

# THE INSOLVENCY AND BANKRUPTCY CODE, 2016

## ABBREVIATIONS

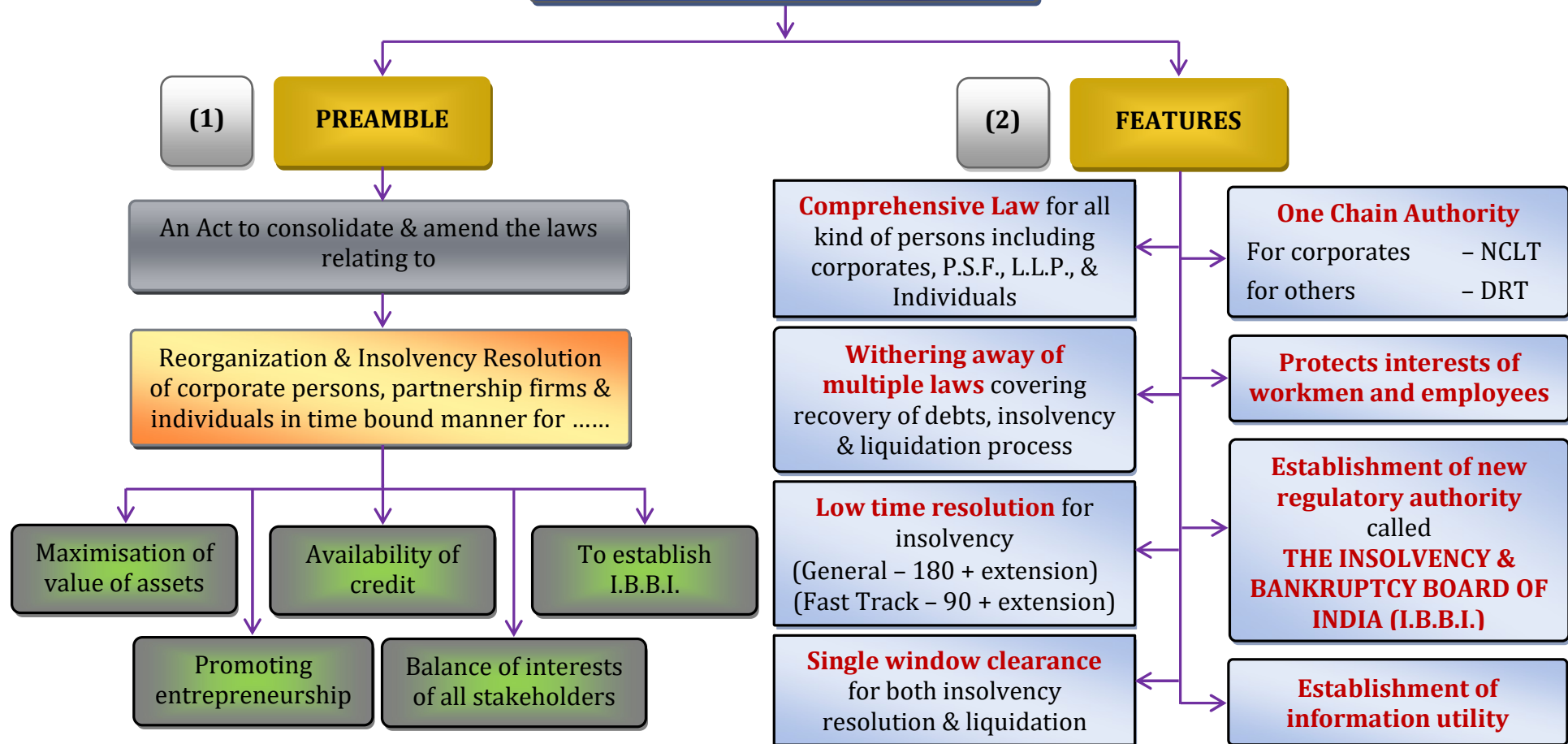
IBC	Insolvency Bankruptcy Code
FC	Financial Creditor
OC	Operational Creditor
CD	Corporate Debtor
IRP	Interim Resolution Professional
RP	Resolution Professional
CIRP	Corporate Insolvency Resolution Process
ICD	Insolvency Commencement Date
LCD	Liquidation Commencement Date
FD	Financial Debt

OD	<b>Operational Debt</b>
Pvt. Co.	Private Company
LLP	Limited Liability Partnership
PSF	Partnership Firm
BOD	Board of Directors
MD	Managing Director
KMP	Key Managerial Personnel
AA	Adjudicating Authority
IBBI	Insolvency Bankruptcy Board of India
PG	Personal Guarantor

INTRODUCTION, PREAMBLE & OTHER BASIC ASPECTS

PART - I

PREAMBLE & FEATURES OF THE CODE

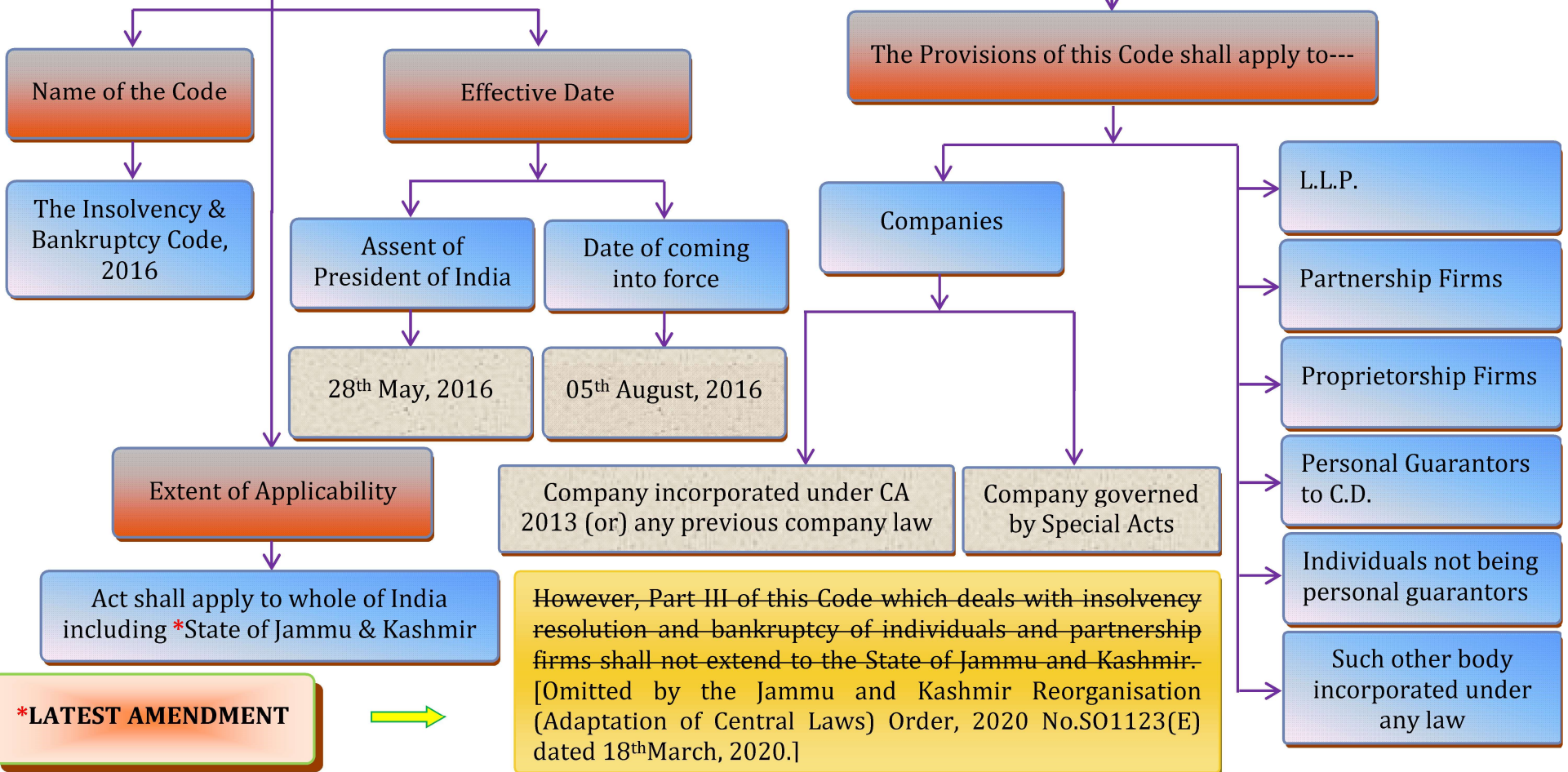


(3)

# OTHER BASICS IN I.B.C., 2016

## SHORT TITLE, EXTENT & COMMENCEMENT OF THE CODE [SECTION 1]

## APPLICATION [SECTION 2]



(4)

D1 TO D4

# DEFINITIONS I SECTION 3I

PART - II

(1)

(2)

(3)

(4)

**Corporate Debtor**

**Corporate Person**

**Debt**

**Person**

means

means

Includes

includes

A Corporate Person

Who owes a debt

To any person

Liability (or) Obligation

Financial Debt (& Operational Debt

Individual

H.U.F.

Company

Trust

L.L.P.

P.S.F.

PROI

means

Doesn't include

In respect of a claim

Which is due from any person

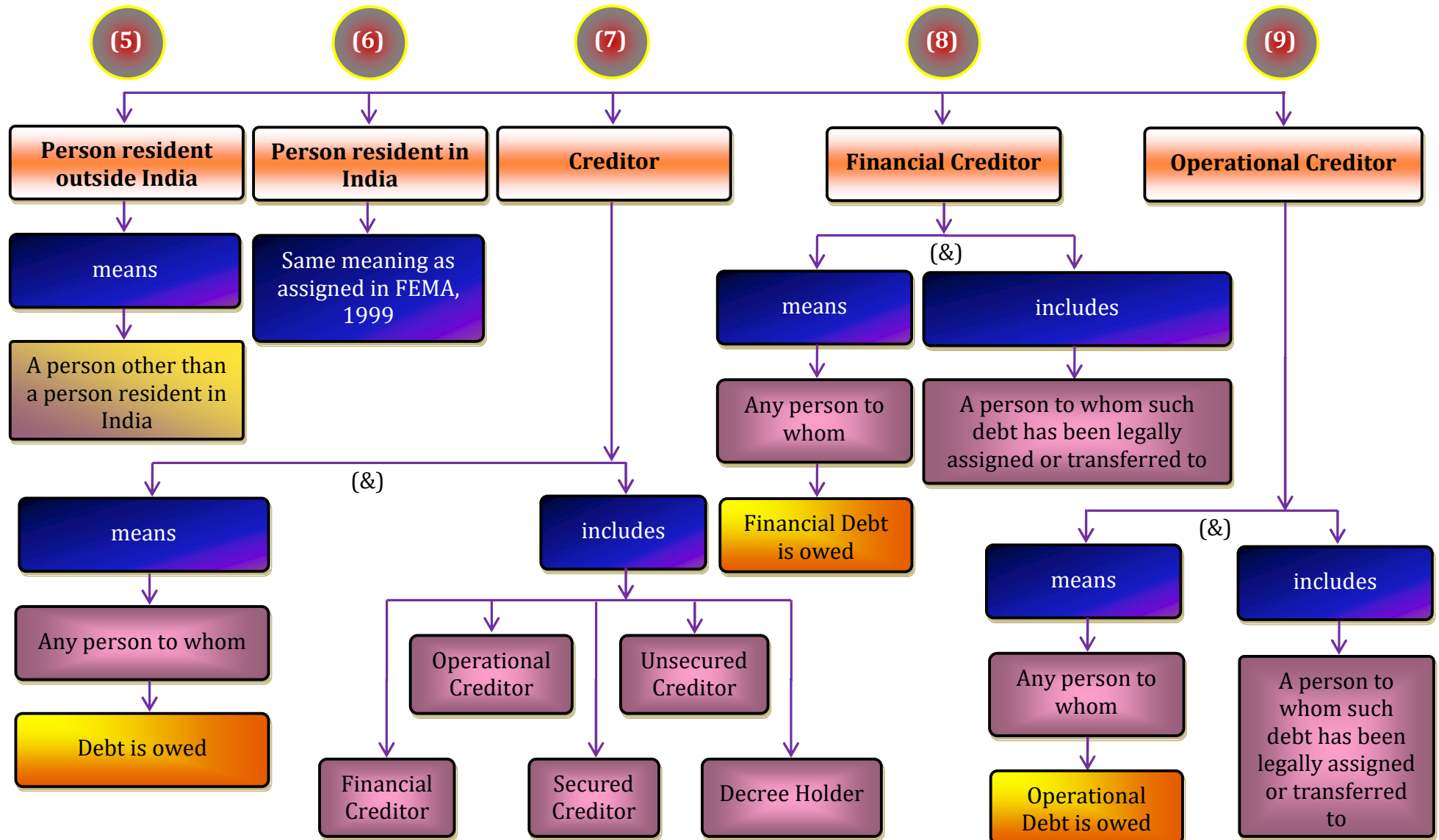
Financial Service Provider

Company u/s.2(20) of C.A. 2013

L.L.P.

Any entity incorporated with limited liability

D5 TO D9



D10 TO D13

(10)

(11)

(12)

(13)

(14)

Claim

Default

Dispute

Corporate  
Guarantor

Personal  
Guarantor

means

means

includes

means

means

Right to payment

Right to remedy  
for breach of  
contract

Non-payment of  
any debt

A suit (or)  
arbitration  
proceeding  
relating to

A Corporate  
person

An Individual

Whether or not such right  
is

If such breach  
gives rise to a  
right to payment

When whole (or)  
any part (or)  
instalment of  
amount of debt  
has become due  
and payable &

Who is the  
surety in a  
contract of  
guarantee to  
C.D.

Who is the  
surety in a  
contract of  
guarantee to  
C.D.

Reduced to  
judgment  
(or) fixed

Legal (or)  
Equitable

Is not paid by the  
corporate debtor

Disputed  
(or)  
Undisputed

Secured  
(or)  
Unsecured

Whether or not  
such right is

Existence of  
amount of debt

Breach of  
representation

Reduced to  
judgment  
(or) fixed

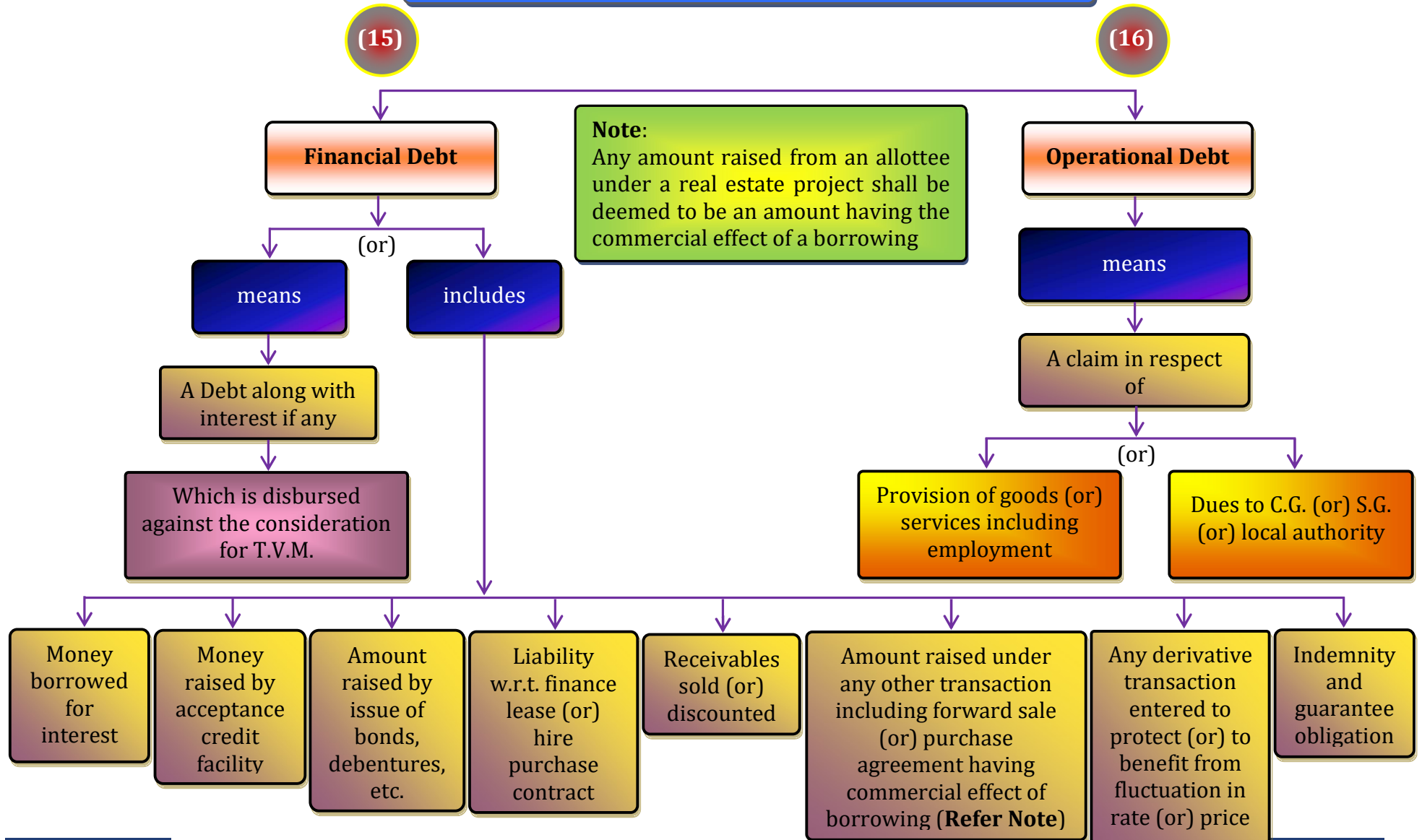
Disputed  
(or)  
Undisputed

Matured  
(or)  
Unmatured

Secured  
(or)  
Unsecured

Quality of goods  
(or) service

# TYPES OF DEBTS UNDER I.B.C.

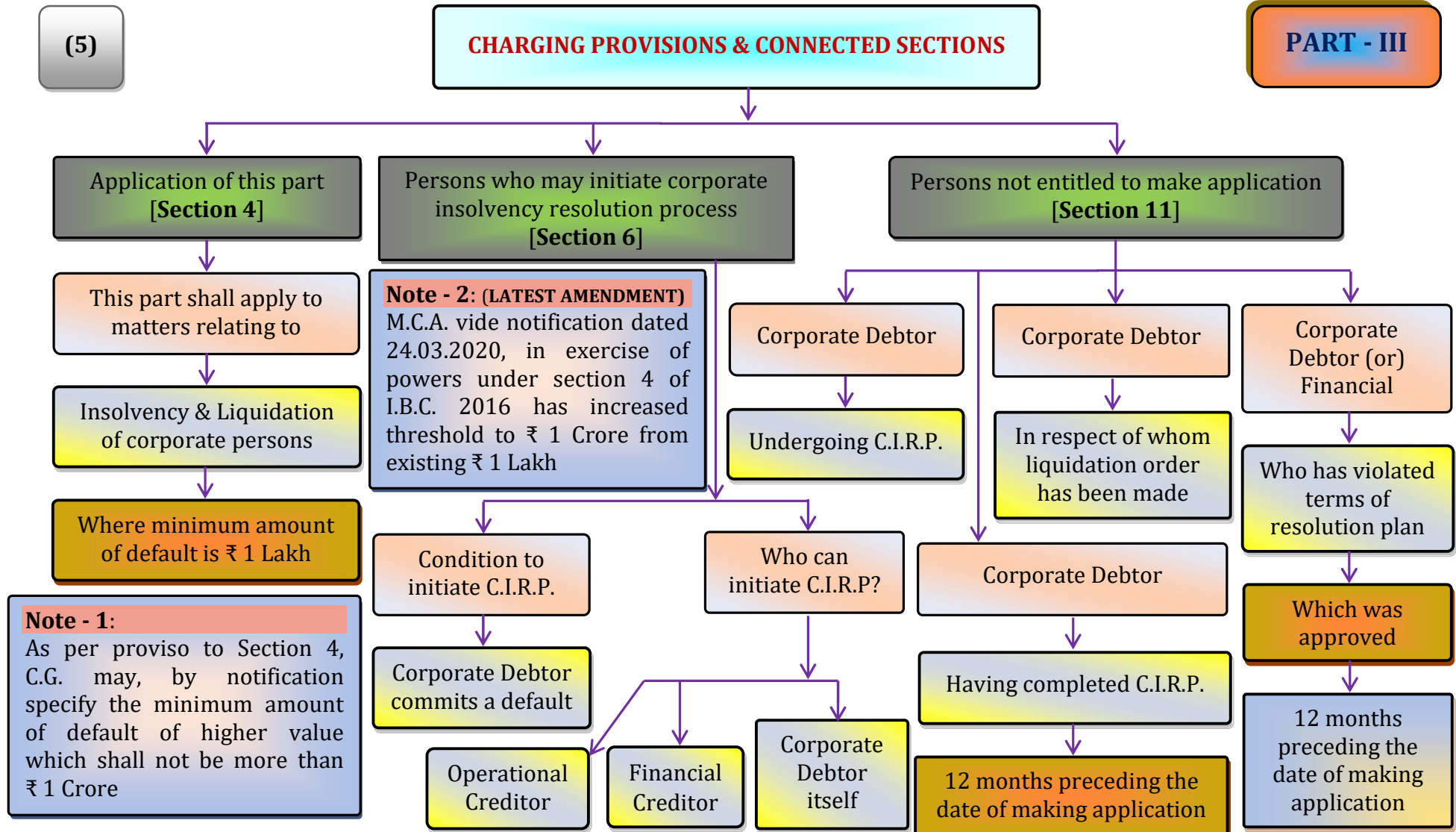


# INSOLVENCY RESOLUTION AND LIQUIDATION FOR CORPORATE PERSONS

(5)

