim, the Adjudicating Authority shall make an order,—</p> <p>(i) restoring the position as it existed before such transaction, as if the transaction had not been entered into; and</p> <p>(ii) protecting the interests of persons who are victims of such transactions:</p> <p>Provided that an order under this section—</p> <p>(a) shall not affect any interest in property which was acquired from a person other than the debtor or his associate, as the case may be, and was acquired in good faith, for value and without notice of the relevant circumstances, or affect any interest deriving from such an interest; and</p> <p>(b) shall not require a person who received a benefit from the transaction in good faith, for value and without notice of the relevant</p>	
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				circumstances to pay any sum, unless he was a party to the transaction.”.	
64.	Section 178 Section 178 Priority of payment of debts. –	178(1)(d) Notwithstanding anything to the contrary contained in any law enacted by the Parliament or the State Legislature for the time being in force, in the distribution of the final dividend, the following debts shall be paid in priority to all other debts —	Clause 57 – New insertion of explanation under section 178	178(1)(d) Notwithstanding anything to the contrary contained in any law enacted by the Parliament or the State Legislature for the time being in force, in the distribution of the final dividend, the following debts shall be paid in priority to all other debts - In section 178 of the principal Act, in sub-section (1), in clause (d), the following Explanation shall be inserted, namely: - “Explanation.—For the removal of doubts, it is hereby clarified that any amount, whether or not a security interest is created to secure such amount by an act of two or more parties or merely by operation of law, due to the Central Government and the State Government, in respect of the whole or any	Clause 53 of the Bill seeks to insert an explanation into clause (d) of sub-section (1) of section 178 of the Code to clarify that the Central and State Government dues for the period of two years preceding the bankruptcy commencement date shall be distributed as per the order of priority under clause (d) of sub-section (1) of section 178, whether or not a security interest is created to secure such amount. Such dues shall not be distributed as per the higher order of priority under sub-clause (ii) of clause (b) of sub-section (1) of section 178. Beyond the period of two years preceding the bankruptcy commencement date, any remaining dues of the Central and State Government will be distributed as per the lower order of priority under clause (e) of sub-section (1) of section 178.



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				part of the period of two years preceding the bankruptcy commencement date, shall be distributed under this clause, and any remaining amount, whether or not such security interest is created to secure the amount, due to the Central Government and the State Government, shall be distributed under clause (e).	
65.	Section 183 Expeditious disposal of applications.	-	Clause 58 – Amendment in Section 183	After section 183 of the principal Act, the following section shall be inserted, namely: — “183A. If, any person has initiated a frivolous or vexatious proceeding before the Adjudicating Authority under this Part, it may impose upon such person a penalty which shall not be less than one lakh rupees but which may extend to two crore rupees.”.	Clause 54 of the Bill seeks to insert a new section 183A in Chapter VI of Part II of the Code to introduce a penalty for initiating frivolous or vexatious proceedings before the Adjudicating Authority under Part III of the Code to deter persons from initiating such proceedings and delay the insolvency and bankruptcy processes.



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66.	Section 196(1) Section 196 - Powers and functions of the Board	(1) The Board shall, subject to the general direction of the Central Government, perform all or any of the following functions namely: - (a) register insolvency professional agencies, insolvency professionals and information utilities and renew, withdraw, suspend or cancel such registrations; 1 [(aa) promote the development of, and regulate, the working and practices of, insolvency professionals, insolvency professional agencies and information utilities and other institutions, in furtherance of the purposes of this Code;]	Clause 59 - Amendment of Section 196	(1) The Board shall, subject to the general direction of the Central Government, perform all or any of the following functions namely: (a) register service providers and renew, withdraw, suspend or cancel such registrations; (aa) promote the development of, and regulate, the working and practices of, insolvency professionals, insolvency professional agencies and information utilities and other institutions, in furtherance of the purposes of this Code;	Clause 55 of the Bill seeks to amend sub-section (1) of section 196 of the Code to substitute the references to insolvency professional agencies, insolvency professionals, and information utilities, wherever they occur in various clauses of this provision, with 'service providers', as a common definition of 'service provider' is inserted into section 3 of the Code. The Board may provide registration and other norms for all persons falling under the definition of service providers.
