

## Insolvency and Bankruptcy Board of India

19<sup>th</sup> November, 2024

### **Discussion Paper on amendments to Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.**

1. This discussion paper proposes various amendments to the liquidation process under the IBBI (Liquidation Process) Regulations, 2016 (Liquidation Regulations) and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017. **Part A** proposes changes in the liquidation regulations in relation to (a) Review of the auction Process (b) ensuring transparency in compromise or arrangement schemes by mandating liquidator for applying closure of the liquidation process to the Adjudicating Authority and (c) improving the management of unclaimed proceeds in the Corporate Liquidation account by (i) dispensing with the requirements of the Public Account of India and (ii) utilizing interest income for stakeholder awareness campaigns. **Part B** proposes changes in the voluntary liquidation regulations in relation to (a) uncalled capital or unpaid capital contribution and (b) improving the management of unclaimed proceeds in the Corporate Voluntary Liquidation account by (i) dispensing with the requirements of the Public Account of India, (ii) utilizing interest income for stakeholder awareness campaigns, and (iii) facilitating the claim withdrawal process.

#### **Part A: Liquidation Regulation**

##### **A. Review of Auction Framework**

2. Schedule I provides timelines for specific events during the auction process. Clause 1(1D) provides that the liquidator shall provide at least 14 days for submission of eligibility documents to prospective bidders. After declaring the qualified bidders, the liquidator shall provide at least 7 days to them for inspection of assets (as provided in Clause 1(1E)). Thus, the Liquidator is to conduct due diligence of all prospective bidders before they can participate in auction, which, inter alia, involves verification of KYC documents and compliance with section 29A of the Code.

3. Further, the liquidator declares the highest bidder in an auction as the successful bidder. However, the liquidator may reject the highest bid if it does not seem to maximize the realization, as per the conjoint reading of Clause 1(11) and 1(11A) of Schedule I. Clause 1(13) of Schedule I provides that on payment of full amount by the highest bidder, the sale of assets shall stand completed and the liquidator shall execute certificate of sale or sale deed to transfer such assets.

4. However, the existing provisions results in:

- i. Prospective bidders effectively get only 14 days for participation in auction.
- ii. Liquidators spend a significant amount of time in verifying/ inspecting the eligibility of all bidders.
- iii. Possibility of collusion between liquidator and bidders.

- iv. Exercise of discretion of a single person, i.e., liquidator in rejecting the highest bidder even when the bid is above the reserve price instead of the collective wisdom of stakeholders who are the real beneficiaries of proceeds of the process.

## **Proposal**

5. In order to address the above issues, it is proposed to allow the prospective bidders in the auction process on the basis of an affidavit/declaration of their eligibility under section 29A. In case the liquidator finds that a prospective bidder has submitted a wrong affidavit of being section 29A compliant, then apart from losing the right to participate in the auction, the EMD shall stand forfeited. The provision for forfeiture of EMD will act as a deterrent and ensure that only serious and eligible participants enter the bidding process. Further, since bidders, a priori, would be careful in submitting correct information, the possibility of forfeiture of EMD would be rare and as the liquidator will consult the SCC before effectuating the forfeiture, the possibility of misuse of this proposed provision will be insignificant. It is also proposed that in case the highest bid above the reserve price, is being rejected by the liquidator, for any reason, consultation with SCC shall be mandatory.

*Schedule I may be amended to provide that:*

*a) The auction notice shall provide that the prospective bidders shall undertake that they are eligible under section 29A of the IBC, 2016 to participate in the auction process. It shall also provide that in case the bidder at any stage during the process is found to be ineligible, his EMD shall stand forfeited by the liquidator.*

*b) To ensure confidentiality of the names of prospective bidders participating in the auction process, manner in which earnest money to be deposited by prospective bidder shall be notified through Circular by the Board.*

*c) The Liquidator shall within 3 days of declaration of H1 bidder conduct due diligence and verification of the eligibility of the bidder, who stood as the H1 (highest) bidder in the auction process.*

*d) The liquidator shall place before the SCC for its consideration under regulation 31A the result of the auction, the details of the highest bidder, due diligence conducted by him on its eligibility and the result of such due diligence. In case the highest bid above reserve price is not acceptable for any reason to the liquidator, the consultation with SCC shall be mandatory.*

## **B. Compromise or arrangement**

6. Regulation 2B of the IBBI (Liquidation Process) Regulations, 2016 provides that where a compromise or arrangement is proposed under section 230 of the Companies Act, 2013 it shall be completed within ninety days of the order of liquidation under section 33.