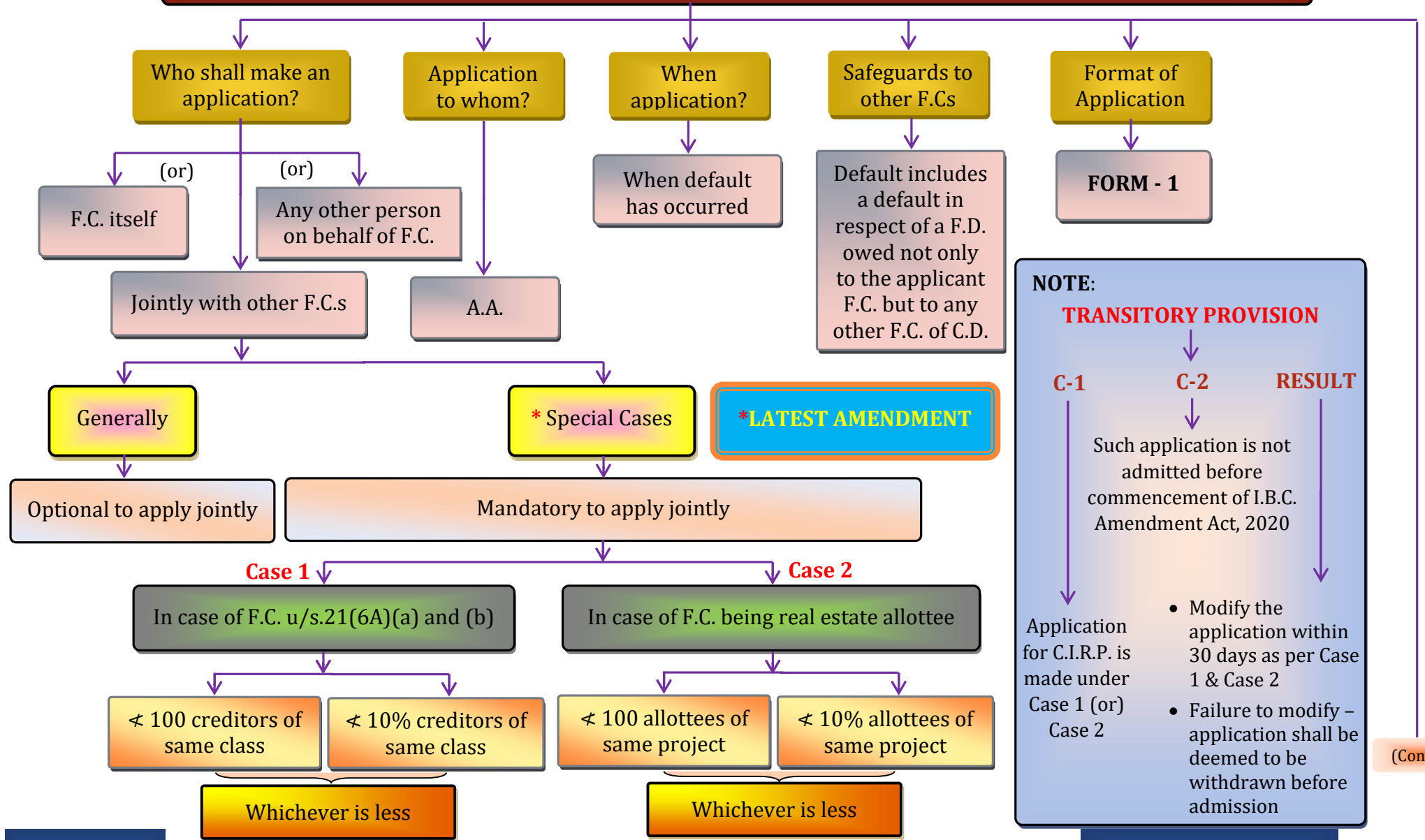
## CHARGING PROVISIONS & CONNECTED SECTIONS

PART - III

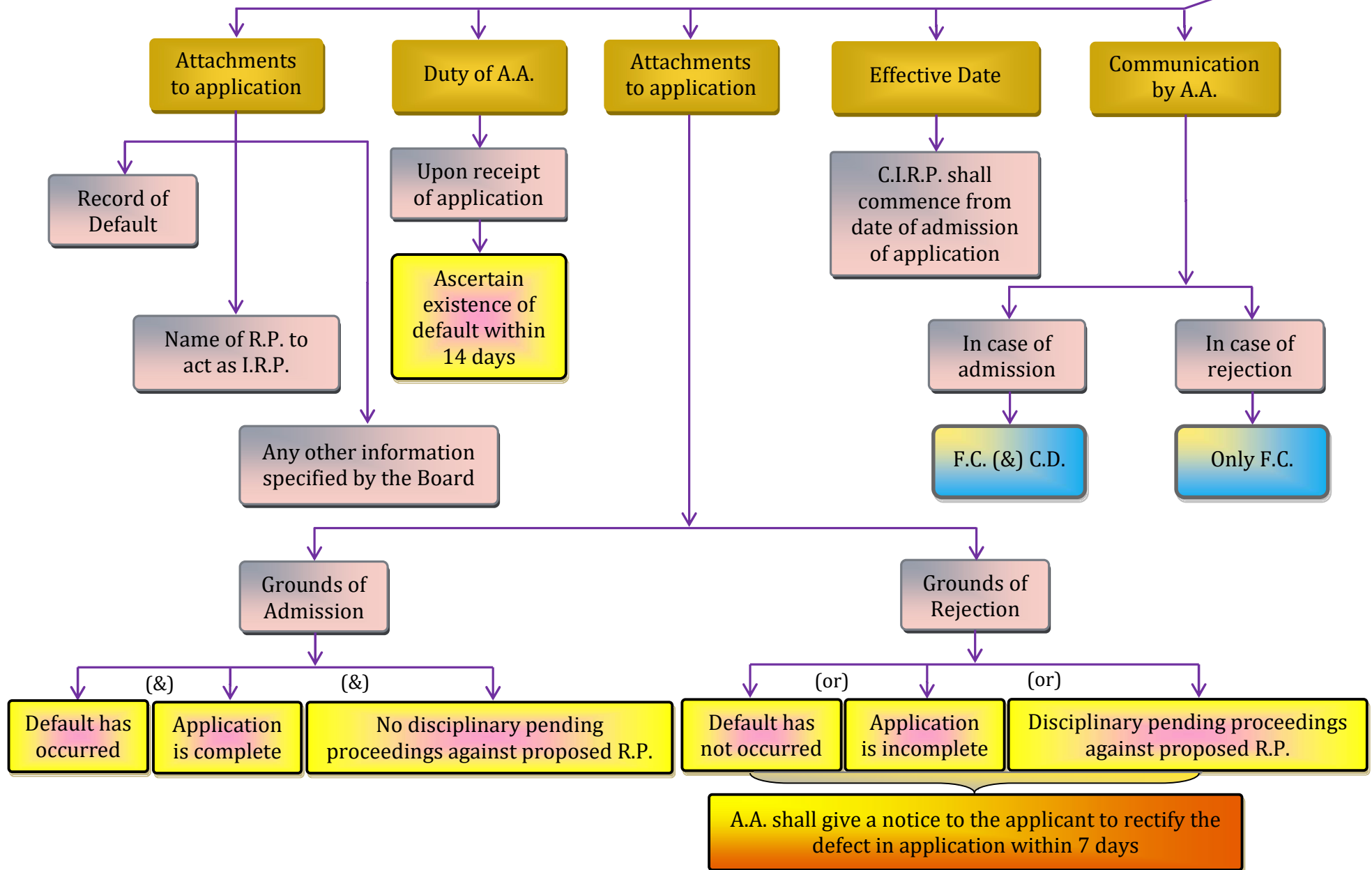


(6)

# INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS BY FINANCIAL CREDITOR [SECTION 7]

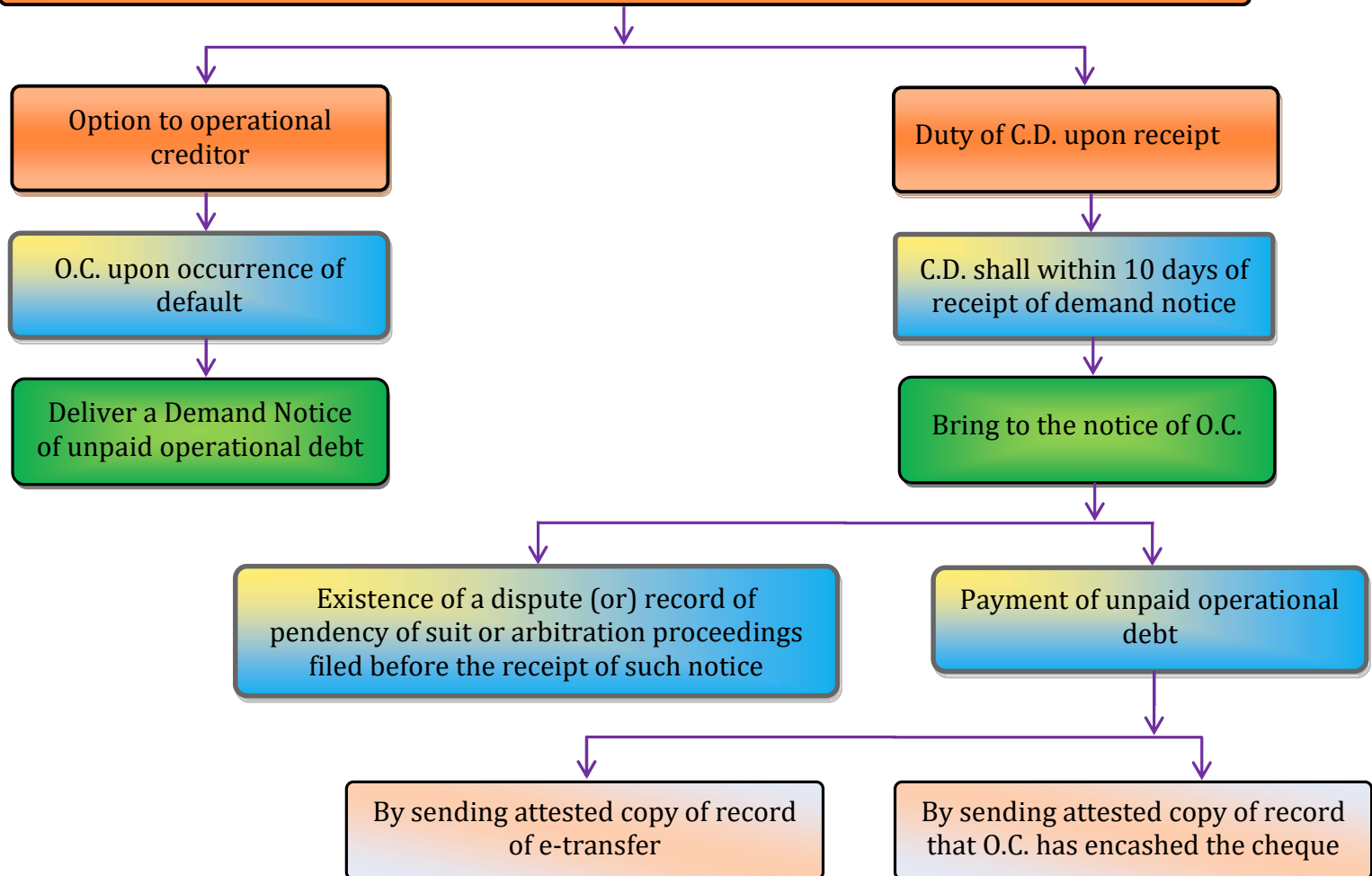


(Contd.)



(7)

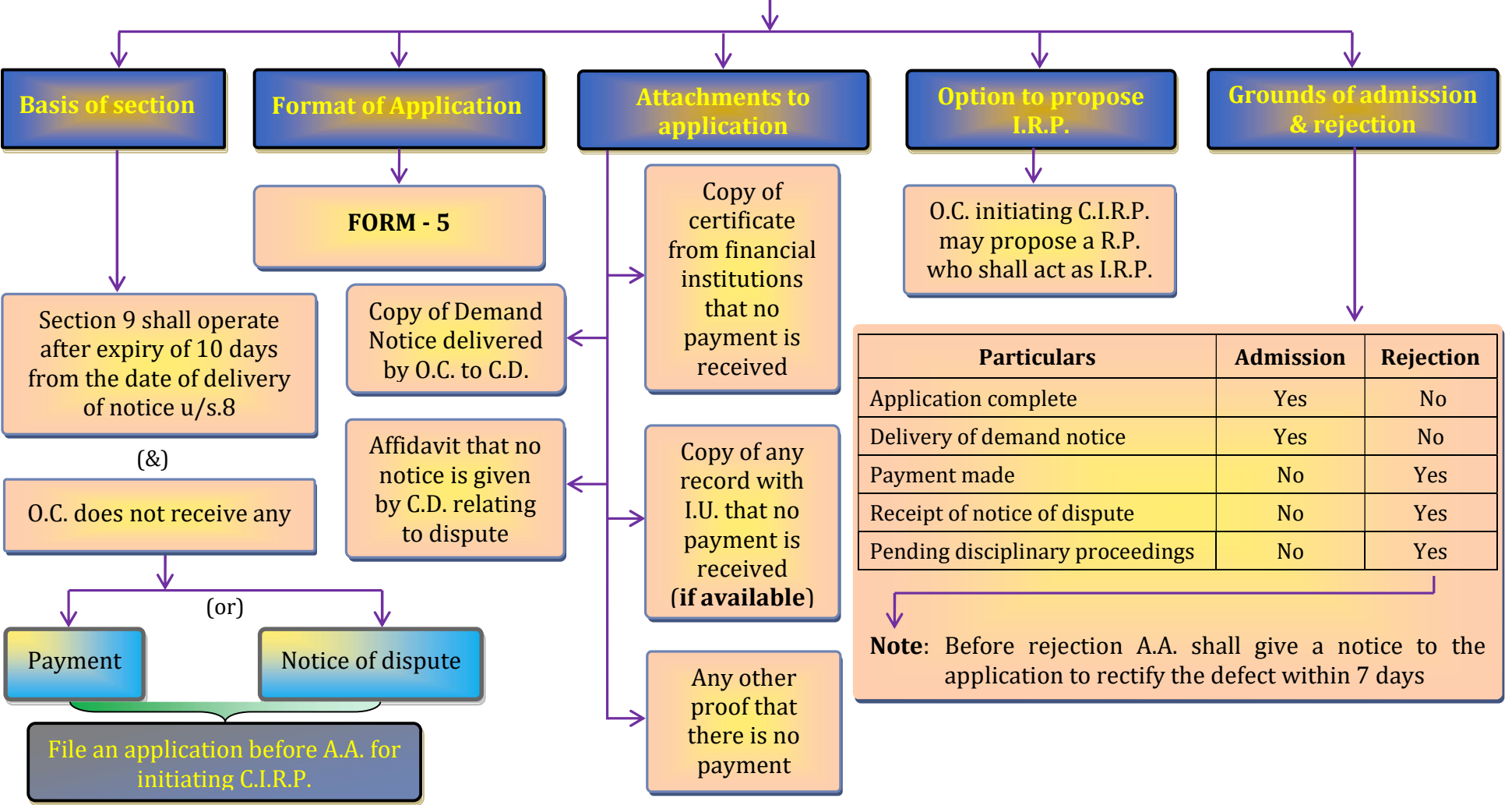
# INSOLVENCY RESOLUTION BY OPERATIONAL CREDITOR [SECTION 8]





(8)