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		<p>(b) specify the minimum eligibility requirements for registration of insolvency professional agencies, insolvency professionals and information utilities;</p> <p>(c) levy fee or other charges 2 [for carrying out the purposes of this Code, including fee for registration and renewal] of insolvency professional agencies, insolvency professionals and information utilities;</p>		<p>(b) specify the minimum eligibility requirements for registration of service providers”;</p> <p>In clause (c), the following Explanation shall be inserted, namely: —</p> <p>“Explanation. —For removal of doubts, it is hereby clarified that the levy of fee or other charges under this clause also includes any fee or other charges levied by the Board in relation to the processes under this Code.”;</p> <p>After clause (s), the following clause shall be inserted, namely: —</p> <p>“(sa) specify the standards of conduct for the committee of creditors and its members, including the timelines within which the</p>	<p>It further seeks to insert an explanation into clause (c) of sub-section (1) of section 196 to clarify that the Board can also levy fees or other charges in relation to all types of insolvency resolution, liquidation, and bankruptcy processes covered under the Code</p> <p>It also seeks to insert clause (sa) into sub-section (1) of section 196 to empower the Board to specify regulations for the standards of conduct of the committee of creditors and its members while acting under Part II and Part III of the Code. This will help the committee of creditors</p>
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		(t) make regulations and guidelines on matters relating to insolvency and bankruptcy as may be required under this Code, including mechanism for time bound disposal of the assets of the corporate debtor or debtor; and		committee of creditors shall take decisions, while acting under Part II and Part III of this Code, as the case may be". (e) Clause (t)- make regulations and guidelines on matters relating to insolvency and bankruptcy as may be required for the purposes of this Code, including mechanism for time bound disposal of the assets of the corporate debtor or debtor; and	and its members to operate efficiently and effectively. It also seeks to amend clause (t) of sub-section (1) of section 196 to empower the Board to make regulations and guidelines relating to insolvency and bankruptcy as may be required for carrying out the purposes of the Code.
67.	Section 208 - Powers and functions of the Board	New Clause Inserted	Clause 60 – Amendment of Section 208	In section 208 of the principal Act, in sub-section (1), after clause (ca), the following clause shall be inserted, namely: - “(cb) creditor-initiated insolvency resolution process under Chapter IVA of Part II;”.	Clause 56 of the Bill seeks to insert clause (cb) into sub-section (1) of section 208 of the Code consequent to the insertion of the creditor-initiated insolvency resolution process under Chapter IV-A of Part II.
68.	Section 214 - Obligations of	214 For the purposes of providing core services to any	Clause 61 – Amendment of Section 214 (e)	In section 214 of the principal Act, in clause (e), after the words “such	Clause 57 of the Bill seeks to amend clause (e) of section 214 of the Code to empower the Board to specify the



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	information utility	person, every information utility shall– (e) get the information received from various persons authenticated by all concerned parties before storing such information;		information”, the words “in such manner as may be specified” shall be inserted. (e) get the information received from various persons authenticated by all concerned parties before storing such information in such manner as may be specified;	procedure for the authentication of information received by the information utilities. The regulation will specify a suitable procedure and timeline for the corporate debtor or debtor to authenticate the information
69.	Section 215- Procedure for submission, etc. of financial information.	215(3) An operational creditor may submit financial information to the information utility in such form and manner as may be specified.	Clause 62 – Amendment to Section 215	In section 215 of the principal Act, – For the marginal heading, the following marginal heading shall be substituted, namely: – “Submission and authentication of financial information to information utilities.”; 215 (3) An operational creditor shall, before filing an application under section 9 of the Code submit financial	Clause 58 of the Bill seeks to amend section 215 of the Code by substituting the previous marginal heading “Procedure for submission, etc. of financial information.” with a new marginal heading, “Submission and authentication of financial information to information utilities”.



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				<p>information to the information utility in such form and manner as may be specified.</p> <p>After sub-section (3), the following sub-section shall be inserted, namely: —</p> <p>“(4) The corporate debtor or debtor, as the case may be, in respect of whom any information is submitted under this section, shall authenticate the information in such manner and within such period, as may be specified:</p> <p>Provided that where the corporate debtor or debtor does not respond to the information submitted to the information utility in the manner and period as has been specified, such information shall be deemed to be authenticated.”.</p>	<p>It further seeks to amend sub-section (3) of section 215 so as to require the operational creditors to submit financial information to an information utility under this provision before filing an application under section 9 of the Code. The Board will ensure that the information utility lays down appropriate and convenient procedures for different types of operational creditors to submit information under this provision.</p> <p>It also seeks to insert a new sub-section (4) of section 215 to provide that the corporate debtor or debtor, regarding whom information is submitted under section 215, will be required to authenticate such information. The corporate debtor or the debtor can either agree with the information submitted, add to the same, or dispute the submitted information (also provide supporting documents). The information submitted by the creditors and the corporate debtors or debtors will be stored with the information utility,</p>
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					which can be relied upon by the Adjudicating Authority for different processes under the Code. If the corporate debtor or debtor does not to respond to such stored information, then the submitted information shall be deemed to be authenticated and it will be restricted from disputing the information later.