7. Regulation 45 provides that “*the liquidator shall submit an application along with the final report and the compliance certificate in form H to the Adjudicating Authority for – (a) closure of the liquidation process of the corporate debtor where the corporate debtor is sold as a going concern; or (b) for the dissolution of the corporate debtor, in cases not covered under clause (a).*”

### **Problem Statement:**

8. At present, the liquidator seeks to close the liquidation process by submitting the final report and compliance certificate to the AA in cases where the corporate debtor is sold as a going concern. However, there is no specific provision for this procedure in instances of an approved scheme of compromise and arrangement, even though it is similar to a going concern sale. Due to the lack of explicit provision for closing the liquidation process in such cases, it has been observed that liquidators are not submitting the closure application to the AA.

### **Proposal**

9. To address this issue, it is proposed that the liquidator be required to file the final report along with Form H whenever an application for approval of a scheme under section 230 of the Companies Act, 2013 is submitted. This will enhance oversight, transparency, and accountability in the liquidation process. Implementing this measure will improve the regulatory framework and ensure that all stakeholders are adequately informed.

***Amendment: Regulation 45 may be amended to provide that the liquidator shall file the final report along with Form H wherever an application for approval of scheme of compromise or arrangement has been filed under section 230 of the Companies Act, 2013.***

### **C. Corporate Liquidation Account**

10. The completion of the liquidation process requires that all the proceeds be distributed to the stakeholders. However, in several cases, the liquidators are left with the proceeds as they are unable to distribute them to some of the stakeholders due to the unavailability of requisite details of such stakeholders. As the process cannot be closed without the distribution of proceeds to all the concerned stakeholders, the liquidation gets delayed. To facilitate the closure of the liquidation process in such cases, the Board opened a corporate liquidation account to deposit such undistributed amounts. In the event the stakeholders are not traceable or available at the time of distribution, the liquidator deposits the amount into the corporate liquidation account and gives the list of such stakeholders and the details of the amount due to them to IBBI. Thereafter, the liquidator can file the application before the Adjudicating Authority for dissolution of the CD or closure of the liquidation process.

11. Regulation 46 of the liquidation regulations provides for a Corporate Liquidation Account. Sub-regulation (1) of Regulation 46 of the liquidation regulations provides that, *“The Board shall operate and maintain an Account to be called the Corporate Liquidation Account in the Public Accounts of India: Provided that until the Corporate Liquidation Account is operated as part of the Public Accounts of India, the Board shall open a separate bank account with a scheduled bank for the purposes of this regulation.”* Further, sub-regulation (13) provides that *“Any amount deposited into the Corporate Liquidation Account in pursuance of this regulation, which remains unclaimed or undistributed for a period of fifteen years from the date of order of dissolution of the corporate debtor and any amount of income or interest received or earned in the Corporate Liquidation Account shall be transferred to the Consolidated Fund of India.”*

12. Regulation 46 mandate the establishment of a Corporate Liquidation Account within the Public Accounts of India. It further provides that until the Corporate Liquidation Account is operated as part of the Public Accounts of India, the Board shall open a separate bank account with a scheduled bank. In this regard, the Board has been operating the Corporate Liquidation Account since January 2020 with a scheduled commercial bank.

13. The IBBI is managing these funds and is actively processing claims from stakeholders for withdrawals from the Corporate Liquidation Account. Further, the IBBI also maintains a corporate debtor-wise ledger of the amount deposited into and the amount withdrawn from the Corporate Liquidation Account under this regulation. The Executive Director of the Liquidation division acts as the custodian of the Corporate Liquidation Account and no proceeds are withdrawn without his approval. Further, the books and accounts related to the corporate liquidation account are audited quarterly by an internal committee of the IBBI.