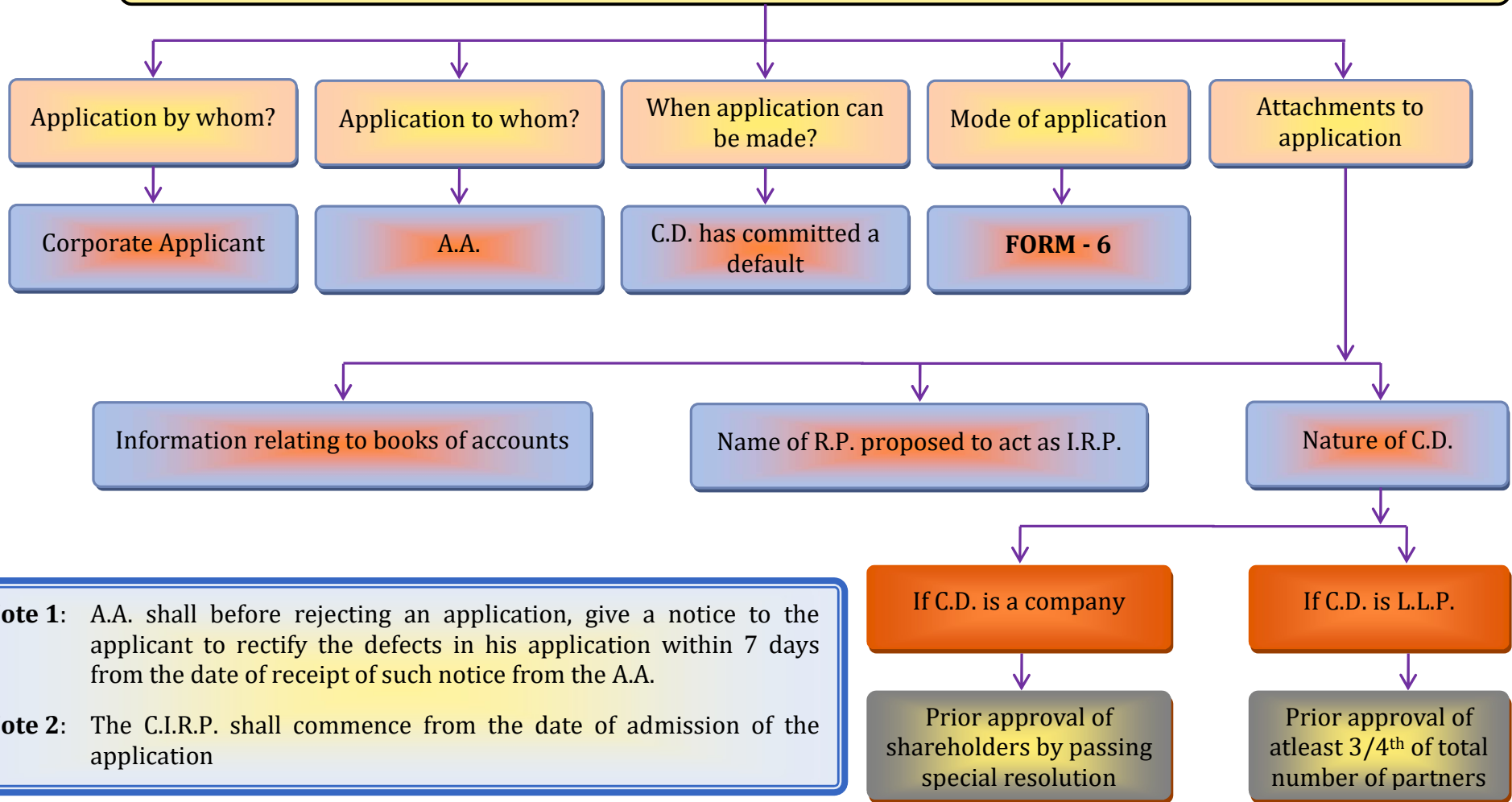
# APPLICATION FOR INITIATION OF CORPORATE INSOLVENCY PROCESS BY OPERATIONAL CREDITOR [SECTION 9]



**Note: C.I.R.P. shall commence from the date of admission of application**

(9)

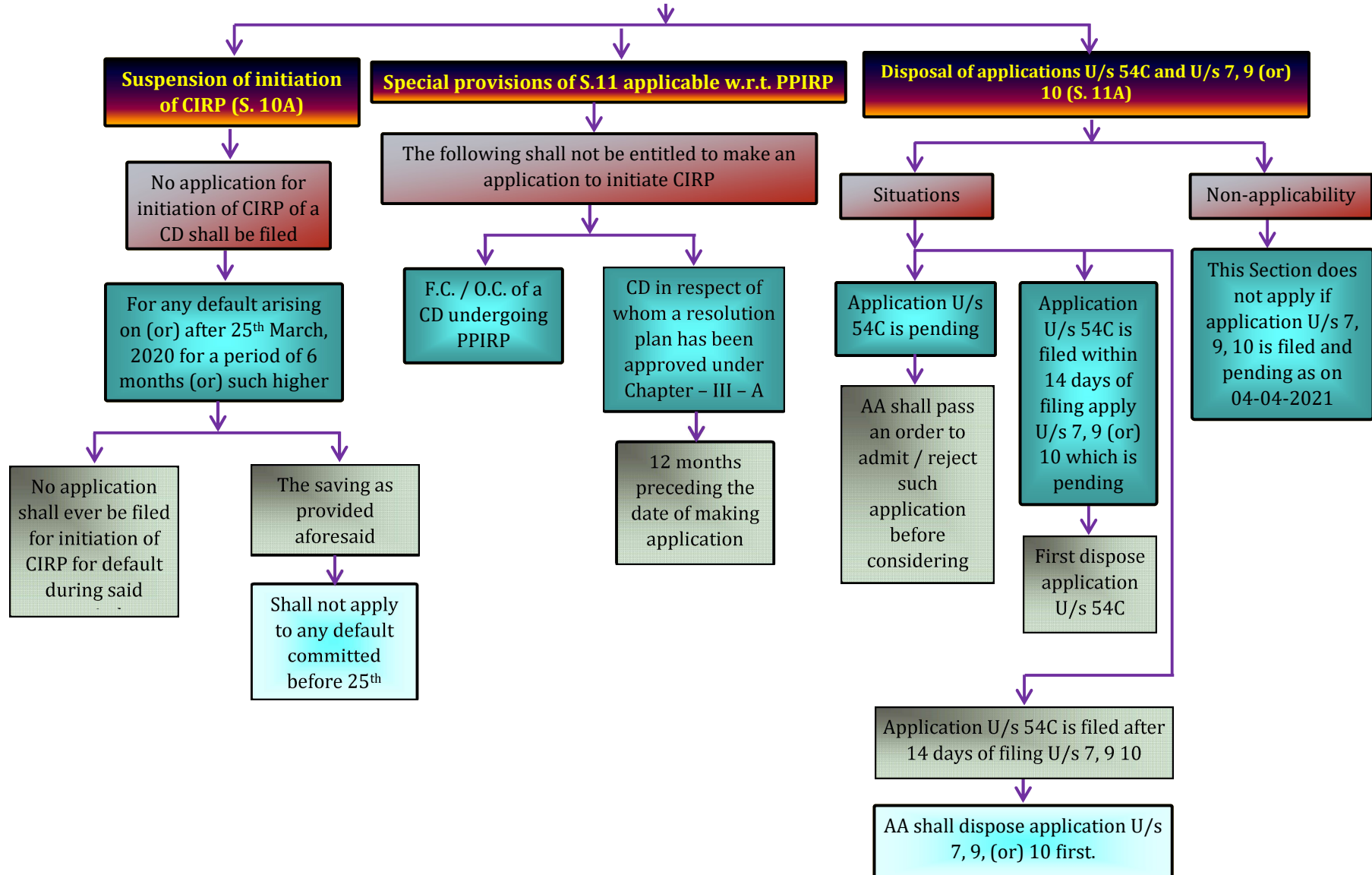
# INITIATION OF CORPORATE INSOLVENCY RESOLUTION PROCESS BY CORPORATE APPLICANT (SECTION 101)



**Note 1:** A.A. shall before rejecting an application, give a notice to the applicant to rectify the defects in his application within 7 days from the date of receipt of such notice from the A.A.

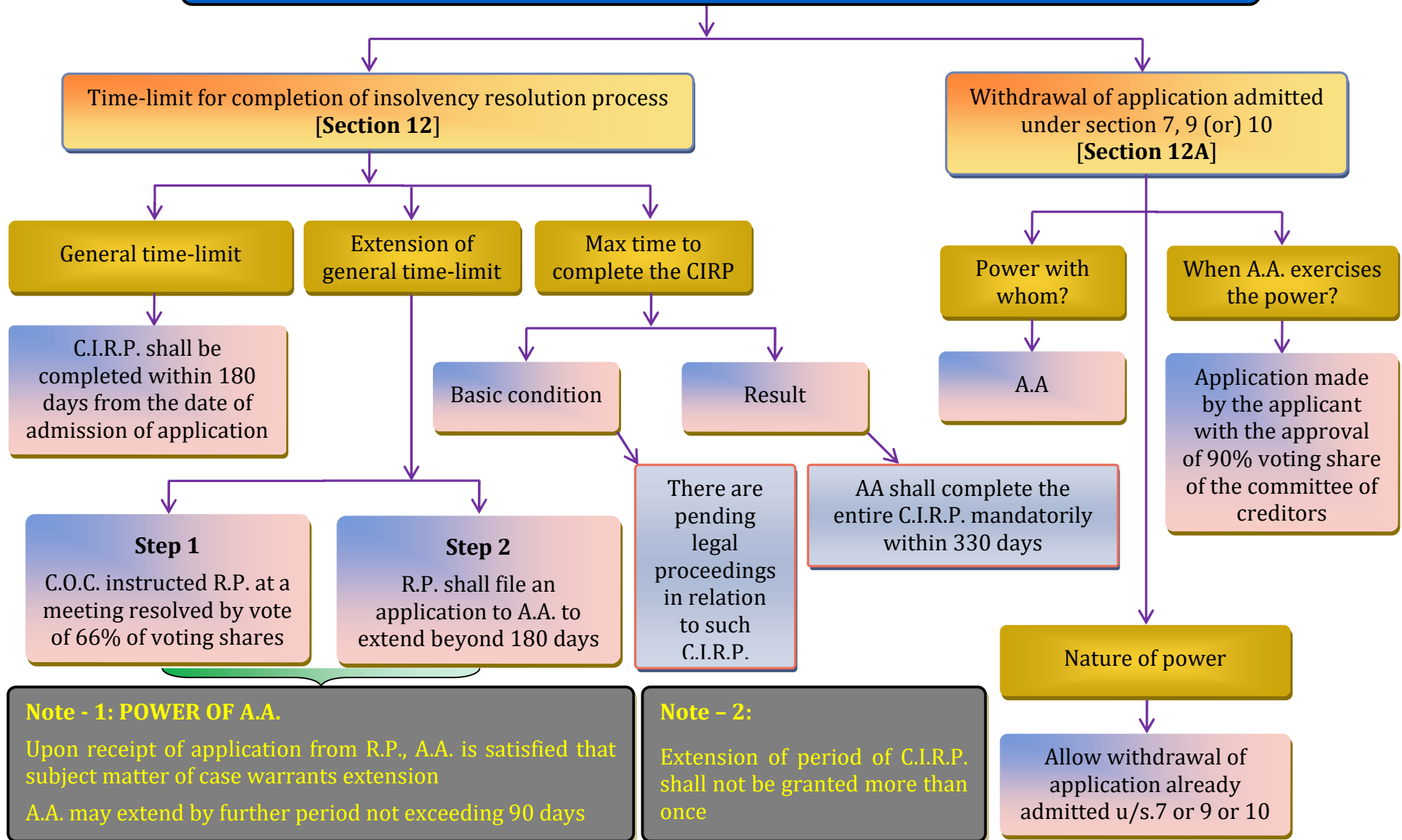
**Note 2:** The C.I.R.P. shall commence from the date of admission of the application

# SPECIAL PROVISIONS W.R.T PPIRP



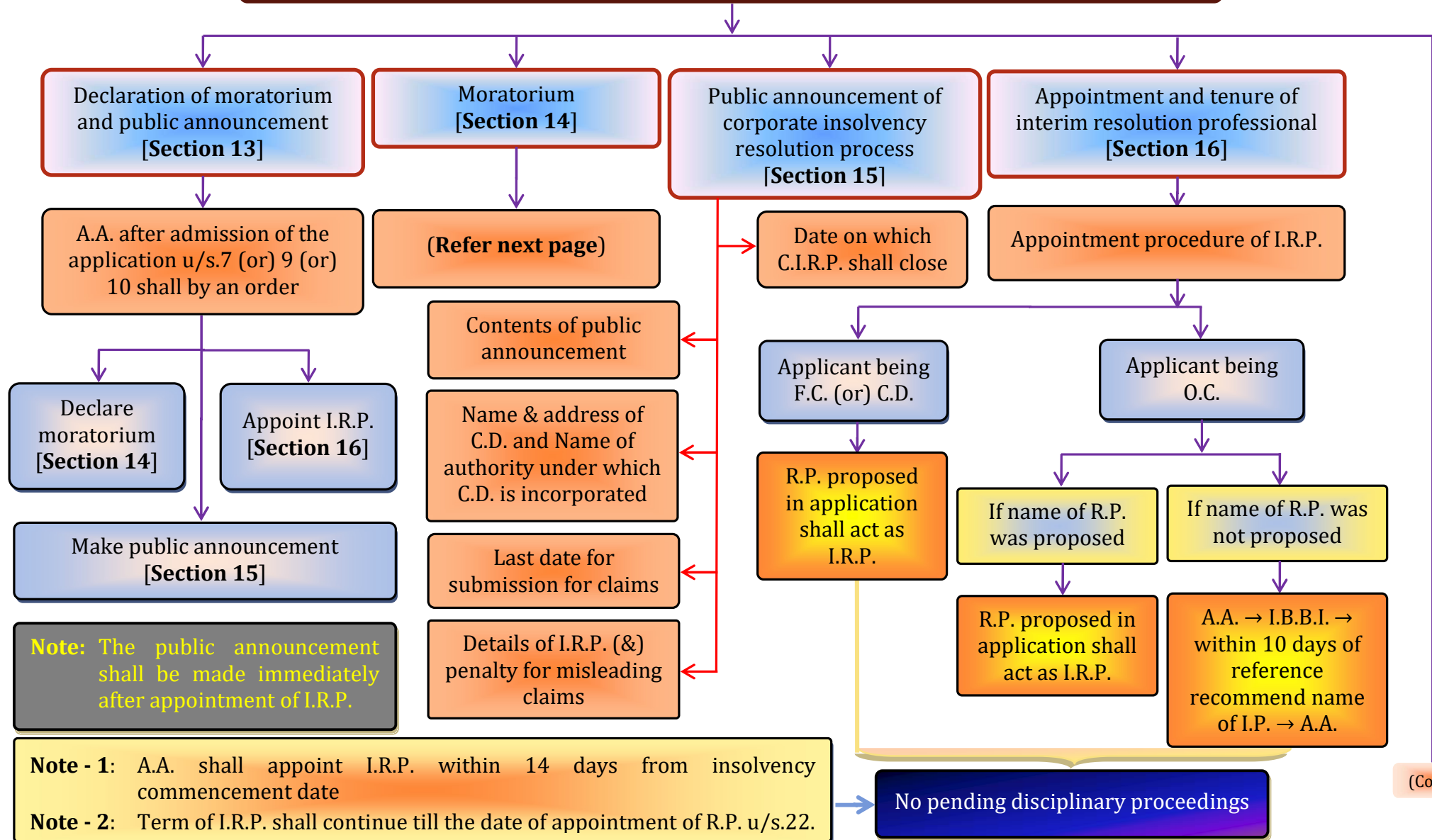
(10)

# TIME LIMIT AND WITHDRAWAL OF APPLICATION



(11)

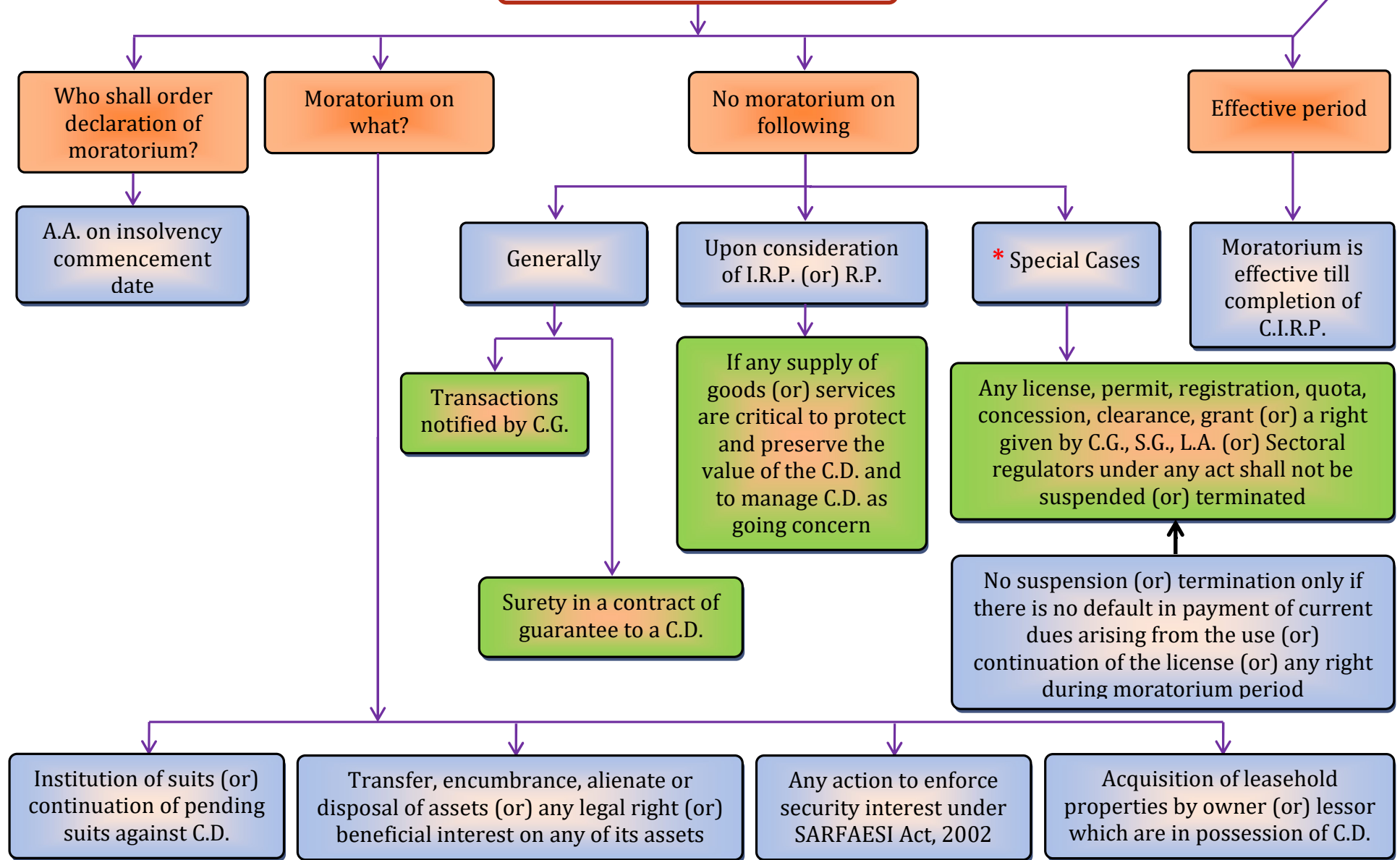
# POST EFFECTS OF ADMISSION OF APPLICATION



(Contd.)

**\*LATEST AMENDMENT**

**MORATORIUM [SECTION 14]**



(12)

# MANAGEMENT OF AFFAIRS OF CORPORATE DEBTOR BY INTERIM RESOLUTION PROFESSIONAL ISECTION 171

From the date of appointment of the I.R.P.

The management of affairs of C.D. shall vest in I.R.P.

The powers of B.O.D. (or) Partners of C.D. shall be suspended and exercised by I.R.P.

Officers & Managers of C.D. shall report to I.R.P. and shall provide access to documents

Financial institutions maintaining accounts of C.D. shall act on the instructions of I.R.P. & provide access to information

Act and execute deeds, documents, etc. on behalf of C.D.

Authority to access electronic record available with I.U.