70.	Section 217 Complaints against insolvency professional agency or its member or information utility. -	217-Any person aggrieved by the functioning of an insolvency professional agency or insolvency professional or an information utility may file a complaint to the Board in such form, within such time and in such manner as may be specified.	Clause 63 – Amendment of Section 217	217- "Complaints against service providers" 217-Any person aggrieved by the functioning of a service provider may file a complaint to the Board in such form, within such time and in such manner as may be specified.	Clause 59 of the Bill seeks to amend sections 217 of the Code to substitute the words "insolvency professional agency or insolvency professional or information utility", wherever they occur in the section, with the term "service provider", as a common definition of "service provider" is inserted into section 3 of the Code. Therefore, these provisions will apply to all types of persons covered under the definition of "service provider".
71.	Section 218- Investigation of insolvency professional agency or its member or information utility	218(1) Where the Board, on receipt of a complaint under section 217 or has reasonable grounds to believe that any insolvency professional agency	Clause 64 - Amendment of Section 218	Section 218- Investigation of service providers 218(1) Where the Board, on receipt of a complaint	Clause 60 of the Bill seeks to amend section 218 of the Code to substitute the words "insolvency professional agency or insolvency professional or information utility", wherever they occur in the section, with the term "service provider", as a common definition of "service provider" is



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		or insolvency professional or an information utility has contravened any of the provisions of the Code or the rules or regulations made or directions issued by the Board thereunder, it may, at any time by an order in writing, direct any person or persons to act as an investigating authority to conduct an inspection or investigation of the insolvency professional agency or insolvency professional or an information utility.		under section 217 or has reasonable 152 grounds to believe that any service provider has contravened any of the provisions of the Code or the rules or regulations made or directions issued by the Board thereunder, it may, at any time by an order in writing, direct any person or persons to act as an investigating authority to conduct an inspection or investigation of the service provider.	inserted into section 3 of the Code. Therefore, these provisions will apply to all types of persons covered under the definition of "service provider". Clause 61 of the Bill seeks to substitute Section 219 of the Code to clarify that the Board may issue a show cause notice to a service provider if it is of prima facie opinion that sufficient cause exists to take action under section 220 of the Code. Such action can be taken based on the findings of the inspection or investigation upon their completion under section 218 of the Code or on the basis of any material on record.
72.	Section 219- Show cause notice to insolvency professional agency or its member or	219-The Board may, upon completion of an inspection or investigation under section 218, issue a show cause notice to such insolvency professional agency	Clause 65 – Amendment in Section 219	For section 219 of the principal Act, the following section shall be substituted, namely:— "219. Where the Board, upon completion of an inspection or investigation	Clause 61 of the Bill seeks to substitute Section 219 of the Code to clarify that the Board may issue a show cause notice to a service provider if it is of prima facie opinion that sufficient cause exists to take action under section 220 of the Code. Such action can be taken based on the findings of



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	information utility. -	or insolvency professional or information utility, and carry out inspection of such insolvency professional agency or insolvency professional or information utility in such manner, giving such time for giving reply, as may be specified by regulations.		under section 218 or on the basis of material available on record, is of the prima facie opinion that sufficient cause exists to take action under section 220, it may issue a show cause notice to a service provider in such manner, providing such period for giving reply, as may be specified.”.	the inspection or investigation upon their completion under section 218 of the Code or on the basis of any material on record.