**Problem Statement:**

14. It may be noted that the IBBI has been effectively managing the funds through separate bank accounts in a scheduled bank as an interim measure, and the corporate liquidation account in Public Accounts of India has not been operationalized yet. The IBBI constituted a committee vide office order dated 07.12.2023 to expedite the operationalization of mechanisms to enable deposits and withdrawals of unclaimed dividends or undistributed proceeds of liquidation in the Public Account of India. The committee has submitted in its report that, *“In case of operationalisation of accounts in the Public Accounts of India, it is understood that the workflow would remain almost same, i.e., the Liquidation Division would verify the claim and after verification, the payment request would be sent to the Finance & Accounts Division, who would then forward the request to the PAO for release of funds. The Committee is of the view that routing deposits/payments through PAO will have an effect of adding an extra hierarchical layer to the existing mechanism, which may result in additional time for processing the payment to the rightful claimants.”* The committee has recommended, *“to consider alternative arrangements (including the existing mechanism) for unclaimed proceeds which shall ensure 'Ease of Deposits, Withdrawals and Operations' of these accounts.”*

**Proposal:**

15. In this regard, it is proposed that the IBBI may be allowed to operate and manage the Corporate Liquidation Account permanently, and the requirement of having the Corporate Liquidation Account within the Public Accounts of India (PAI) may be dispensed with. Direct management by the IBBI is expected to expedite claim processing and improve overall fund management. This arrangement would lead to more streamlined processes and quicker response times to stakeholder needs. Further, the IBBI may also use the interest income to create awareness among stakeholders about the unclaimed proceeds and the process for claiming them.

***Amendment: Regulation 46 of the liquidation regulations may be amended.***

**Economic Analysis**

16. The proposed amendments to the IBBI (Liquidation Process) Regulations, 2016, aim to streamline the liquidation process under the Insolvency and Bankruptcy Code (IBC) by addressing the timely appointment of liquidators and enhancing the management of the Corporate Liquidation Account. By mandating prompt actions in cases where a liquidator is not appointed or in the event of a liquidator's demise, the proposal seeks to reduce delays and ensure an uninterrupted liquidation process. Additionally, allowing the IBBI to directly manage the Corporate Liquidation Account and use interest income to increase stakeholder awareness will improve fund management efficiency and transparency. These measures are expected to enhance overall process efficiency, increase stakeholder confidence, and lead to better financial outcomes for all parties involved.

## **Part B: Voluntary Liquidation Regulation**

### **A: Uncalled Capital or Unpaid Capital Contribution**

17. Regulation 33 of the Voluntary Liquidation Regulations provides that the Liquidator realize uncalled capital or unpaid capital contribution. It stated that:

*“(1) The liquidator shall realize any amount due from any contributory to the corporate person. (2) Notwithstanding any charge or encumbrance on the uncalled capital of the corporate person, the liquidator shall be entitled to call and realize the uncalled capital of the corporate person and to collect the arrears if any due on calls made prior to the liquidation commencement date, by providing a notice to the contributory to make the payments within fifteen days from the receipt of the notice, but shall hold all moneys so realized subject to the rights, if any, of the holder of any such charge or encumbrance.*

*(3) No distribution shall be made to a contributory, unless he makes his contribution to the uncalled or unpaid capital as required in the constitutional documents of the corporate person.”*

#### **Statement of Problem:**

18. Section 59(1) provides that, *“A corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate voluntary liquidation proceedings under the provisions of this Chapter.”* The provisions related to voluntary liquidation provide that the process can only be initiated when the company's assets exceed its liabilities, and there is no default. This criterion ensures that only solvent companies—those that can pay off their debts—are eligible for voluntary liquidation. The rationale behind this is to prevent insolvent companies from abusing the voluntary liquidation process to avoid paying off their creditors.

19. Further, it is provided that the company owes any debt to any person, creditors representing two-thirds in value of the debt of the company shall approve the resolution passed for initiation of voluntary liquidation process. This provision protects creditors' interests by ensuring that they have a significant say in the decision to liquidate the company. It prevents the management and shareholders from unilaterally deciding to liquidate the company, which could potentially harm the creditors' ability to recover their dues.

20. In the matter of M/s Greensill India Finance Private Limited, the Adjudicating Authority vide order dated 11.06.2024 held that, “*A plain reading of Regulation 33 makes it clear that the liquidator must realize uncalled capital or unpaid capital contributions before making distribution to the contributories. A corporate person is allowed to voluntarily wrap up its affairs and dismantle the corporate structure in an orderly manner provided it meets the conditions specified in Section 59 of the Code and complies with the procedural requirements specified in Voluntary Liquidation Regulations. Realizing the dues from the contributories to the corporate person is a mandatory requirement under Regulation 33 of the Voluntary Liquidation Regulations and no contribution can be made to a contributory unless he makes his contribution to the uncalled or unpaid capital as required in the constitutional documents of the corporate person. In the present case, it is observed that the subscribers have not brought in their committed contribution and thus do not meet the procedural requirements for voluntary liquidation.*”