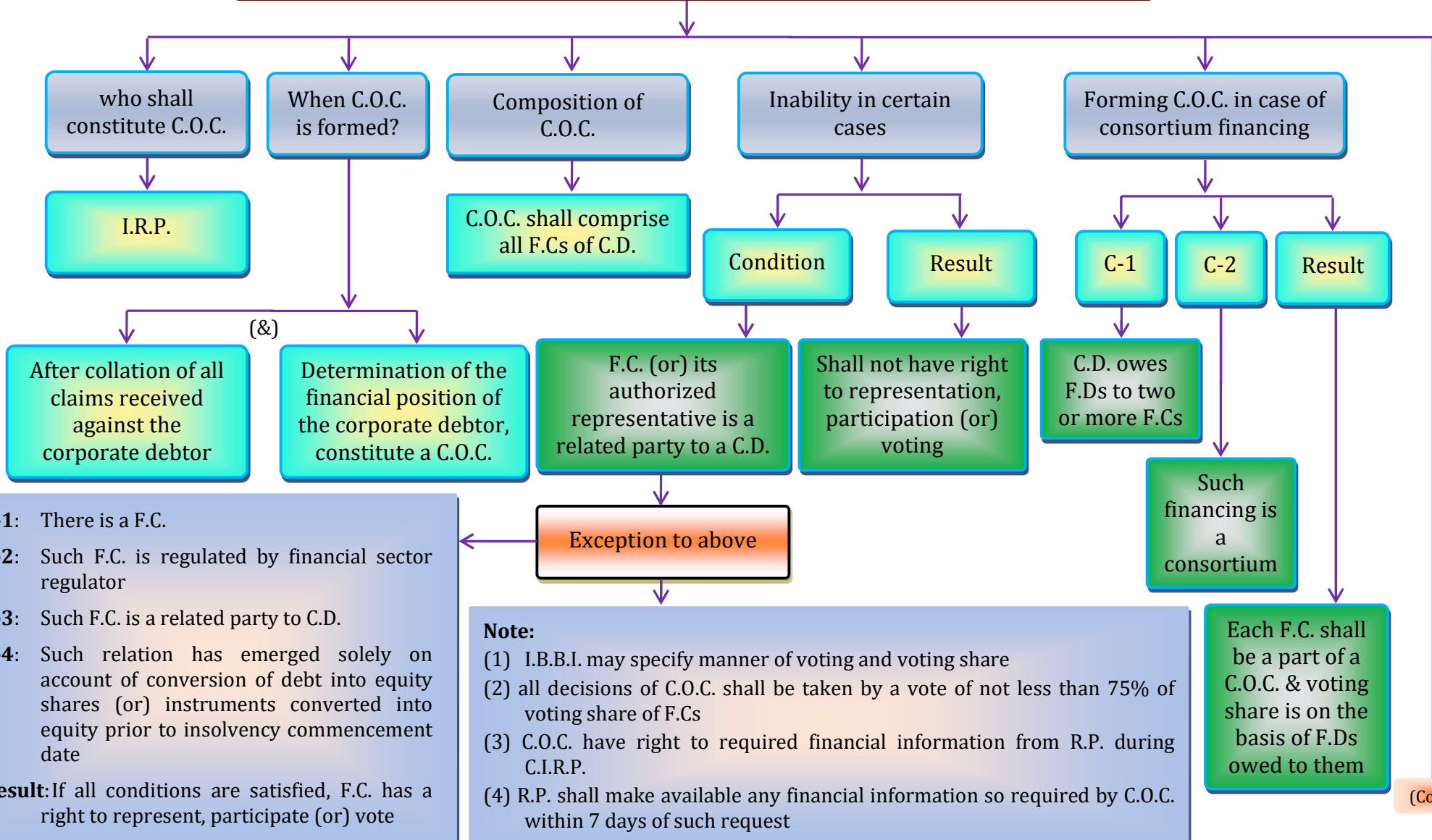
Responsible to comply with requirements of any law on behalf of C.D.

Take actions as may be specified by the Board

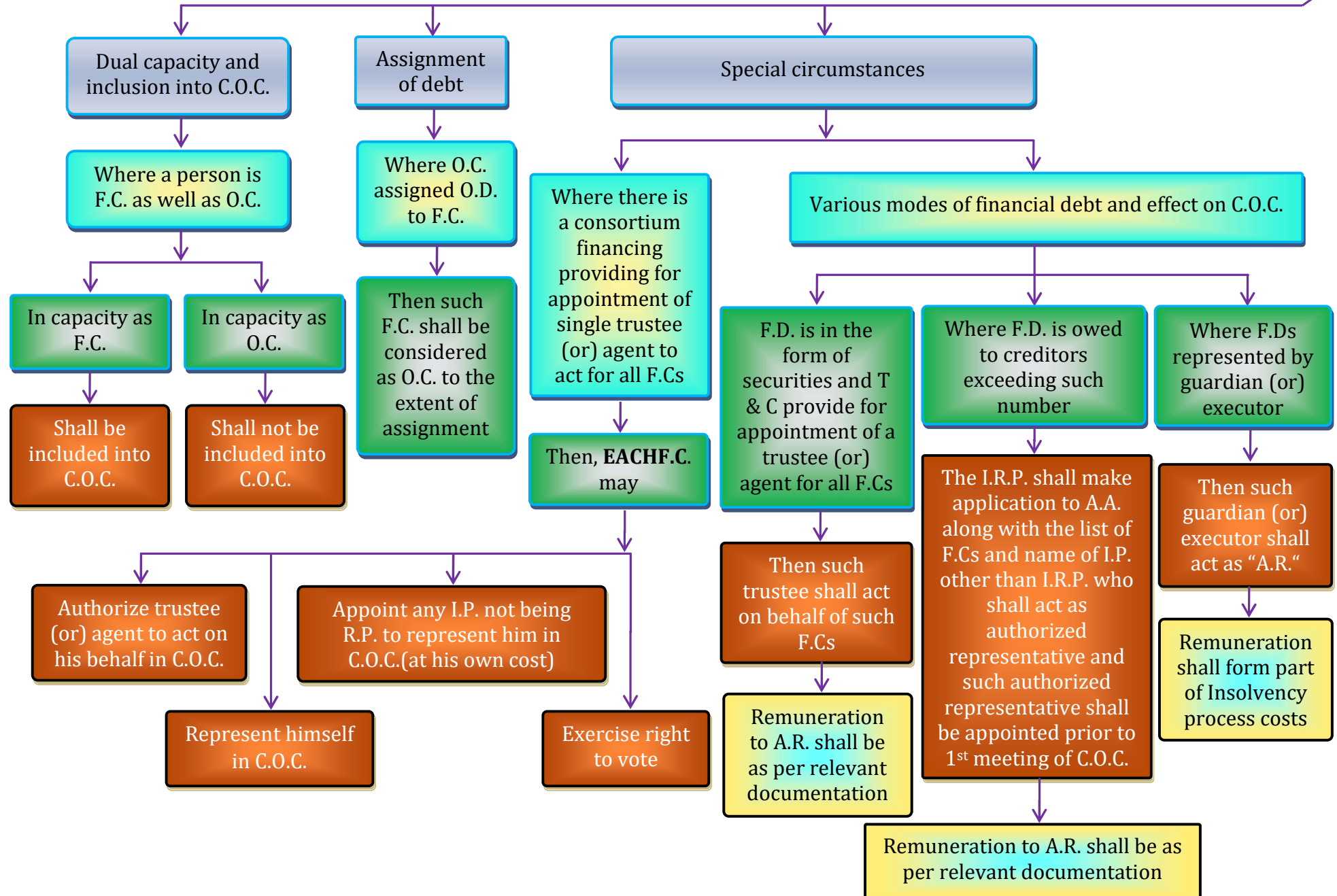
Authority to access books of accounts and other documents available with government authorities & statutory auditors, etc.

(13)

# COMMITTEE OF CREDITORS [SECTION 21]

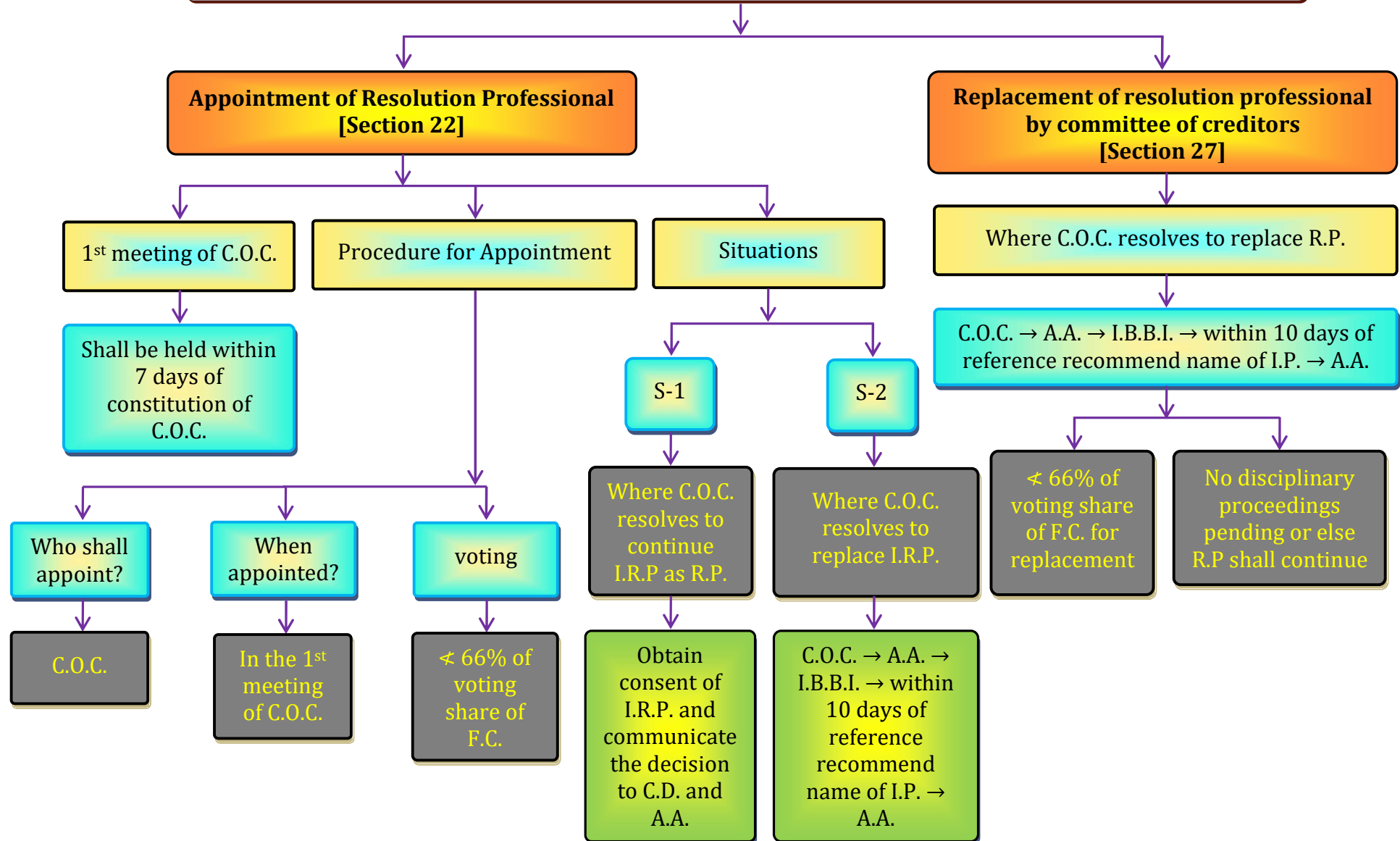


(Contd.)



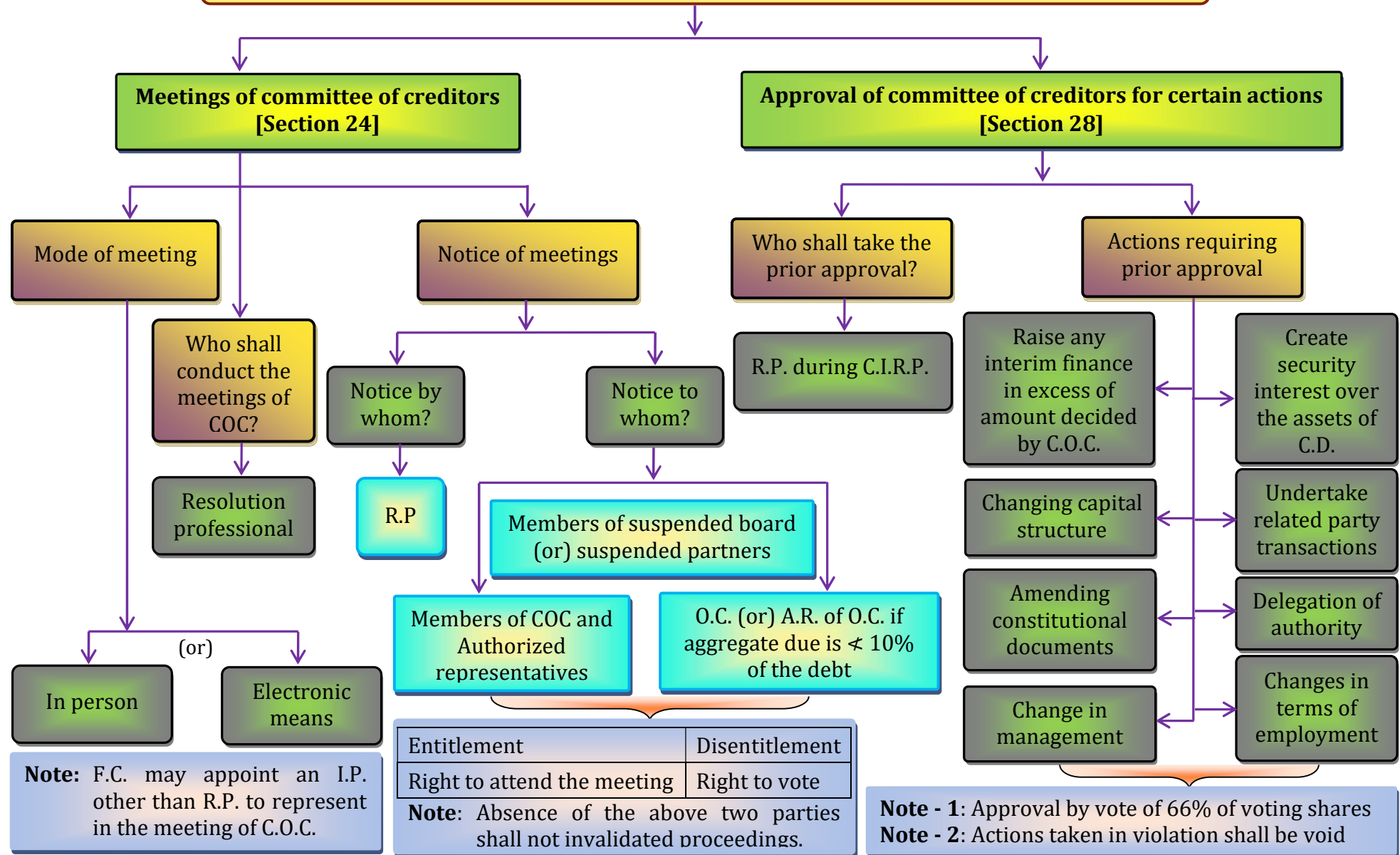
(14)

# CONSOLIDATED PROVISIONS W.R.T. RESOLUTION PROFESSIONAL



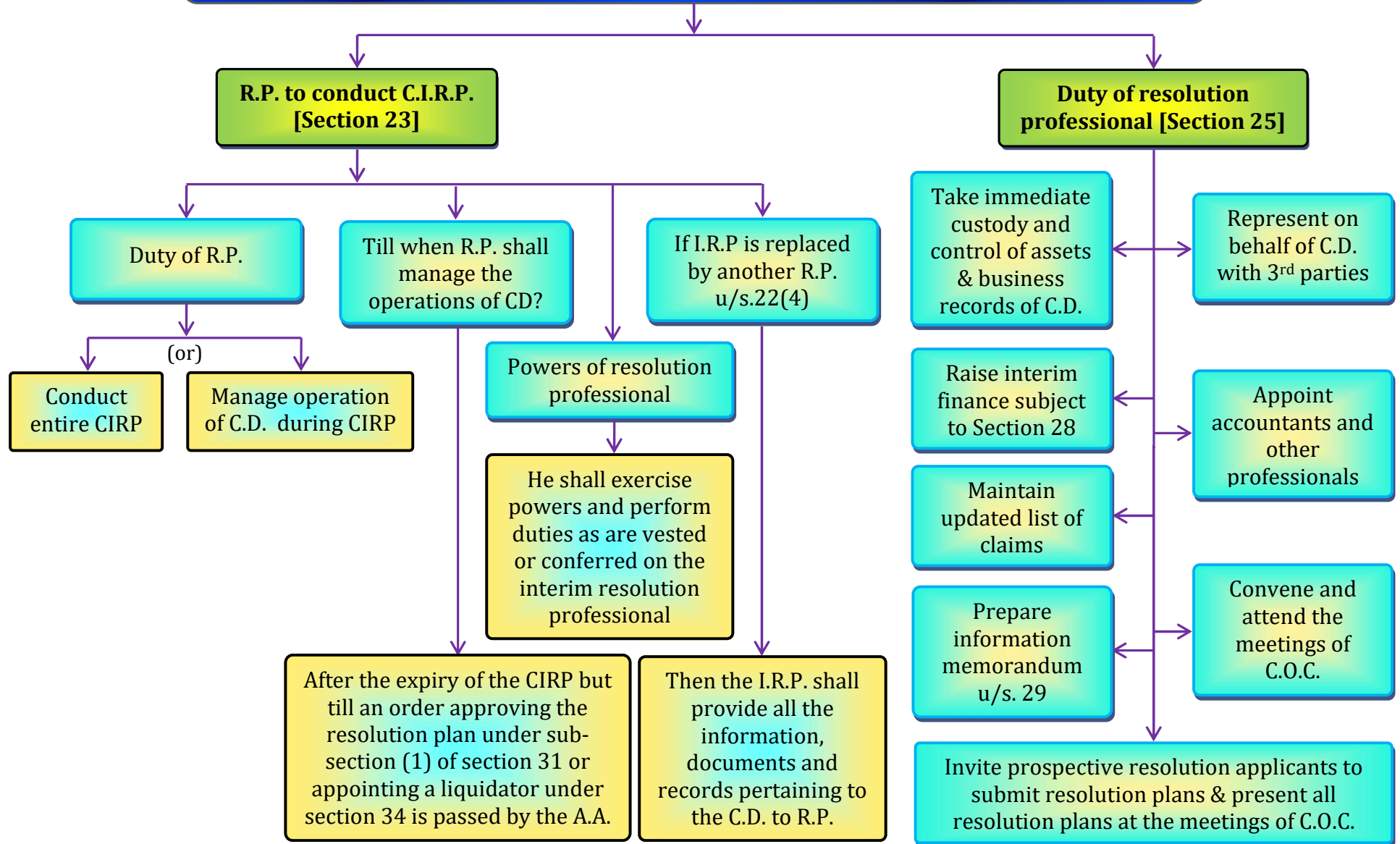
(15)

# COMMITTEE OF CREDITORS RELATED PROVISIONS



(16)