73.	Section 220 Appointment of disciplinary committee. –	(1) The Board shall constitute a disciplinary committee to consider the reports of the investigating Authority submitted under sub-section (6) of section 218: Provided that the members of the disciplinary committee shall consist of whole-time members of the Board only.	Clause 66 – Amendment in section 220	“(1) The Board shall constitute one or more disciplinary committees consisting of one or more persons from amongst its Chairperson, whole-time members or officers not below the rank of the Executive Director for the purposes of this section.”. After sub-section (1) as so substituted, the following sub-section shall be inserted, namely: —	Clause 62 of the Bill seeks to substitute sub-section (1) of section 220 of the Code to clarify that the Board shall constitute one or more than one disciplinary committee consisting of one or more persons from amongst its Chairperson, wholetime members or officers not below the rank of the Executive Director. Considering the increasing number of service providers rendering services in the insolvency and bankruptcy ecosystem, it is provided that officers not below the rank of the Executive Director may be part of the disciplinary committee. It also seeks to insert a new sub-section



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		<p>(2) On the examination of the report of the Investigating Authority, if the disciplinary committee is satisfied that sufficient cause exists, it may impose penalty as specified in subsection (3) or suspend or cancel the registration of the insolvency professional or, suspend or cancel the registration of insolvency professional agency or information utility as the case may be.</p> <p>(3) Where any insolvency professional agency or insolvency professional or an information utility has contravened any provision of this Code</p>		<p>“(1A) The show cause notice issued under section 219 shall be referred to a disciplinary committee constituted under sub-section (1).”;</p> <p>“(2) Where the disciplinary committee, after giving the service provider an opportunity of being heard, is satisfied that sufficient cause exists, it may, impose a penalty as provided in sub-section (3), or suspend or cancel the registration of the service provider, or direct disgorgement under sub-section (4).”;</p> <p>In sub-section (3), —</p> <p>(i) for the opening portion, the following opening portion shall be substituted, namely: —</p> <p>“Where any service provider has contravened</p>	<p>(1A) into section 220 of the Code to clarify that the show-cause notice to a service provider be referred to one of the standing disciplinary committees.</p> <p>It further seeks to substitute sub-section (2) of section 220 to clarify that the disciplinary committee can take one or more actions against the service provider by an order, after giving it an opportunity to be heard, if it is satisfied that sufficient cause exists for taking these actions based on the material on record. These actions may include imposing penalties or suspending or cancelling registration or directing disgorgement, as the case may be.</p> <p>It also seeks to amend sub-section (3) of section 220 to clarify that the quantum mentioned under this provision is an upper limit for the imposition of the penalty within which the disciplinary committee may decide the proportionate penalty amount for</p>
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		<p>or rules or regulations made thereunder, the disciplinary committee may impose penalty which shall be –</p> <p>(i) three times the amount of the loss caused, or likely to have been caused, to persons concerned on account of such contravention; or (ii) three times the amount of the unlawful gain made on account of such contravention, whichever is higher: Provided that where such loss or unlawful gain is not quantifiable, the total amount of the penalty imposed shall not exceed more than one crore rupees.</p>		<p>any provisions of this Code or rules or regulations made thereunder, the disciplinary committee may impose penalty which shall be up to—”;</p> <p>(i) three times the amount of the loss caused, or likely to have been caused, to persons concerned on account of such contravention; or</p> <p>(ii) three times the amount of the unlawful gain made on account of such contravention, whichever is higher:</p> <p>Provided that where such loss or unlawful gain is not quantifiable, the total amount of the penalty imposed shall not exceed two crore rupees.</p> <p>(4) Notwithstanding anything contained in sub-</p>	<p>a contravention. Additionally, the upper limit for imposing penalties is increased from one crore rupees to two crore rupees.</p> <p>Furthermore, it seeks to amend sub-sections (4) and (5) of section 220 to empower the disciplinary committee to issue a direction for disgorgement. The disciplinary committee, while undertaking an action under sub-section (3) of section 220, may also determine whether to direct disgorgement of an amount equivalent to such unlawful gain or aversion of loss, after giving the service provider an opportunity to be heard. After a direction for disgorgement is issued by the order under sub-section (2), the disciplinary committee shall also take action to provide restitution of the disgorged amount in accordance with the procedure specified by the Board.</p>
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	<p>(4) Notwithstanding anything contained in sub-section (3), the Board may direct any person who has made unlawful gain or averted loss by indulging in any activity in contravention of this Code, or the rules or regulations made thereunder, to disgorge an amount equivalent to such unlawful gain or aversion of loss.</p> <p>(5)The Board may take such action as may be required to provide restitution to the person who suffered loss on account of any contravention from the amount so disgorged, if the person who suffered such loss is identifiable and the</p>		<p>section (3), the disciplinary committee may direct any person who has made unlawful gain or averted loss by indulging in any activity in contravention of this Code, or the rules or regulations made thereunder, to disgorge an amount equivalent to such unlawful gain or aversion of loss.</p> <p>(5)The disciplinary committee may take such action as may be required to provide restitution to the person who suffered loss on account of any contravention from the amount so disgorged, if the person who suffered such loss is identifiable and the loss so suffered is directly attributable to such person.</p> <p>(f)after sub-section (6), the following sub-sections shall be inserted, namely: —</p>	<p>Moreover, it seeks to insert new sub-sections (7) and (8) into section 220 to enable a person to prefer an appeal to the National Company Law Appellate Tribunal against the orders of the disciplinary committee.</p>