**Proposal:**

21. In view of the above, the regulation may be amended to allow the voluntary liquidation process to be completed even if there is still some uncalled capital. The current regulation already protects the rights of secured creditors by stating that any uncalled capital realized by the liquidator is subject to the rights of holders of charges or encumbrances. This means that even if there is uncalled capital, creditors with legal claims on the company’s assets are prioritized and their interests are protected before any distribution to shareholders. The requirement that two-thirds of the creditors must consent to the initiation of the voluntary liquidation process ensures that creditors are actively involved in the decision-making process. This consent requirement provides a safeguard that their interests will be considered before liquidation proceeds. By permitting the liquidation process to be completed even with some uncalled capital, the amendment would prevent unnecessary delays in the liquidation process.

***Amendment: Regulation 33 is to be amended to provide for completion of process even if there is uncalled capital.***

**B. Corporate Voluntary Liquidation Account**

22. The completion of the voluntary liquidation process requires that all the proceeds be distributed to the stakeholders. However, in several cases, the liquidators are left with the proceeds as they are unable to distribute it to some of stakeholders due to unavailability of requisite details of such stakeholders. As the process cannot be closed without the distribution of proceeds to all the concerned stakeholders, the voluntary liquidation gets delayed. To facilitate the closure of the liquidation process in such cases, the Board opened a corporate voluntary liquidation account to deposit such undistributed amounts. In the event the stakeholders are not traceable or available at the time of distribution, the liquidator deposits the amount into the corporate voluntary liquidation Account and gives the list of such stakeholders and the details of the amount due to them to IBBI. Thereafter, the liquidator can file the application before the Adjudicating Authority for dissolution of the corporate person.

23. Regulation 39 of the voluntary liquidation regulations provides for a Corporate Voluntary Liquidation Account. Sub-regulation (1) of Regulation 39 of the voluntary liquidation

regulations provides that, *“The Board shall operate and maintain an Account to be called the Corporate Voluntary Liquidation Account in the Public Accounts of India: Provided that until the Corporate Voluntary Liquidation Account is operated as part of the Public Accounts of India, the Board shall open a separate bank account with a scheduled bank for the purposes of this regulation.”* Further, sub-regulation (13) provides that *“Any amount deposited into the Corporate Voluntary Liquidation Account in pursuance of this regulation, which remains unclaimed or undistributed for a period of fifteen years from the date of order of dissolution of the corporate debtor and any amount of income or interest received or earned in the Corporate Liquidation Account shall be transferred to the Consolidated Fund of India.”*

24. Regulation 39 mandate the establishment of a Corporate Voluntary Liquidation Account within the Public Accounts of India. It further provides that until the Corporate Voluntary Liquidation Account is operated as part of the Public Accounts of India, the Board shall open a separate bank account with a scheduled bank. In this regard, the Board has been operating the Corporate Voluntary Liquidation Account since January 2020 with a scheduled commercial bank.

25. The IBBI is managing these funds and is actively processing claims from stakeholders for withdrawals from the Corporate Voluntary Liquidation Account. Further, the IBBI also maintains a corporate debtor-wise ledger of the amount deposited into and the amount withdrawn from the Corporate Voluntary Liquidation Account under this regulation. The Executive Director of the Liquidation division acts as the custodian of the Corporate Voluntary Liquidation Account and no proceeds are withdrawn without his approval. Further, the books and accounts related to the corporate voluntary liquidation account are audited quarterly by an internal committee of the IBBI.

### **Problem Statement:**

26. It may be noted that the IBBI has been effectively managing the funds through separate bank accounts in a scheduled bank as an interim measure, and the corporate voluntary liquidation account in Public Accounts of India has not been operationalized yet. The IBBI constituted a committee vide office order dated 07.12.2023 to expedite the operationalization of mechanisms to enable deposits and withdrawals of unclaimed dividends or undistributed proceeds of liquidation and voluntary liquidation in the Public Account of India. The committee has submitted in its report that, *“In case of operationalisation of accounts in the Public Accounts of India, it is understood that the workflow would remain almost same, i.e., the Liquidation Division would verify the claim and after verification, the payment request would be sent to the Finance & Accounts Division, who would then forward the request to the PAO for release of funds. The Committee is of the view that routing deposits/payments through PAO will have an effect of adding an extra hierarchical layer to the existing mechanism, which may result in additional time for processing the payment to the rightful claimants.”* The committee has recommended, *“to consider alternative arrangements (including the existing mechanism) for unclaimed proceeds which shall ensure 'Ease of Deposits, Withdrawals and Operations' of these accounts.”*

27. Furthermore, during a recent audit, the Comptroller and Auditor General (CAG) put forth a suggestion regarding the utilization of interest income generated from these accounts. The

CAG proposed that this income could be allocated towards operational expenses and the creation of media campaigns.