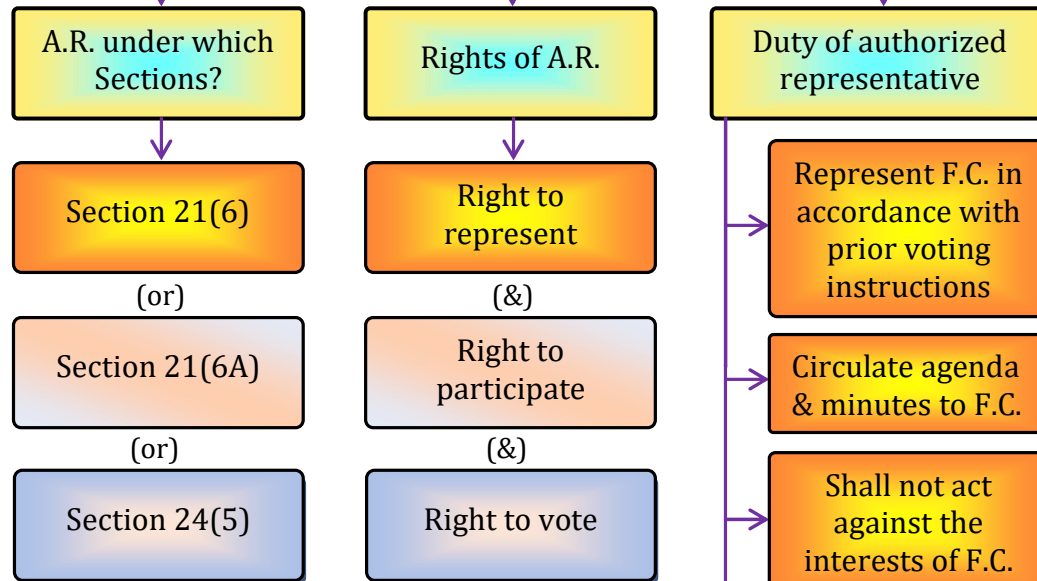
# RESOLUTION PROFESSIONAL RELATED PROVISIONS



(17)

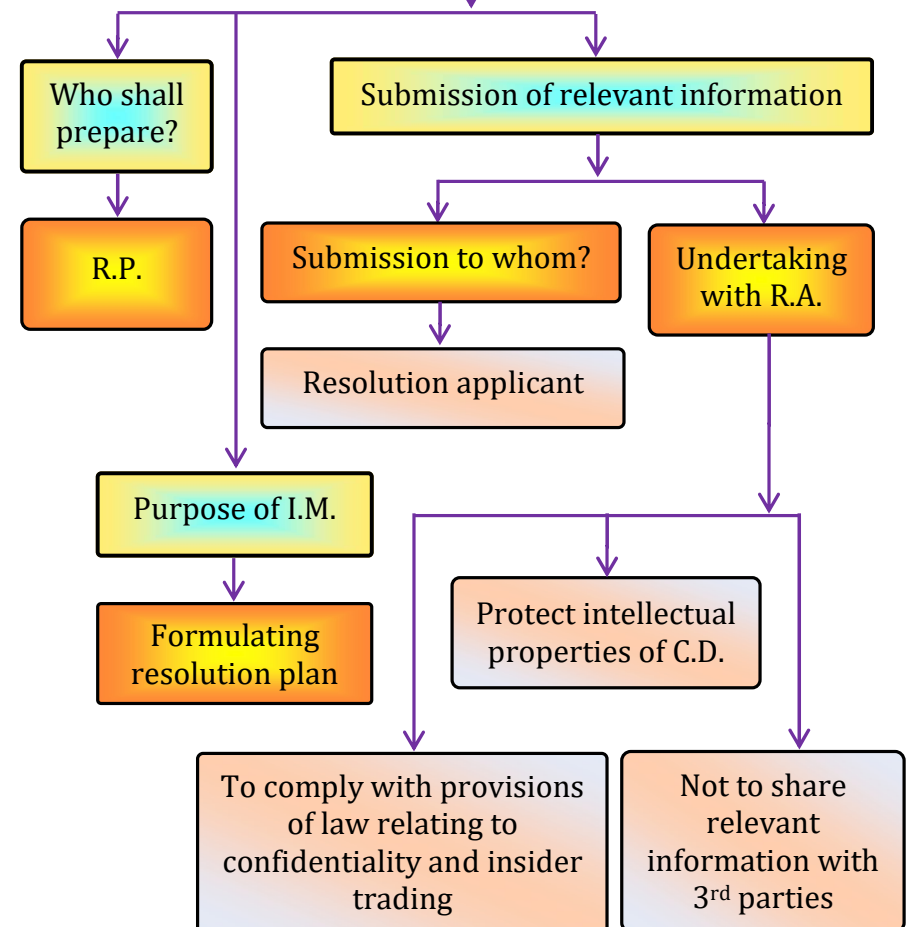
# DUTY OF AUTHORIZED REPRESENTATIVE AND INFORMATION MEMORANDUM

## Rights and duties of authorized representatives of F.C. [Section 25A]



**Note-1:** Abstain from voting if no instruction is received.  
**Note-2:** If A.R. represents multiple F.Cs then he shall act for each of them.  
**Note-3:** If A.R. is as per Sec.21(6A), he shall cast his vote on behalf of all F.Cs as per the decision taken by > 51% of voting by F.Cs he represents.

## Preparation of information memorandum [Section 29]



(18)

# SUBMISSION OF RESOLUTION PLAN [SECTION 301]

**Note-1:** If resolution plan is submitted before I.B.C.O. - 2017 and R.A. is ineligible u/s.29A, the C.O.C. may require R.P. to invite fresh resolution plan

Submission of Resolution Plan

Requirements of Resolution Plan

Miscellaneous

By Whom?

To Whom?

Of what?

Basis

Resolution applicant

R.P.

Resolution Plan

On the basis of Information Memorandum

**Note:**

Submission shall be accompanied by an affidavit stating that R.A. is eligible u/s.29A

- ◆ RP shall present to C.O.C. for approval such resolution plans which satisfies the requirements
- ◆ COC shall approve by vote of not less than 66% of voting share of F.Cs.
- ◆ If R.A. is a F.C. then only he shall have a right to vote.
- ◆ In all cases R.A. has right to attended represent.
- ◆ The resolution plan approved by C.O.C. shall be submitted to A.A.

**Note-2:** R.A. shall be allowed by C.O.C. in case ineligibility is due to Sec.29A(c) and shall be allowed a time of 30 days to make payment of over dues.

**Note-3:** The aforesaid extension shall not extend C.I.R.P.

**Note-4:** Eligibility criteria u/s.29A as amended by I.B.C.O. - 2018 shall apply to R.A. who has not submitted resolution plan as on the date of commencement of I.B.C.O. - 2018.

Provide for payment of Insolvency Resolution process cost

Provide for payment of debts of O.C. which shall not be less than

Provide for management of C.D. after approval of resolution plan

Implementation & supervision of resolution plan

Provide for payment to F.C. who do not vote in favour of resolution

Does not contravene provisions of any law

In priority to all other debts

Which shall not be less than amount paid to F.C. in the event of liquidation

Amount paid to O.C. in the event of liquidation u/s.53

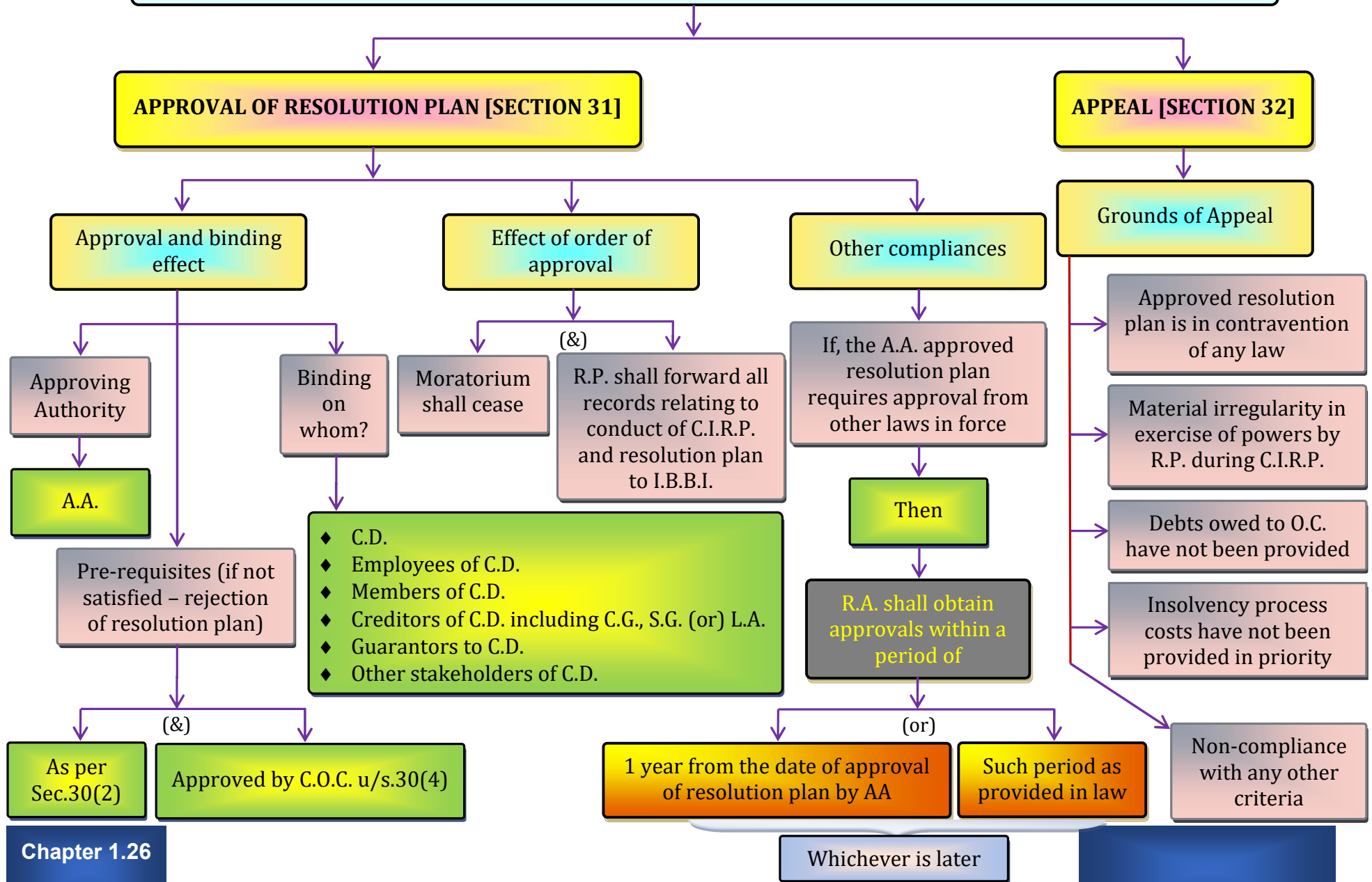
(or)

Amount that would be have been paid to O.C. as per resolution plan u/s.53(1)

Whichever is higher

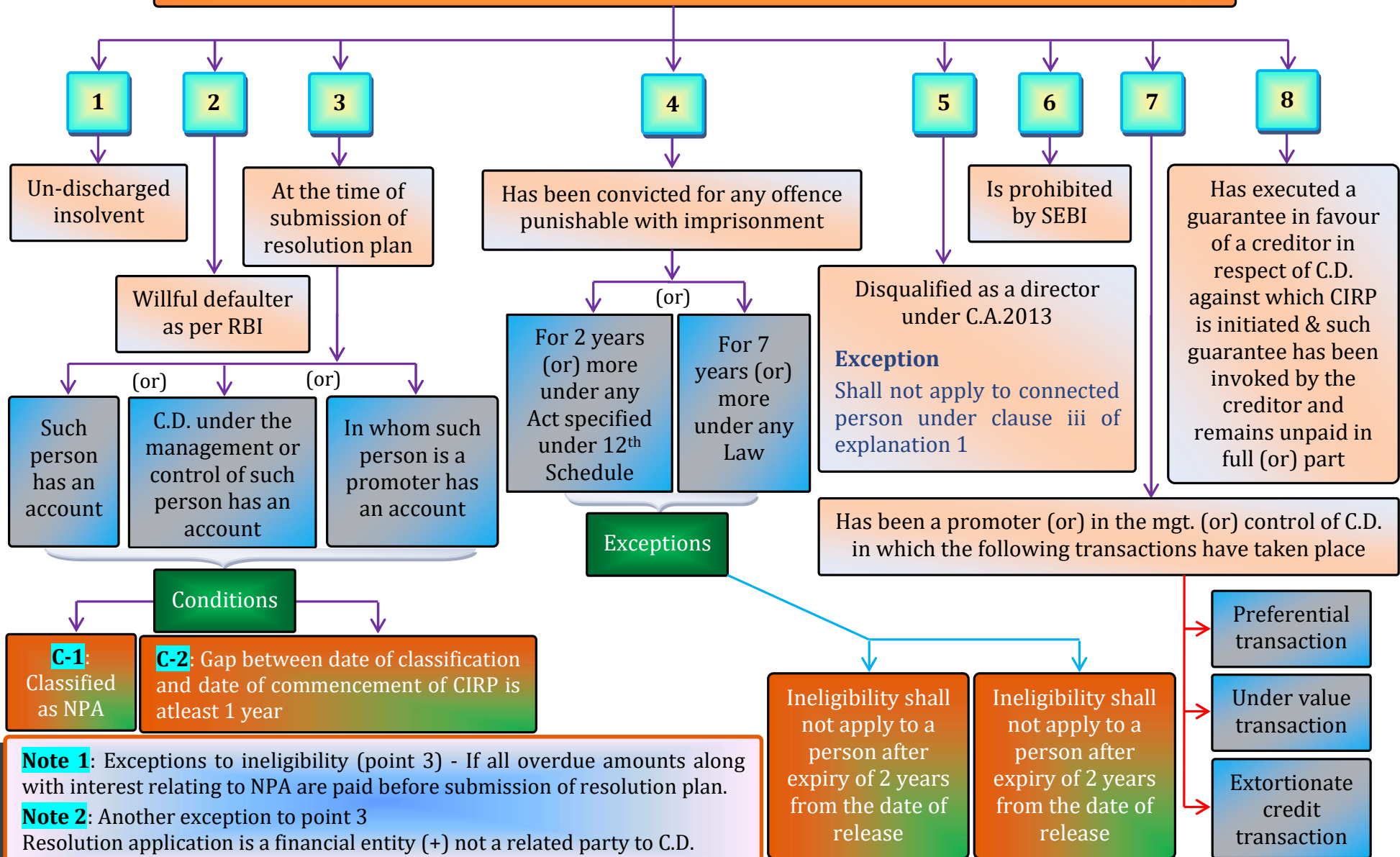
(19)

# APPROVAL OF RESOLUTION PLAN [SECTION 31] & APPEAL [SECTION 32]

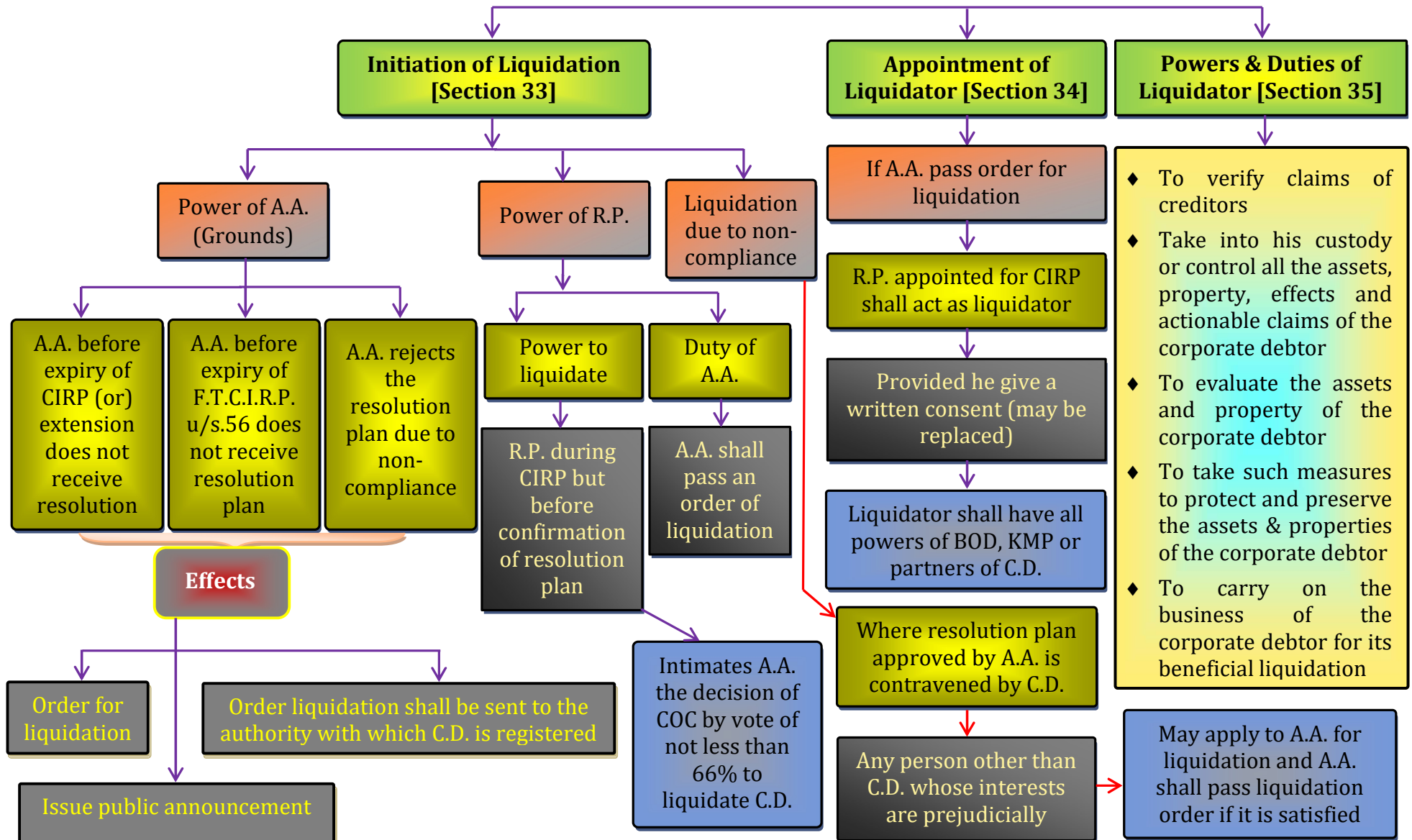


(20)

# PERSONS NOT ELIGIBLE TO BE RESOLUTION APPLICANT [SECTION 29A]



# BASICS OF LIQUIDATION



(22)

# LIQUIDATION ESTATE [SECTION 36]

## BASICS

Liquidator shall form L.E. & shall hold L.E. as a fiduciary for the benefit of creditors