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		loss so suffered is directly attributable to such person.		<p>“(7) Any person aggrieved by an order of the disciplinary committee, under sub-sections (2) to (5), may prefer an appeal to the National Company Law Appellate Tribunal within a period of thirty days from the date of receipt of the order.</p> <p>(8) The National Company Law Appellate Tribunal may, if it is satisfied that a person was prevented by sufficient cause from filing an appeal within thirty days, allow the appeal to be filed under sub-section (7) within a further period not exceeding fifteen days.”.</p>	
74.	Section 224 Section 224- Insolvency and Bankruptcy Fund. –	<p>224(2) There shall be credited to the Fund the following amounts, namely –</p> <p>(a) the grants made by the Central Government for the purposes of the Fund.</p>	Clause 67 -Amendment in Section 224	<p>224(2) There shall be credited to the Fund the following amounts, namely –</p> <p>(a) the grants made by the Central Government for the purposes of the Fund.</p>	Clause 63 of the Bill seeks to amend section 224 of the Code, which provides for the formation of the Insolvency and Bankruptcy Fund ('Fund') for insolvency resolution, liquidation, and bankruptcy of persons under the Code. It seeks to insert a new clause (e) into sub-section (2) of section 224, permitting the



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		<p>(b) the amount deposited by persons as contribution to the Fund;</p> <p>(c) the amount received in the Fund from any other source; and</p> <p>(d) the interest or other income received out of the investment made from the Fund.</p> <p>(3) A person who has contributed any amount to the Fund may, in the event of proceedings initiated in respect of such person under this Code before an Adjudicating Authority, make an application to such Adjudicating Authority for withdrawal of funds not</p>		<p>(b) the amount deposited by persons as contribution to the Fund.</p> <p>(c) the amount received in the Fund from any other source;</p> <p>(d) the interest or other income received out of the investment made from the Fund; and</p> <p>“(e) amounts from such other sources as may be prescribed.”;</p> <p>“(3) The sums credited to the Fund may be utilised—</p> <p>(a) by a person who has contributed any amount to the Fund under clause (b) of sub-section (2), in the event of proceedings initiated in respect of such person under this Code before an Adjudicating Authority, by making an application to such Adjudicating Authority for withdrawal of funds not</p>	<p>contribution of amounts from other sources to the Fund as may be prescribed by the Central Government through rules. It also seeks to substitute sub-section (3) of section 224 to enable the Central Government to prescribe a detailed framework for utilising the Fund. This clarifies that in addition to the funds utilised by the persons who have contributed to it, the Central Government can also prescribe other purposes for which the funds can be utilised.</p>
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		exceeding the amount contributed by it, for making payments to workmen, protecting the assets of such persons, meeting the incidental costs during the proceedings or such other purposes as may be prescribed.		exceeding the amount contributed by it, for making payment to workmen, protecting the assets of such persons, meeting the incidental cost during the proceedings or such purposes as may be prescribed; and (b) for such other purposes and in such manner as may be prescribed.”.	
75.	Section 235A Punishment where no specific penalty or punishment is provided. -	235A-If any person contravenes any of the provisions of this Code or the rules or regulations made thereunder for which no penalty or punishment is provided in this Code, such person shall be punishable with fine which shall not be less than one lakh rupees but which may extend to two crore rupees.]	Clause 68 – Amendment of Section 235A	For section 235A of the principal Act, the following section shall be substituted, namely: — “235A. If a person has contravened any provision of this Code or any rules or the regulations made thereunder, the Adjudicating Authority may, on an application made by the Board or the Central Government or any person authorised by the Central Government in this behalf, impose upon such person,	Clause 64 of the Bill seeks to substitute section 235A of the Code with a new provision to allow the Adjudicating Authority, on an application made by the Board or the Central Government or any person authorised by the Central Government, to impose a penalty on any person who has contravened any provision of the Code, or any rules or regulations made thereunder. It provides the lower and upper monetary thresholds within which the Adjudicating Authority is empowered to impose a proportional penalty for these contraventions.



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				<p>a penalty which shall not be less than one lakh rupees for each day during which the contravention continues, but which may extend up to—</p> <p>(a) three times the amount of loss caused, or likely to have been caused, to persons concerned on account of such contravention.</p> <p>(b) three times the amount of the unlawful gain made on account of such contravention, whichever is higher:</p> <p>Provided that where such loss or unlawful gain is not quantifiable, the total amount of the penalty imposed shall not exceed five crore rupees:</p> <p>Provided further that where the Adjudicating Authority is of the opinion that sufficient cause exists to do so, it may, for reasons to be recorded in writing, impose a penalty which may be less than one lakh rupees</p>	
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				<p>for each day that the failure continues.</p> <p>Explanation. I—For the removal of doubts, it is hereby clarified that the Adjudicating Authority for the purposes of this section shall be the same as referred to in section 60 or section 179, as the case may be.</p> <p>Explanation. II—For the purposes of this Code, it is hereby declared that the omission of sections 74 and 76, and the amendment of this section by the Insolvency and Bankruptcy Code (Amendment) Act, 2026 shall not affect : -</p> <p>(i) any prosecution instituted under these sections on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026 and pending immediately before such date of commencement before any court, which shall continue</p>	
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				to be heard and disposed of by the said court as if the Insolvency and Bankruptcy Code (Amendment) Act, 2026 had not been enacted; and (ii) any punishment imposed under these sections on and before the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026.”.	