**Proposal:**

28. In this regard, it is proposed that the IBBI may be allowed to operate and manage the Corporate Voluntary Liquidation Account permanently, and the requirement of having the Corporate Liquidation Account within the Public Accounts of India (PAI) may be dispensed with. Direct management by the IBBI is expected to expedite claim processing and improve overall fund management. This arrangement would lead to more streamlined processes and quicker response times to stakeholder needs. Further, the IBBI may also use the interest income to create awareness among stakeholders about the unclaimed proceeds and the process for claiming them.

*Amendment: Regulation 39 of the voluntary liquidation regulations may be amended.*

**Economic Analysis**

29. The proposed amendments to the IBBI (Voluntary Liquidation Process) Regulations, 2016, aim to streamline the voluntary liquidation process by addressing the expeditious completion of the voluntary liquidation process and enhancing the management of the Corporate Voluntary Liquidation Account.

**Amendment Regulations**

30. A draft of the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2024 (Annexure) and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2024 (Annexure) are enclosed.

**Public Comments**

31. The Board accordingly solicits comments on the five (5) proposals discussed above, along with the draft Insolvency and Bankruptcy Board of India (Liquidation Process) (Amendment) Regulations, 2024 and Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2024. This is issued in pursuance of Regulation 4 of the Insolvency and Bankruptcy Board of India (Mechanism for Issuing Regulations) Regulations, 2018. Comments may be submitted electronically by 09<sup>th</sup> December 2024. For providing comments, please follow the process as under:

- (i) Visit IBBI website, [www.ibbi.gov.in](http://www.ibbi.gov.in);
- (ii) Select 'Public Comments'; and then select 'Discussion paper – Liquidation and VL Process November, 2024';
- (iii) Provide your Name, and Email ID;
- (iv) Select the stakeholder category, namely, -
  - a) Corporate Debtor;



b) Personal Guarantor to a Corporate Debtor;

c) Proprietorship firm;

d) Partnership firm;

e) Creditor to a Corporate Debtor;

f) Insolvency Professional;

g) Insolvency Professional Agency;

h) Insolvency Professional Entity;

i) Academics;

j) Investor; or

k) Others.

(v) Select the kind of comments you wish to make, namely,

a) General Comments; or

b) Specific Comments.

(vi) If you have selected 'General Comments', please select one of the following options:

a) Inconsistency, if any, between the provisions within the regulations (intra regulations);

b) Inconsistency, if any, between the provisions in different regulations (inter regulations);

c) Inconsistency, if any, between the provisions in the regulations with those in the rules;

d) Inconsistency, if any, between the provisions in the regulations with those in the Code;

e) Inconsistency, if any, between the provisions in the regulations with those in any other law;

f) Any difficulty in implementation of any of the provisions in the regulations; and

g) Any provision that should have been provided in the regulations, but has not been provided; or

h) Any provision that has been provided in the regulations but should not have been provided.

And then write comments under the selected option.

(vii) If you have selected 'Specific Comments', please select para/regulation number and then sub-para/sub-regulation number and write comments under the selected para/sub-para or regulation/sub-regulation number.

(viii) You can make comments on more than one para/sub-para or regulation / sub-regulation number, by clicking on More Comments and repeating the process outlined above from point 31(v) onwards.

(ix) Click 'Submit', if you have no more comments to make.

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**THE GAZETTE OF INDIA  
EXTRAORDINARY  
PART III, SECTION 4  
PUBLISHED BY AUTHORITY  
NEW DELHI, .....DAY, AUGUST xx, 2024**

**INSOLVENCY AND BANKRUPTCY BOARD OF INDIA**

**NOTIFICATION**

**New Delhi, the \_\_\_\_ November , 2024**

**Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2024**

**No. IBBI/2023-24/GN/REG112.-** In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, namely: -

1.(1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2024.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 (hereinafter referred to as 'the principal regulations'), in regulation 45, in sub-regulation (3), after clause (b), the following clause shall be inserted, namely:-

“(c) closure of the liquidation process wherever an application for the scheme of compromise or arrangement has been approved under section 230 of the Companies Act, 2013.