## INCLUSIONS & EXCLUSIONS TO THE LIQUIDATION ESTATE

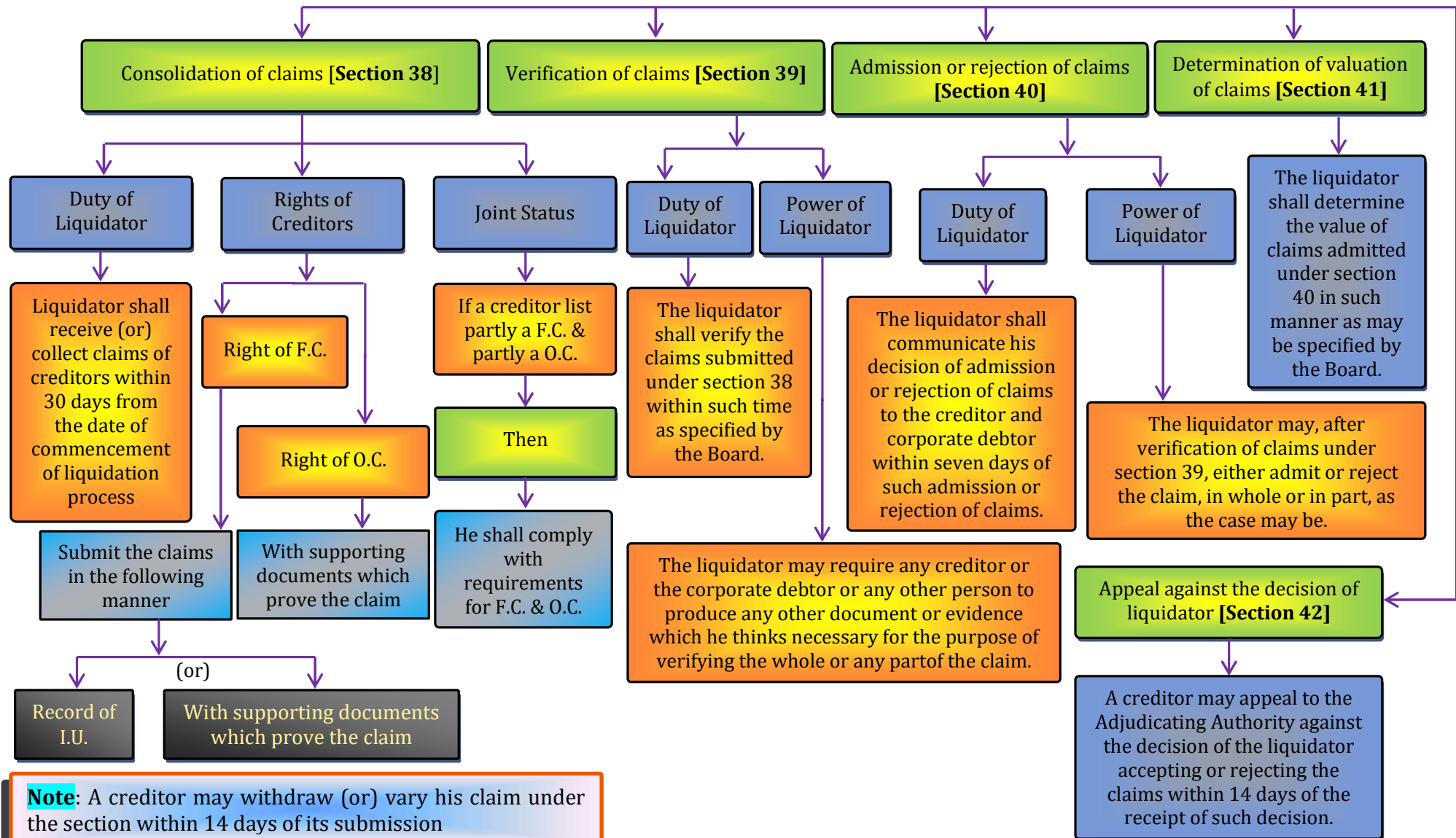
### INCLUSIONS

- |   |  |
|---|--|
| a | Any assets over which C.D. has ownership rights and interests  |
| b | Assets that may or may not be in possession of C.D. (Example: Encumbered Assets)   |
| c | Tangible Assets (movable or immovable)   |
| d | Intangible Assets (IPRs, Insurance Policies, Securities including shares held in subsidiaries of C.D., contractual rights, etc.) |
| e | Assets subject to the determination of ownership by the court or authority   |
| f | Any assets or their value recovered through proceedings for avoidance of transactions  |
| g | Any asset of the corporate debtor in respect of which a secured creditor has relinquished security interest                      |
| h | Any other property belonging to or vested in the C.D. at the insolvency commencement date.                                       |
| i | All proceedings of liquidation as and when they are realized   |

### EXCLUSIONS

- |   |   |
|---|---|
| a | Assets owned by a third party which are in possession of the corporate debtor, including: <ul style="list-style-type: none"> <li>▪ Assets held in trust for a third party.</li> <li>▪ Bailment contracts.</li> <li>▪ All sums due to any workman or employee from the provident fund, the pension fund and the gratuity fund.</li> <li>▪ Other contractual arrangements which do not stipulate transfer of title but only use of the assets.</li> <li>▪ Such other assets as may be notified by the central government in consultation with any financial sector regulator</li> </ul> |
| b | Assets in security collateral held by financial services providers and are subject to netting and set-off in multi-lateral trading or clearing transactions   |
| c | personal assets of any shareholder or partner of a corporate debtor as the case may be provided such assets are not held on account of avoidance transactions that may be avoided under this Chapter  |
| d | Assets of any Indian or foreign subsidiary of the corporate debtor.   |
| e | any other assets as may be specified by the Board.  |

# CLAIMS & CONNECTED ISSUES [SECTION 38 TO 42]

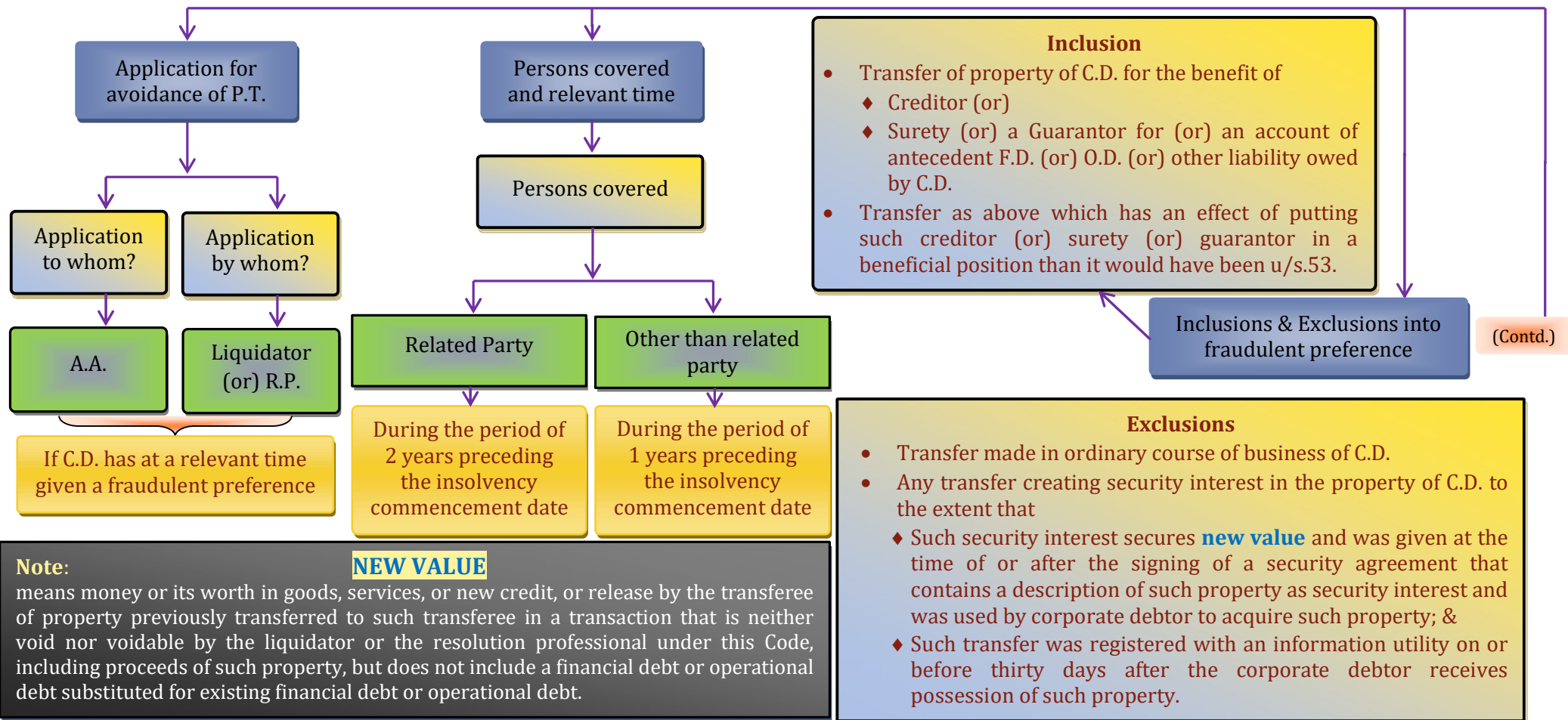


**Note:** A creditor may withdraw (or) vary his claim under the section within 14 days of its submission

# ADVERSE TRANSACTIONS & ITS IMPACT

(A)

## PREFERENTIAL TRANSACTIONS & RELEVANT TIME [SECTION 43]

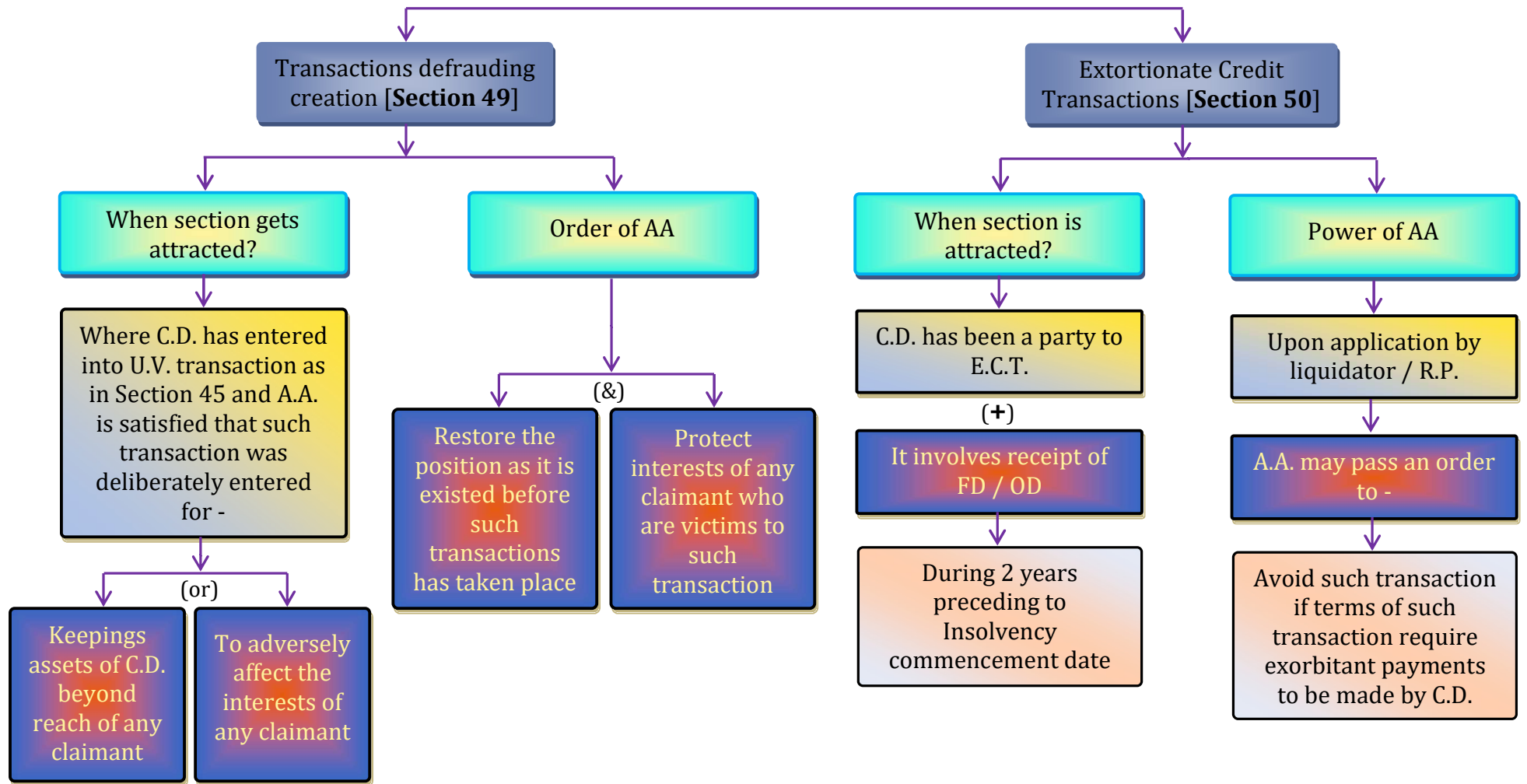


(Contd.)



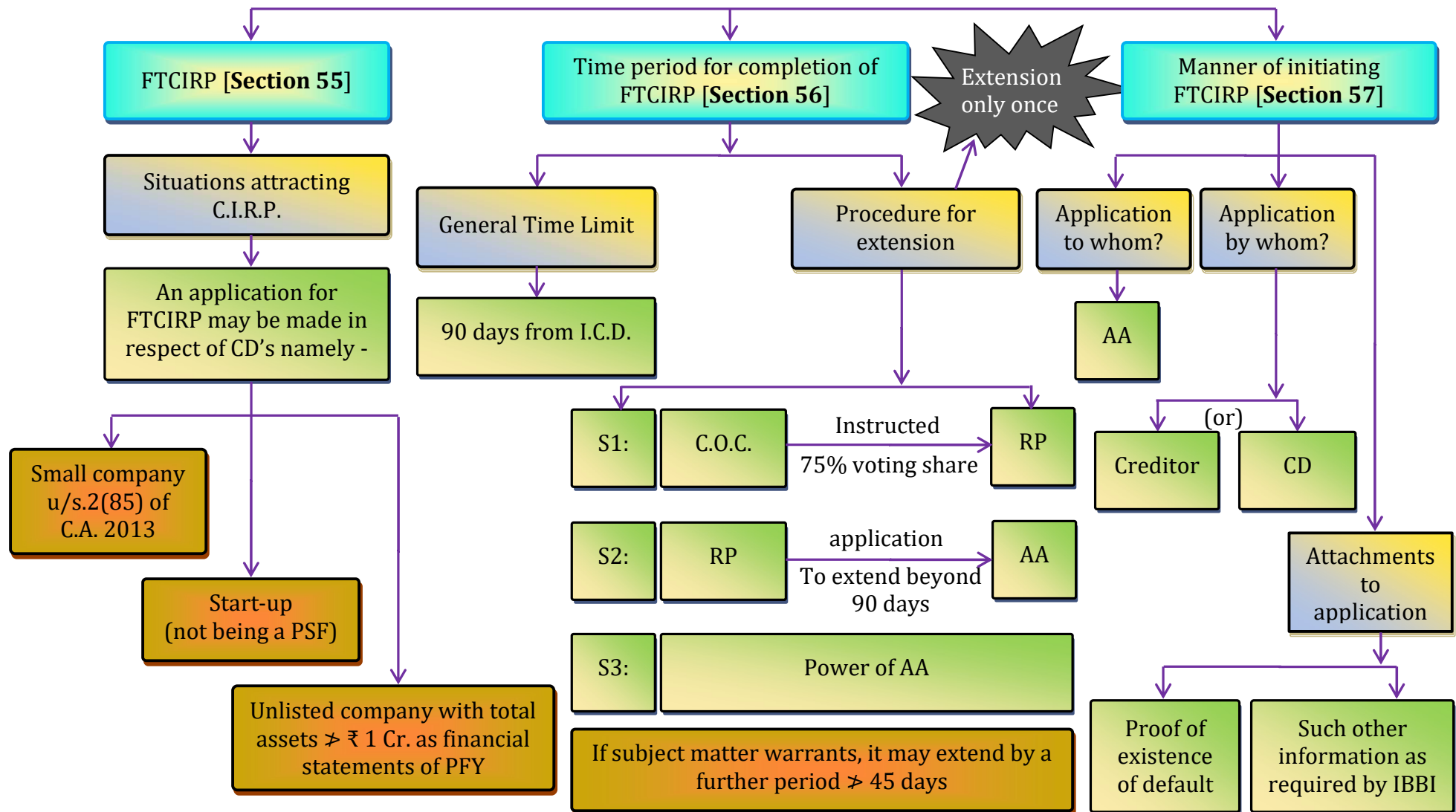
(C)

MISCELLANEOUS TRANSACTIONS



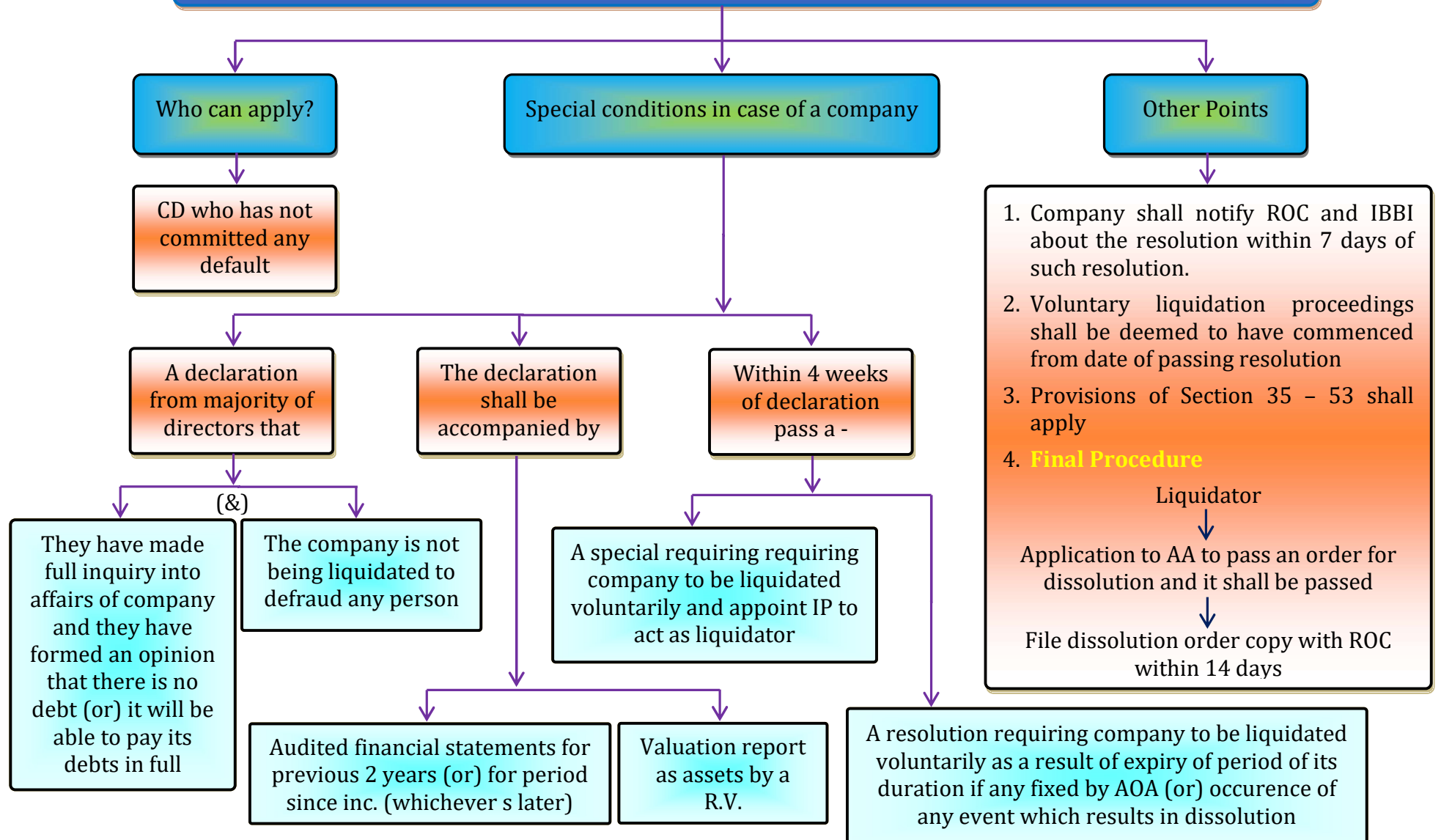
(25)