76.	Section 239 - Power to make rules.	(1) The Central Government may, by notification, make rules for carrying out the provisions of this Code. (2) Without prejudice to the generality of the provisions of sub-section (1), the Central Government may make rules for any of the following matters, namely: — (zi) the purpose for which application for	Clause 69– Amendment of Section 239	In section 239 of the principal Act, — (1) The Central Government may, by notification, make rules for carrying out the purposes of this Code. (2) Without prejudice to the generality of the provisions of sub-section (1), the Central Government may make rules for any of the following matters, namely:	Clause 65 of the Bill seeks to amend sub-section (1) of section 239 of the Code to enable the Central Government to frame rules for carrying out the purposes of the Code rather than for carrying out the provisions of the Code. It also seeks to amend sub-section (2) of section 239 to enable the Central Government to frame rules for matters related to amendments made to the provisions of the Code.



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		withdrawal of funds may be made under sub-section (3) of section 224;		<p>(ea) other proof confirming that there is no payment of an unpaid operational debt by the corporate debtor or such other information under clause (e) of sub-section (3) of section 9;</p> <p>“(ff) the conditions under sub-section (1) of section 58B; (fg) the fee for filing an objection under sub-section (1) of section 58C; (fh) the manner and conditions under sub-section (1) of section 59A;”;</p> <p>“(zi) the other sources of amounts to be credited to the Insolvency and Bankruptcy Fund under clause (e) of sub-section (2) of section 224;”;</p> <p>After clause (zi) as so substituted, the following clauses shall be inserted, namely:—</p>	
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				<p>“(zia) the purposes under clause (a) of sub-section (3) of section 224;</p> <p>(zib) the other purposes and the manner under clause (b) of sub-section (3) of section 224;”;</p> <p>(v) after clause (zm), the following clause shall be inserted, namely:—</p> <p>(zma) the manner and conditions under sub-section (1) of section 240C.</p>	
77.	Section 240 - Power to make regulations	240(1) The Board may, by notification, make regulations consistent with this Code and the rules made thereunder, to carry out the provisions of this Code.	Clause 70 - Amendment of Section 240	<p>240(1) The Board may, by notification, make regulations consistent with this Code and the rules made thereunder, to carry out the purposes of this Code.</p> <p>In sub-section (2), -</p>	<p>Clause 66 of the Bill seeks to amend sub-section (1) of section 240 of the Code to enable the Board to frame regulations for carrying out the purposes of the Code rather than for carrying out the provisions of the Code.</p> <p>It also seeks to amend sub-section (2) of section 240 to enable the Board to frame regulations for matters related</p>



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				<p>(i) after clause (ea), the following clause shall be inserted, namely: -</p> <p>“(eb) the conditions under Explanation to clause (26) of section 5;”;</p> <p>(ia) after clause (f), the following clause shall be inserted, namely: -</p> <p>“(fa) other information under clause (e) of sub-section (3) of section 9;”;</p> <p>(ii) for clause (h), the following clause shall be substituted, namely: -</p> <p>(h) the other document or any other information under clause (a) of sub-section (3) of section 10;”;</p> <p>(i) after clause (h), the following clause shall be inserted, namely: -</p>	to amendments made to the provisions of the Code.
