

IBBI IMPLEMENTS SEVERAL CHANGES IN EXTANT REGULATIONS

Liquidation Regulations

- **Final Report in case of Compromise and Arrangement (C&A) during liquidation:** Liquidator to also file final report and form H in case of approval of scheme of C&A u/r 2B of Liquidation Regulations.
- **LIQ** **Forms:**
 - i. 4 LIQ Forms notified u/r 47B (earlier notified by way of [circular](#))
 - ii. Penalty of Rs. 500 per month for each calendar month of delay or modification or inaccurate/incomplete filing
- **Auction Framework:**
 - 14 days timeline for submission of eligibility documents by prospective bidder and 7 days timeline for inspection or due diligence of assets under auction - **omitted.**
 - Now liquidator is required to give access of information of auction assets of CD to all the prospective bidders for conducting their due diligence.
 - Bidders to submit declaration of eligibility u/s 29A of IBC, 2016 at the time of expressing interest.
 - Liquidator to conduct due diligence of the Highest bidder within 3 days of auction, verify his eligibility, place the same before SCC and forfeit EMD, in case found ineligible.
 - Liquidator may declare next highest bidder as successful bidder in consultation with SCC.

- **Corporate Liquidation/ Voluntary Liquidation Account:** with a scheduled bank, operated and managed by IBBI directly, without opening an account with Public Accounts of India (PAI).
- Forms regarding details of stakeholders entitled to unclaimed dividends or proceeds amended to include **disclosure of tax deductions and reason of unclaim.**

Timelines for AFA under IBBI Model Bye-Laws Regulation, 2024

Provisions	Earlier	Current
Application for issue & renewal of AFA	not earlier than 45 days before expiry	not earlier than 90 days before expiry
Action by the agency	within 15 days	within 90 days of application.

Voluntary Liquidation Regulations

- **VL** **Forms:**
 - i. 4 VL Forms notified u/r 41A (earlier notified by way of [circular](#))
 - ii. Penalty of Rs. 500 per month for delay or modification or inaccurate/incomplete filing.
- **Regulation 33:** Liquidator to realize uncalled capital or unpaid capital contribution - **omitted.**

Timeline for Filing of Grievance/ Complaint

Provision	Earlier	Current
Filing of grievance/ complaint by any stakeholder	45 + 30 days from cause of action	45 + 30 days from closure of all proceeding s related to the process

Association of Whole-time member in DC with Investigation/ Inspection

Explanation to the definition of Disciplinary Committee under I&I Regulations-
"Explanation: It is hereby clarified that "associated" shall mean involvement in the conduct of investigation or inspection or consideration of the investigation or inspection report or issuance of show cause notice."

Vinod Kothari & Company
Kolkata|Mumbai|Delhi|Bengaluru
resolution@vinodkothari.com

Reach us here:    