# FAST TRACK CORPORATE INSOLVENCY RESOLUTION PROCESS



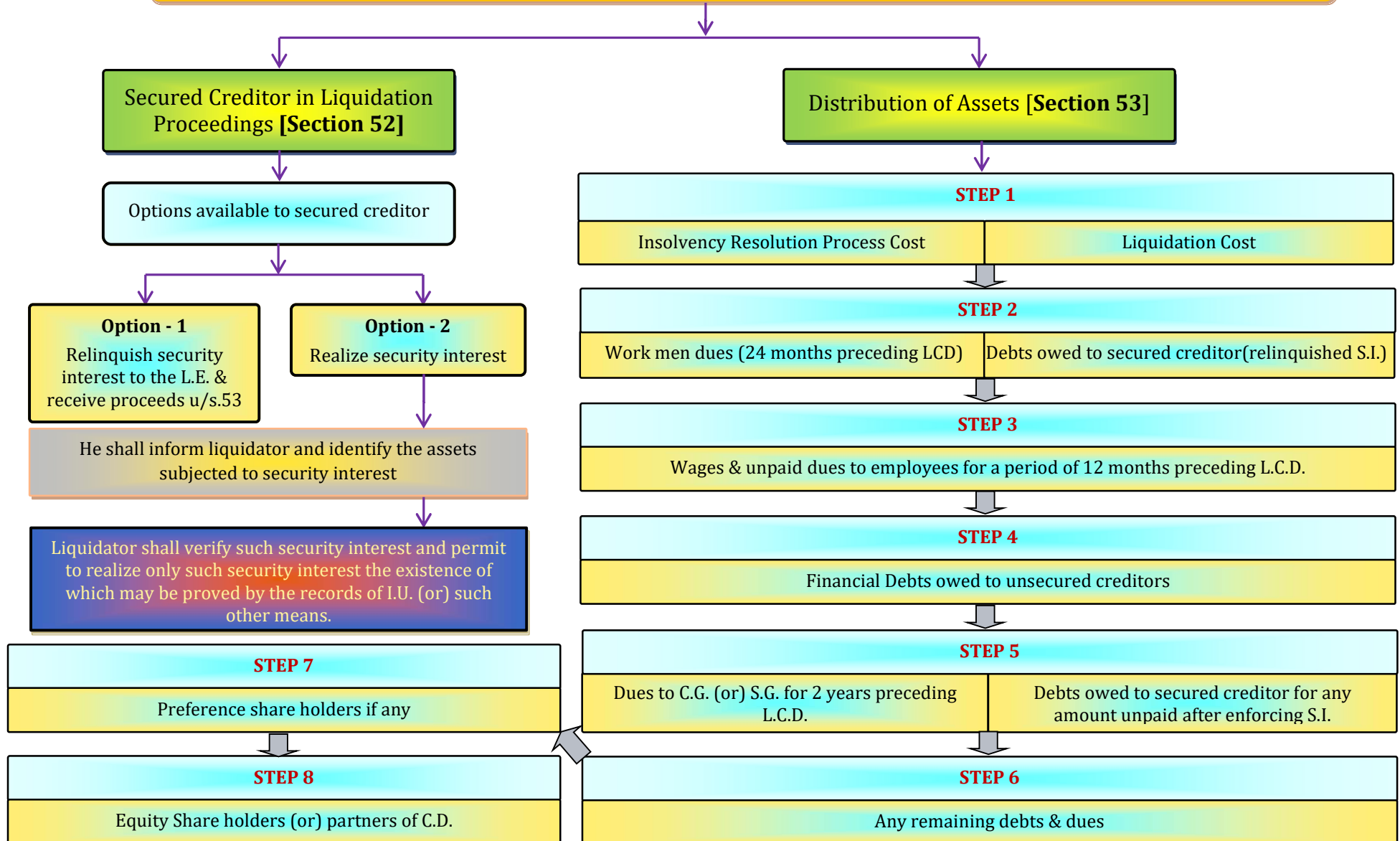
(26)

# VOLUNTARY LIQUIDATION OF CORPORATE PERSONS [SECTION 59]



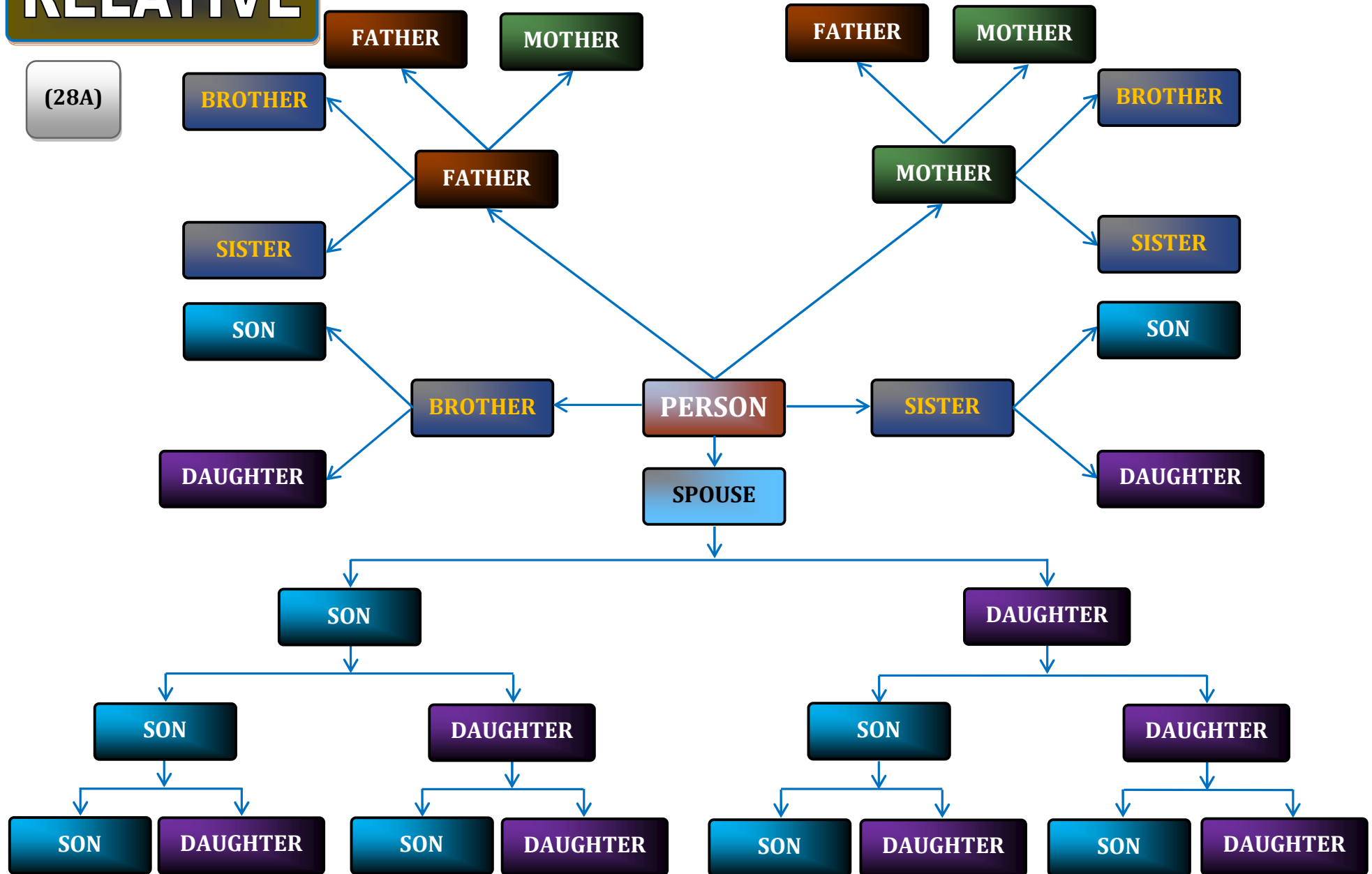
(27)

# SECURED CREDITOR IN LIQUIDATION PROCEEDINGS & DISTRIBUTION OF ASSETS [SECTION 52 & 53]



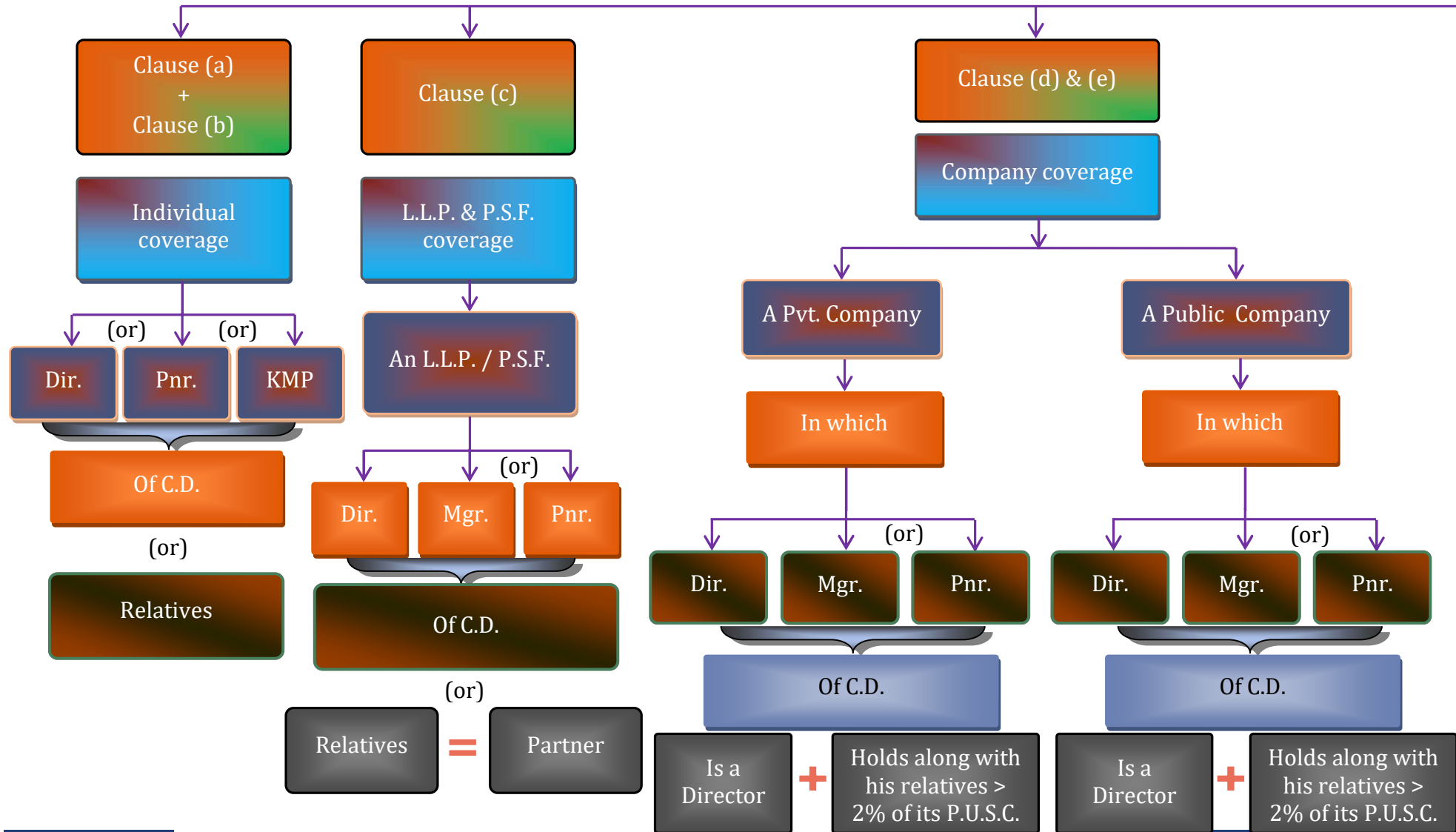
# RELATIVE

(28A)



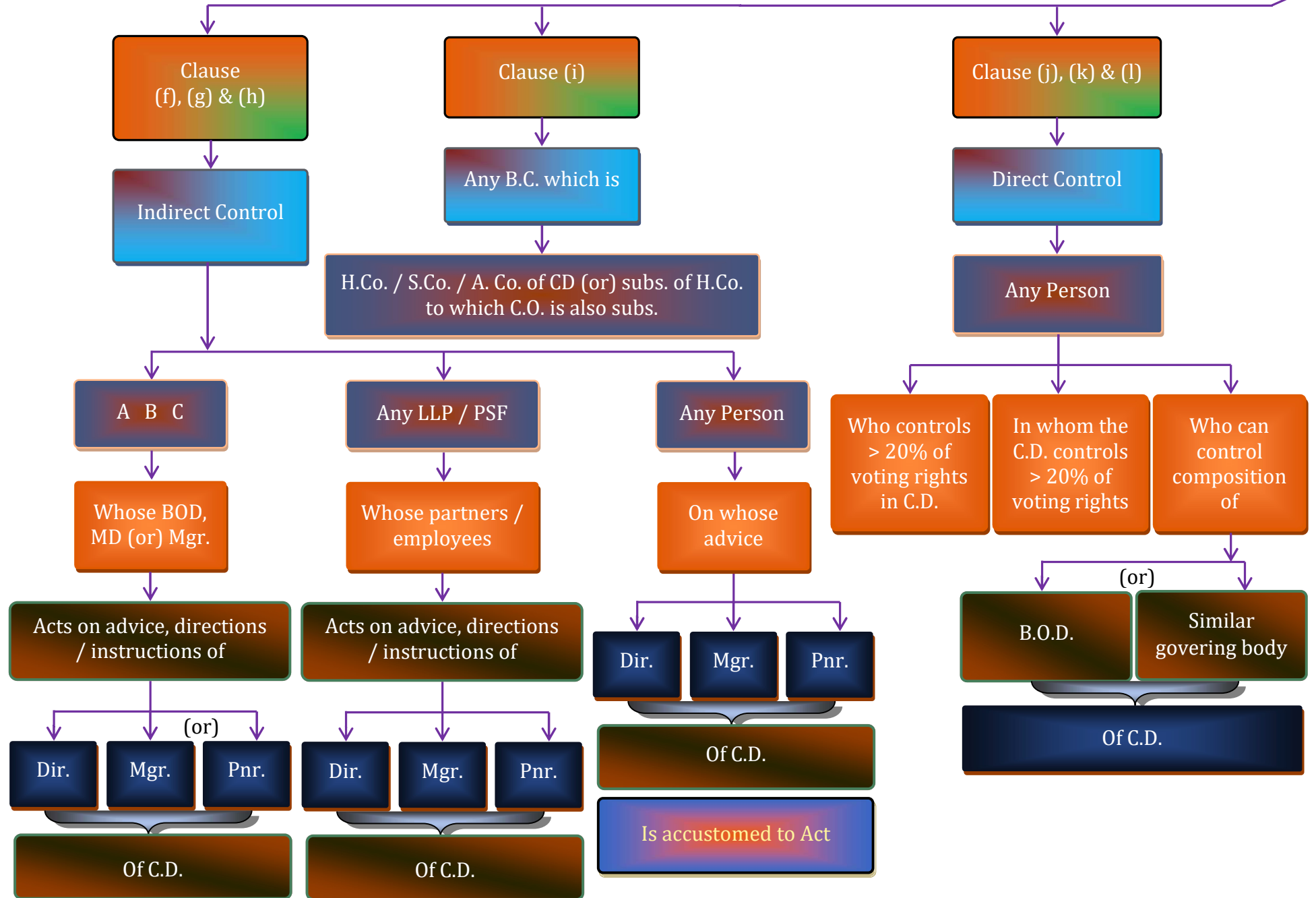
(28B)

# RELATED PARTY IN RELATION TO A C.D. MEANS



(Contd.)