3. In the principal regulations, in regulation 46,

(i) the sub-regulation (1) shall be substituted as follows:

“(1) The Board shall operate and maintain an Account to be called the Corporate Liquidation Account with Scheduled bank”

(ii) after sub-regulation (8), the following sub-regulation shall be inserted, namely:-

(8A) The Board may utilise the interest income on the deposit made into the corporate liquidation account to create awareness among stakeholders about the unclaimed proceeds and the process for claiming them.

4. In the principal regulations, in Schedule I, in para (1),

(i) Clause (1D) shall be omitted.

(ii) for Clause (1E), the following clause shall be substituted, namely:-

“(1E) The liquidator shall provide to the prospective bidder, access of the assets under auction for a period of at least 7 days before the date of auction, to facilitate their inspection and due diligence.”

(iii) after clause (5), the following clause shall be inserted, namely:- “(5A) The auction notice shall mandatorily state that prospective bidders shall confirm their eligibility under section 29A of the Code to participate in the auction process.”

(iv) after clause (12), the following clauses shall be inserted, namely:-

“(12A) Within three days of declaring the highest bidder, the Liquidator shall conduct due diligence and verify the eligibility of the highest bidder.

(12B) The liquidator shall present the auction results, details of highest bidder, and the due diligence conducted on it to the consultation committee under regulation 31A.

(12C) The liquidator shall declare the highest bidder as the successful bidder or reject such bid after consultation with the consultation committee under regulation 31A.

(12D) In case of rejection of highest bid, he shall intimate the reasons for such rejection to the highest bidder and mention it in the next progress report.

(12E) If a bidder is found ineligible, the earnest money deposited by him shall be forfeited.”

RAVI MITAL, Chairperson

[ADVT .....]

**Note:** The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 were published vide notification No. IBBI/2016-17/GN/REG005 dated 15<sup>th</sup> December, 2016 in the Gazette of India, Extraordinary, Part III, Section 4, *vide* No. 460 on 15<sup>th</sup> December, 2016 and were last amended by Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2022 *vide* notification No. IBBI/2022-23/GN/REG094 dated the 16<sup>th</sup> September, 2022 in the Gazette of India, Extraordinary, Part III, Section 4, *vide* No. 456 on 16<sup>th</sup> September, 2022.

**THE GAZETTE OF INDIA**  
**EXTRAORDINARY**  
**PART III, SECTION 4**  
**PUBLISHED BY AUTHORITY**  
**NEW DELHI, .....DAY, AUGUST xx, 2024**

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

**New Delhi, the \_\_\_\_ November, 2024**

**Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2024**

**No. IBBI/2023-24/GN/REG112.-** In exercise of the powers conferred by clause (t) of sub-section (1) of section 196 read with section 240 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Insolvency and Bankruptcy Board of India hereby makes the following regulations to further amend the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017, namely: -

1.(1) These Regulations may be called the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) (Amendment) Regulations, 2024.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017 (hereinafter referred to as 'the principal regulations'), in regulation 33, sub-regulation (1) and sub-regulation (3) shall be omitted.

3. In principal regulations, in regulation 39,

(i) the sub-regulation (1) shall be substituted as follows:

“(1) The Board shall operate and maintain an Account to be called the Corporate Liquidation Account”

(ii) after sub-regulation (8), the following sub-regulation shall be inserted, namely:-

(8A) The Board may utilise the interest income on the deposit made into the corporate liquidation account to create awareness among stakeholders about the unclaimed proceeds and the process for claiming them.”

RAVI MITAL, Chairperson

[ADVT .....]

Note: The Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 were published vide notification No. IBBI/2016-17/GN/REG005 dated 15<sup>th</sup> December, 2016 in the Gazette of India, Extraordinary, Part III, Section 4, *vide* No. 460 on 15<sup>th</sup> December, 2016 and were last amended by Insolvency and Bankruptcy Board of India (Liquidation Process) (Second Amendment) Regulations, 2022 *vide* notification No. IBBI/2022-23/GN/REG094 dated the 16<sup>th</sup> September, 2022 in the Gazette of India, Extraordinary, Part III, Section 4, *vide* No. 456 on 16<sup>th</sup> September, 2022.