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		<p>2(n) the other matters under sub-clause (iv) of clause (a), and the other duties to be performed by the interim resolution professional under clause (g), of section 18;</p>		<p>(ha) the manner under sub-section (1) of section 12A</p> <p>(iv) In 2(n) the other matters under sub-clause (iv) the manner under clause (b) and the other duties to be performed by the interim resolution professional under clause (g), of section 18;</p> <p>(v) after clause (o), the following clause shall be inserted, namely: -</p> <p>(oa) any other class or classes of creditors who may attend the meetings of committee of creditors under the proviso to sub-section (11) of section 21;";</p> <p>(vi) after clause (t), the following clause shall be inserted, namely: -</p>	
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		<p>(w) the manner of making payment of insolvency resolution process costs under clause (a), the manner of [payment of debts] under clause (b), and the other requirements to which a resolution plan shall conform to under clause (d), of subsection (2) of section 30;</p>		<p>(ta) the manner and conditions under sub-section (1) of section 28A;</p> <p>(vii) Clause (w)- the manner of making payment of insolvency resolution process costs under clause (a), the manner of payment of debts of operational creditors under clause (b), the manner of payment of debts of financial creditors who do not vote in favour of the resolution plan under clause (ba), the conditions and manner for constitution of a committee under clause (d) and the other requirements to which a resolution plan shall conform to under clause (f) of sub-section (2) of section 30.</p> <p>(viii) after clause (wa), the following clauses shall be inserted, namely: -</p>	
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				<p>“(wb) the form, manner and the conditions under the second proviso to sub-section (1) of section 31;</p> <p>(wc) the manner and conditions for making an application by the committee of creditors for restoring the corporate insolvency resolution process and manner and conditions for completing the restored corporate insolvency resolution process under sub-section (1A) of section 33;</p> <p>(wd) the conditions under the proviso to sub-section (2) of section 33;”;</p> <p>(ix) for clause (x), the following clauses shall be substituted, namely: -</p> <p>“(x) the form of written consent from insolvency professional under sub-section (6) of section 34;</p>	
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		<p>assets under sub-section (8) of section 34;</p>		<p>(xa) the fee for the conduct of the liquidation proceedings and proportion to the value of the liquidation estate assets under sub-section (8) of section 34;”;</p> <p>(x) after clause (xa), the following clause (), shall be inserted, namely: -</p> <p>(xb) the form for giving written consent under sub-section (1) of section 34A;”;</p> <p>(xi) Clause (y)- the manner of maintaining an updated list of claims of creditors under clause (a), the manner of evaluating the assets and property of the corporate debtor under clause (c), the manner of selling property in parcels under clause (f), the manner of reporting progress of the liquidation process under clause (n), and</p>	
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		<p>the other functions to be performed under clause (o), of sub-section (1) of section 35;</p>		<p>process under clause (n), and the other functions to be performed under clause (o), of sub-section (1) of section 35;</p> <p>(xii) for clause (z), the following clause shall be substituted, namely: –</p> <p>“(z) the manner in which the committee of creditors shall supervise the conduct of the liquidation process by the liquidator under sub-section (2) of section 35;”;</p> <p>(xiii) clauses (ze), (zf) and (zg) shall be omitted; (xiv) after clause (zi), the following clause shall be inserted, namely:—</p> <p>“(zia) the manner, period and conditions under sub-section (8) of section 52;”;</p> <p>(xv) after clause (zj), the following clauses shall be inserted, namely:—</p>	
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				<p>“(zja) the period and the manner of distribution of proceeds of sale under sub-section (1) of section 53;</p> <p>(zjb) the manner of determining the value of security interest under the Explanation to sub-clause (ii) of clause (b) of sub-section (1) of section 53;</p> <p>(zjc) the manner in which the liquidator shall make an application to the Adjudicating Authority for the dissolution of the corporate debtor under sub-section (1) of section 54;</p> <p>(zjd) the manner and conditions under sub-section (1A) of section 54;</p> <p>(zje) the manner and conditions under sub-section (1B) of section 54;”;</p> <p>(xvi)</p>	
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				<p>For clause (zk), the following clause shall be substituted, namely:—</p> <p>“(zk) the manner under the proviso to sub-section (2A) of section 54;”;</p> <p>(xvii) for clause (zke), the following clause shall be substituted, namely:—</p> <p>“(zke) the information to be furnished under sub-section (3) of section 54C;”;</p> <p>(xviii) clause (zl) shall be omitted; (xix) after clause (zl) as so omitted, the following clauses shall be inserted, namely:—</p> <p>“(zla) the manner under clause (a), the form and manner under clause (b), and the manner under clause (c) of sub-section (2) of section 58B; (zlb) the period, form and manner under sub-section (4) of section 58B; (zlc) the form and manner under sub-section (1) of section 58C; (zld) the manner and</p>	
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				<p>conditions for exercising the powers and performing duties by the resolution professional under section 58E; (zle) the form in which the report to be prepared under clause (c), the report and documents to be filed with the Board under clause (f), and such other duties to be performed under clause (g) of section 58E; (zlf) the conditions and manner for the resolution professional to attend the meetings and exercise the right to reject under sub-section (2) and the form, manner and period under sub-section (3) of section 58F; (zlg) the manner under the proviso to sub-section (1) of section 58G;(zlh) the form and manner in which the resolution professional shall make public announcement under sub-section (3) of section 58G; (zli) the manner under sub-</p>	