THE INSOLVENCY AND BANKRUPTCY CODE, 2016

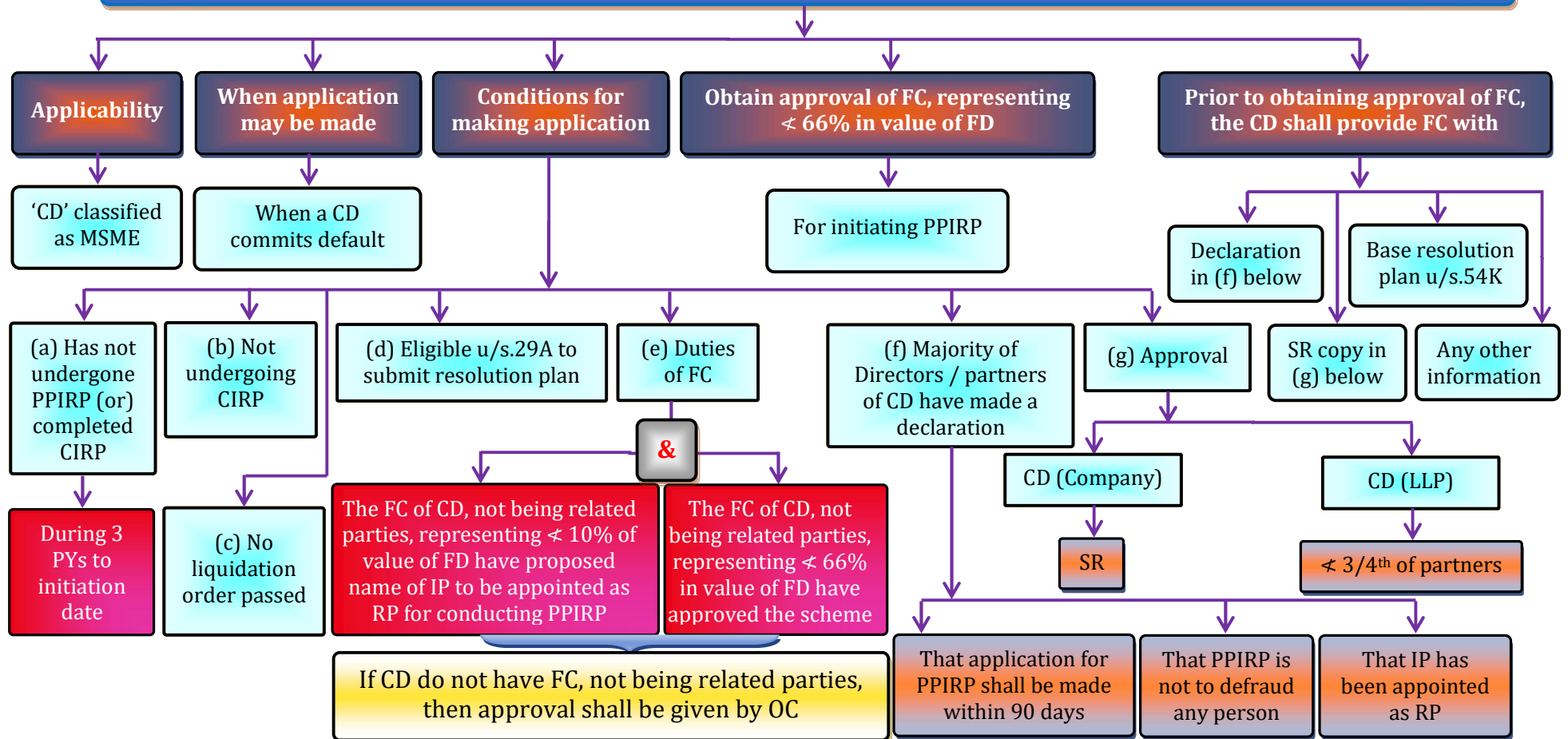


# IBC ADDITIONAL CHARTS

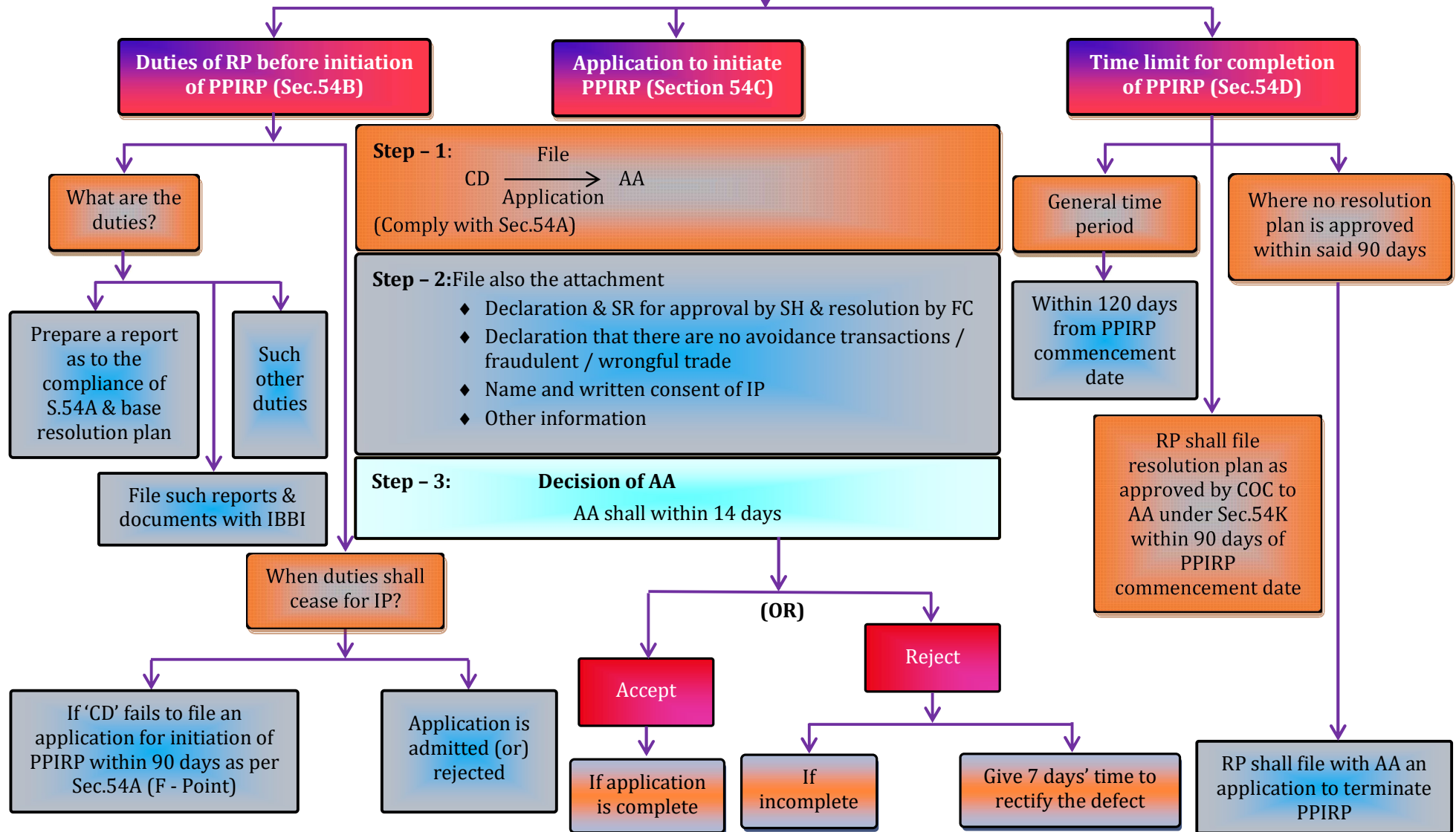
## PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS (PPIRP) SECTIONS 54A - 54P

(1)

### CORPORATE DEBTORS ELIGIBLE FOR PPIRP (SEC.54A)

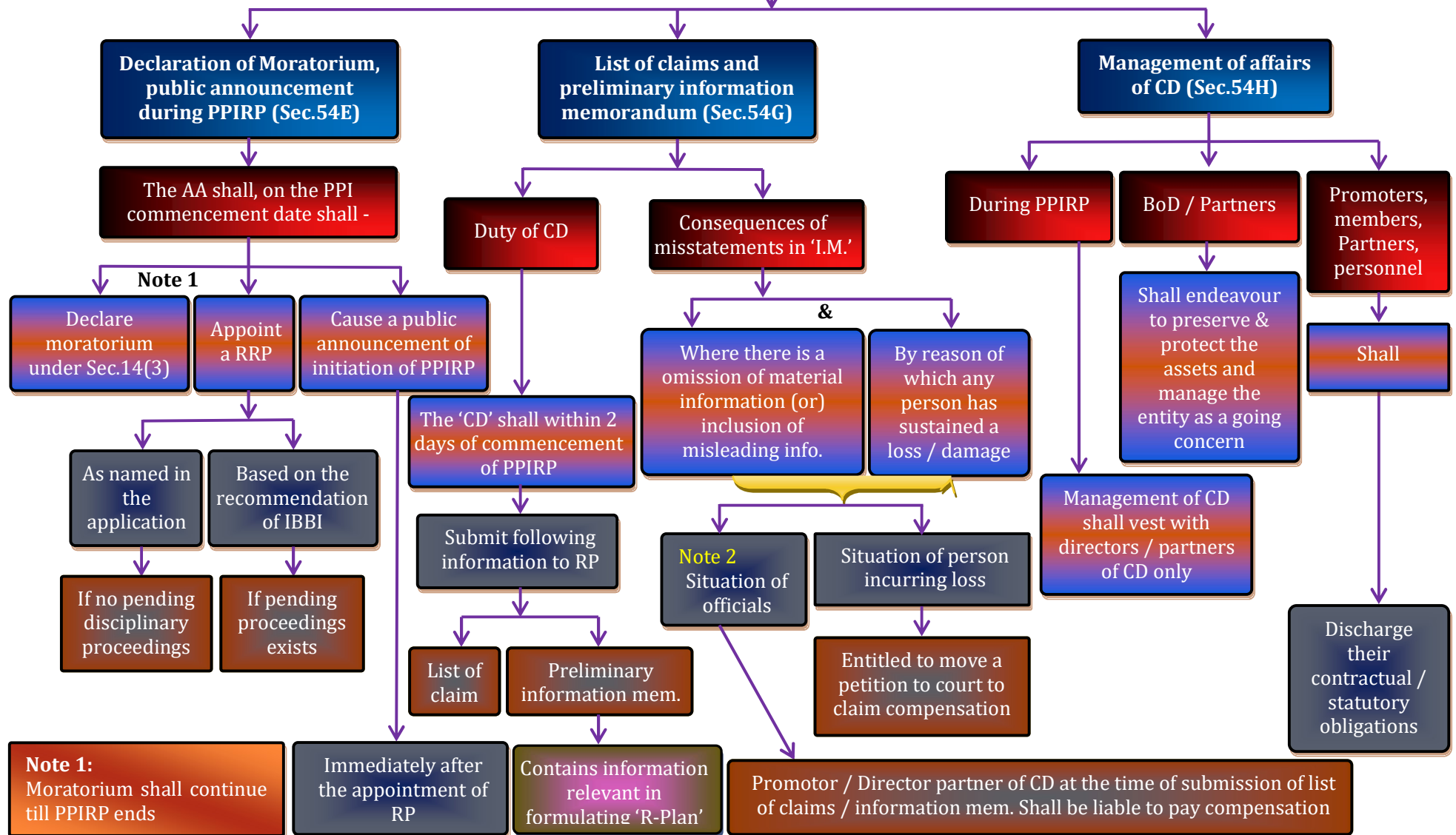


# PART - 2



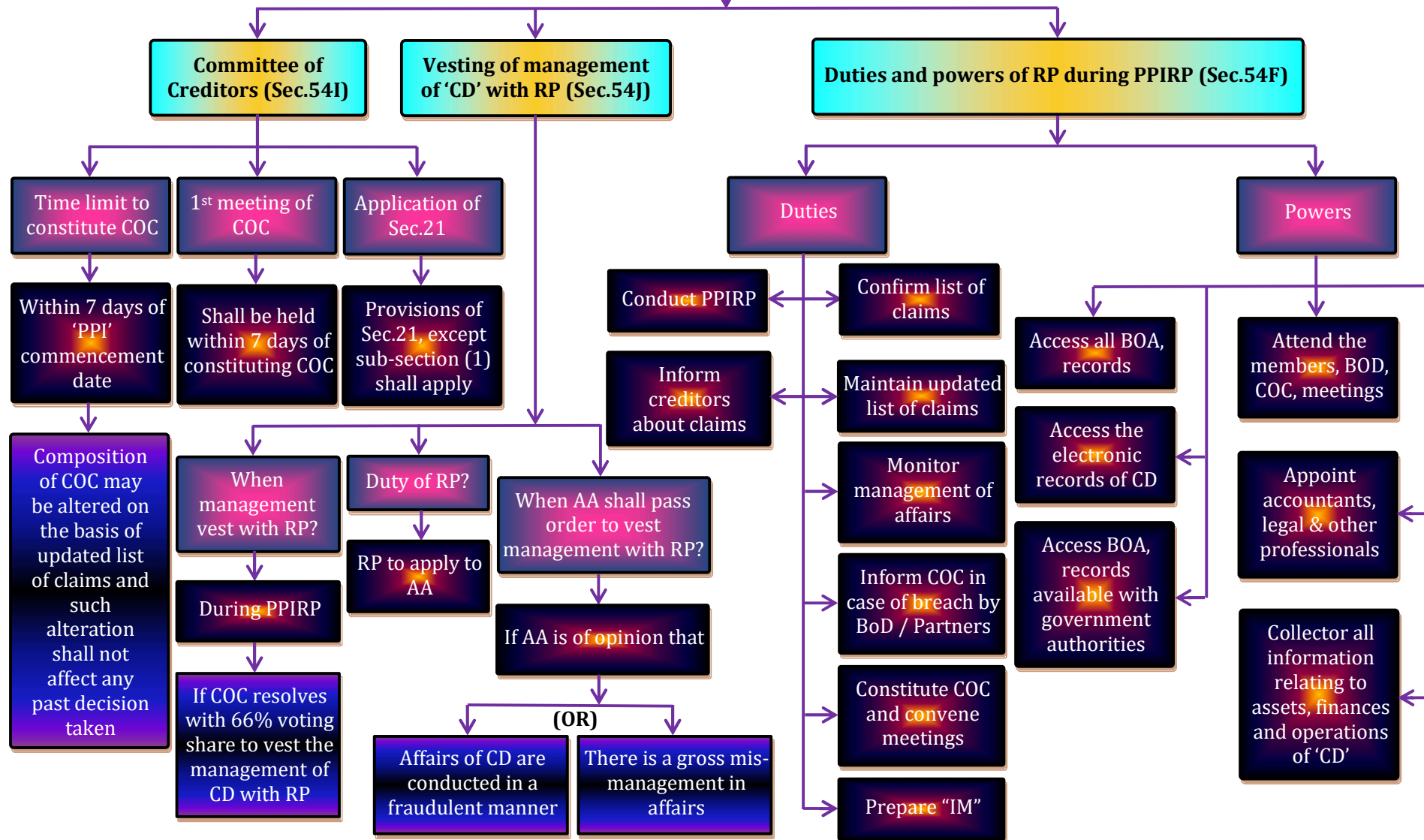
# PART - 3

**Note 2:**  
A person (official) shall not be liable, if information is submitted without his knowledge



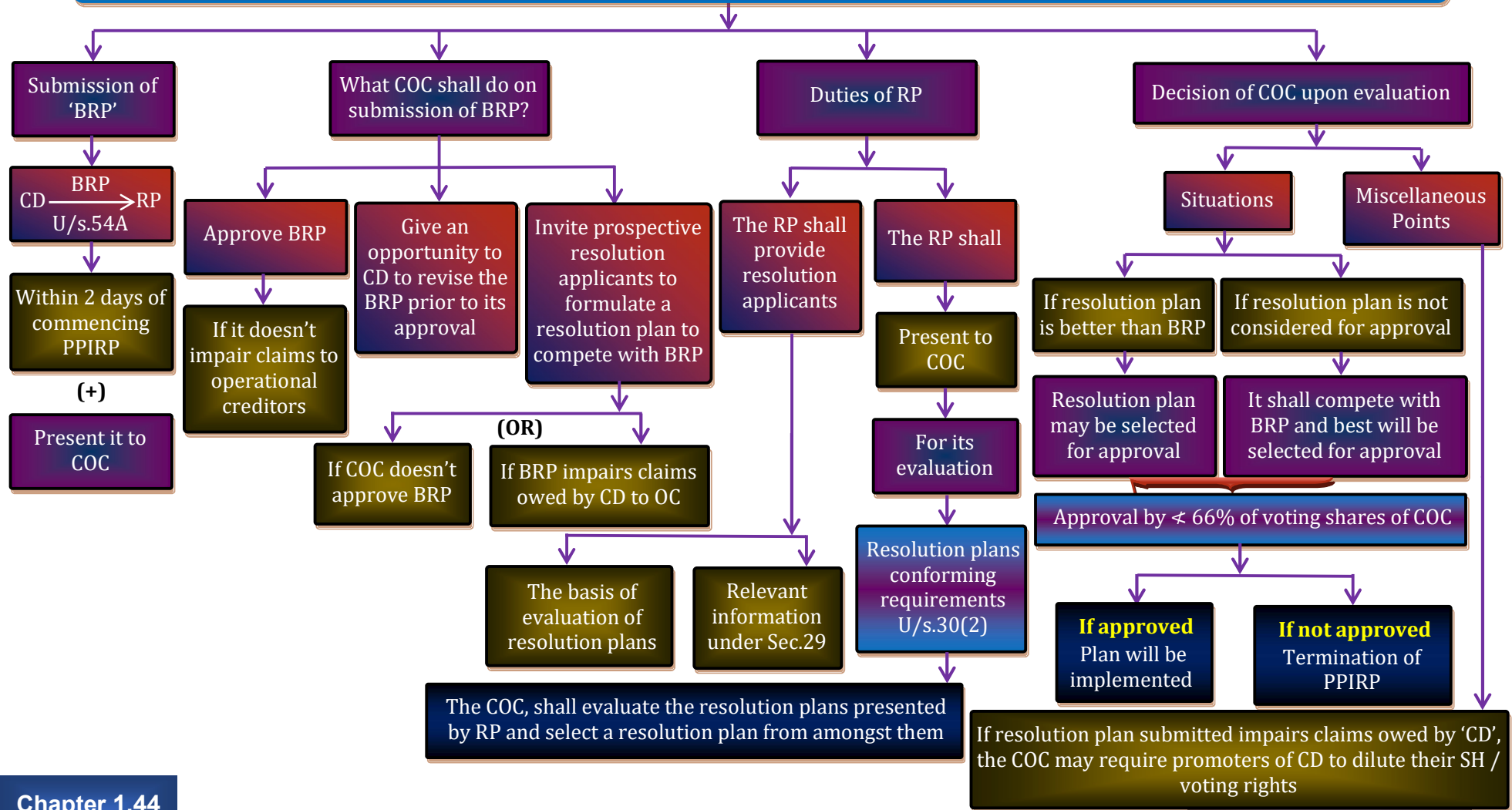
**Note 1:**  
Moratorium shall continue till PPIRP ends

# PART - 4

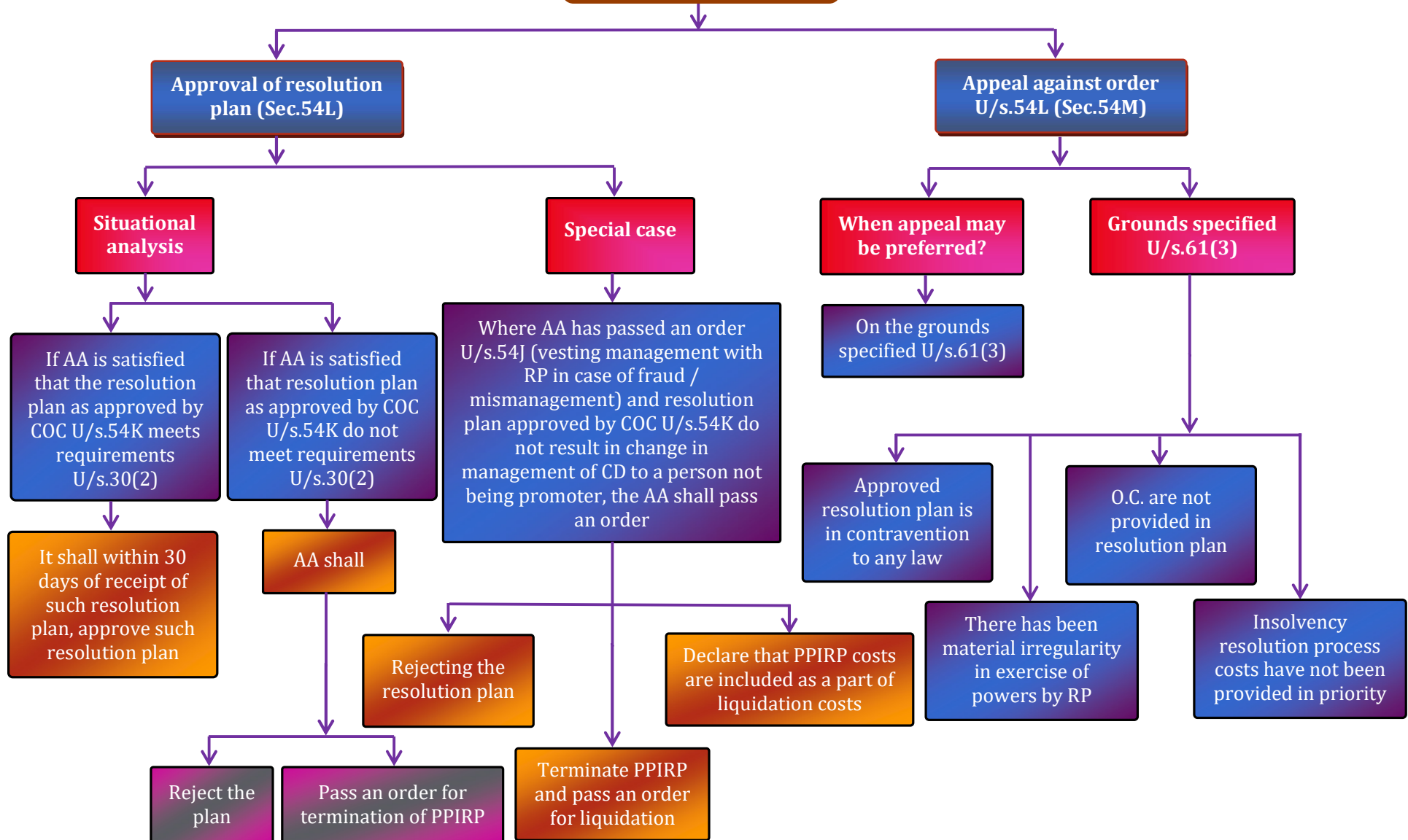


# PART - 5

## CORPORATE DEBTORS ELIGIBLE FOR PPIRP (SEC.54K)



# PART - 6



# PART - 7