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				<p>clause (ii) of sub-section (1) of section 58H;</p> <p>(zlj) the form and manner under sub-section (2) of section 58H; (zlk) the manner under sub-section (1) of section 58-I; (zll) the conditions and procedural requirements under sub-section (2) of section 58K;"; (xx) in clause (zm), for the words "conditions and procedural requirements", the words "conditions, procedural requirements, and period" shall be substituted; (xxi) after clause (zm), the following clauses shall be inserted, namely:—</p> <p>"(zma) the other conditions under clause (c) of sub-section (5A) of section 59;</p> <p>(zmb) the other consequences under sub-section (5C) of section 59;"; (xxii) in clause (zv), after the words, brackets</p>	
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				<p>and letter "utilities under clause (r)," the words, brackets and letters "standards of conduct of the committee of creditors and its members under clause (sa)," shall be inserted;</p> <p>(xxiii) after clause (zsz), the following clause shall be inserted, namely:— "(zssa) the manner under clause (e) of section 214;";</p> <p>(xxiv) after clause (zzw), the following clause shall be inserted, namely:— "(zzwa) the manner and period under sub-section (4) of section 215;";</p> <p>(xxv) for clause (zzza), the following clause shall be substituted namely:— "(zzza) the manner and period under section 219;".</p>	
78.	Section 240(2)	-	Clause 71 – New Insertion of Section 240B and 240C with	After section 240A of the principal Act, the following sections shall be inserted, namely: —	Clause 67 of the Bill seeks to insert new sections 240B and 240C in Part V of the Code, which provide for:



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	Section 240 - Power to make regulations		Explanation in Part V of the Code	<p>“240B. Notwithstanding anything to the contrary contained in this Code, the Central Government may, by notification, provide an electronic portal and the procedures related to the insolvency and bankruptcy processes under this Code, which shall be carried out on such electronic portal.</p> <p>240C. (1) Notwithstanding anything to the contrary contained in this Code and the Companies Act, 2013, the Central Government may prescribe the manner and conditions for administering and conducting cross-border insolvency proceedings under this Code, including the process for recognition of proceedings, granting relief, judicial cooperation, assistance and coordination in connection with such proceedings, for such class or classes of</p>	<p>Section 240B empowers the Central Government to provide, by way of notification, an electronic portal and the procedures related to the insolvency and bankruptcy processes under the Code, which shall be carried out on such electronic portal.</p> <p>Section 240C of the Code empowers the Central Government to prescribe rules relating to cross-border insolvency proceedings, for administering and conducting cross-border insolvency proceedings under the Code, for such class or classes of debtors and corporate debtors as may be notified by the Central Government. It also provides that the rules made under this section may provide that any of the provisions of the Code or the Companies Act, 2013 shall apply with such exceptions, modifications, and adaptations, as may be required to administer, and implement the provisions of this section and rules made thereunder, including</p>
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				<p>debtors or corporate debtors involving such countries or territories outside India, as may be notified by the Central Government in this regard.</p> <p>(2) The rules made under this section may provide that any of the provisions of this Code or the Companies Act, 2013 shall apply with such exceptions, modifications and adaptations, as may be required to administer and implement the provisions of this section and rules made thereunder, including designating one or more Benches for dealing with proceedings under this section.</p> <p>(3) A draft of every rule proposed under this section shall be laid before each House of Parliament in such manner as provided under sub-sections (4) to (6) of section 59A, which shall,</p>	<p>designating one or more Benches for dealing with proceedings under this section. Further, before the rules framed under this section are issued, a draft of every rule proposed to be issued shall be laid down before each House of Parliament as per the procedure provided in this provision.</p>
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				<p>mutatis mutandis apply to the rules made under this section.”.</p> <p>Explanation - For the purposes of this section, the expression “corporate debtor” shall also include any person incorporated with limited liability outside India.”.</p>	
79.	Section 242 Power to remove difficulties. -	-	Clause 72 – New Insertion in Section 242	<p>In section 242 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely: —</p> <p>“(1A) Notwithstanding anything contained in sub-section (1), if any difficulty arises in giving effect to the provisions of this Code, as amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, the Central Government may, by an order published in the Official Gazette, make such provisions not inconsistent with the provisions of this Code, as</p>	<p>Clause 68 of the Bill seeks to insert a new sub-section (1A) into section 242 of the Code to empower the Central Government to remove any difficulty that may arise in giving effect to the provisions of the Insolvency and Bankruptcy Code (Amendment) Act, 2026, by publishing an order in the Official Gazette, before the expiry of five years from the date of commencement of this Act. Every such order made by the Central Government shall be laid before each House of Parliament as soon as possible under sub-section (2) of section 242.</p>



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				<p>may appear to it to be necessary or expedient for removing such difficulty:</p> <p>Provided that no such order shall be made under this section after the expiry of a period of five years from the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2026."</p>	
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