

## Discussion paper on changes in the corporate insolvency resolution process to reduce delays and improve the resolution value

27<sup>th</sup> June, 2022

### 1. Change in timelines for activities under CIRP

Regulation 40A of the CIRP Regulations provides the timelines for activities in a CIRP. At present, timelines are seemingly presented in a linear manner creating a false impression that the activities are to be performed in a sequential manner. However, on the basis of finer analysis, various activities can be sub-divided into the following broad categories and number of such activities can be done in parallel:

- A. Claims related activities (like claim filing and collation, formation of CoC etc.)
- B. Assets related activities (like appointment of valuers, getting valuation determined)
- C. Activities related to identifying prospective resolution applicants (RAs) (Invitation and submission of EOI, finalization of list of RAs after dealing with objections to preliminary list)
- D. Activities related to avoidance transactions (forming opinion, determination and filing of application before AA)
- E. Activities requiring information collection (Preparation of IM, Issue of RFRP, IM, receipt and examination of resolution plans)

After analysis of the existing timeline and practices in the market the following changes are proposed.

**i) Change to EoI timeline:** On analysis, it became apparent that for inviting expression of Interest from the prospective resolution applicants, information memorandum per se is not required as at this stage only basic information of the corporate debtor is required to be given while inviting EOI etc. Information memorandum is required at the time of issue of request for resolution plan. So, activity of invitation of EOI can be started much earlier. If this process of identifying the potential resolution applicants is started earlier, there will be enough time for another iteration of the process if sufficient number of resolution applicants are not identified in the first iteration.

**ii) Change to IM timeline:** On the other hand, less time is available for preparation of IM, a critical document which is the basis on which resolution applicants propose resolution plans. It is observed that the RPs are not able to prepare and submit the IM to the CoC members within the currently prescribed 54 days from ICD due to reasons such as lack of information, incomplete books of accounts, non-cooperation from promoters. The accuracy and completeness of the information gathered has a bearing on the valuation of the assets of the CD as the valuers require information relating to the invoice value, date of purchase, condition of assets, depreciation value etc. Such information is also required for forming any opinion on avoidance transactions and sharing it with transaction auditor for getting audit report. Hence, it is proposed to increase the timeline for preparation of IM so that sufficient time is available to the RP within the overall timeline.

**iii) Change in timeline for avoidance transaction related matters:** The present timeline of filing avoidance application is T+135 which coincides the timeline for submission of resolution plan. Amount to be recovered from the avoidance transactions application etc. are also assets of the CD and may fetch value in the resolution plan. It is therefore, proposed to decrease the time for filing of avoidance application to T+130 so that the resolution applicant can be provided with a copy of the same so that these assets are also considered while submitting the resolution plan.

**The proposed amendment to CIRP Regulation 40A is given in Annexure 1.**

## **2. Marketing of assets by the resolution professional**

Maximising the value of CD under CIRP can happen only when there are multiple competing resolution plans and a price discovery takes place through competitive bidding among prospective resolution applicants. The information of the asset being available in the market needs to be disseminated to a wider audience and targeted outreach to potential resolution applicants, in order to improve interest and encourage participation. It is seen that the market practice in large CIRPs, is that professional services are hired for the marketing of assets, however the same is not done in all CIRPs. Concerns also arise on the relative cost of using the services of professionals against the benefits it fetches in terms of value maximisation. The cost of appointing professionals for this purpose may be prohibitory in smaller CDs and may not be required in certain CDs. However, it should be the informed decision of the RP and CoC to determine a plan for marketing of assets, the need using professional assistance and the associated costs.

*Proposal: At the stage when the EoI is being finalised and issued, the RP shall prepare a plan / strategy for the marketing of the assets of the CD, in CDs where the total claims exceed Rs. 100 crore. Such a plan may include the details of the advertising platforms proposed to be used, the other platforms/forums in which the EoI can be shared, the need for professional services for this purpose, the costs involved in these efforts etc. The plan shall be finalised by RP in consultation with the CoC. RPs will publish EoI of CDs on various public platforms so that it is visible to many participants. Additionally, CoC member banks may also market the request for resolution plan among their borrowers so that a better market price discovery takes place.*

*Proposed amendment:*

### **36C Strategy for marketing of assets of the corporate debtor**

- (1) The resolution professional shall prepare a strategy for marketing of the assets of the corporate debtor, where the total claims exceed Rs.100 crore. Such strategy shall consist the measures that would be taken and the cost involved in implementation and shall be prepared in consultation with the committee.*
- (2) The creditors may propose and include measures that they would take in the marketing of assets of the corporate debtor as part of the strategy.*

## **3. Efforts for resolution of functional / operating parts of the CD**

It is observed that there are CDs that have both functional and non-functional assets or assets across varied locations or in different businesses in the country. In such cases, the PRAs who are interested in the functional asset or the asset in one location/ business is not interested in the others. It is also seen that the additional investment demand on the PRA for the non-functional asset or the assets in other locations/ businesses becomes too high and hence the PRA is not willing to put in a resolution plan. In such cases the CD proceeds towards liquidation where the realisation is far less than what is expected in the CIRP.

The Standing Committee on Finance in its 32<sup>nd</sup> report has also observed (para 7) that bidders may be interested in selected business units or assets, rather than the entire business. A combination of bidders taking different business units or assets may well be far superior to one bidder acquiring the entire business. However, there seems to be very little effort in this direction and CDs are pushed into liquidation.

Regulation 37 of CIRP Regulation allows transfer of all or part of the assets of the CD to one or more persons. It also allows sale of all or part of assets whether subject to any security interests or not. Regulation 37 of CIRP Regulation also allows restructuring of the corporate debtor, by way of merger, amalgamation and demerger. During liquidation, assets are being sold in various parts but not in CIRP stage. However, in sale during the liquidation stage, there is substantial loss in value. However, concern that the liabilities of the CD may all be transferred to certain assets/ units while certain assets are kept unencumbered by design and are taken over by a targeted resolution plan will be required to be addressed.

***Proposal: Since the CIRP Regulations provides for re-issue of RFRP, the RP and CoC would be enabled to explore resolutions of part assets/ businesses by allowing submission of different resolution plans for these part assets/ businesses, while a revised RFRP is issued. The evaluation matrix can be amended accordingly. Such determination can be made when there was interest expressed by PRAs at the EoI stage but there have been no resolution plans received after the time for submission of resolution plans has lapsed.***

***Proposed amendment:***

*37A Resolution of assets of the corporate debtor*

- (1) The resolution professional and the creditor may in cases where there were prospective resolution applicants expressing interest in the corporate debtor but no resolution plan was received after the time for submission of resolution plan has lapsed explore to resolve part of the assets of the corporate debtor.*
- (2) A resolution under this regulation shall be enabled by modification of the request for resolution plan issued as provided in regulation 36B.*

#### **4. Guiding factors for the CoC to decide on early liquidation**

There are several CIRPs in which the CD is defunct and has no assets or insignificant assets, in the extreme cases there is no office or premises, and the CD exists only on paper. In such cases the RP and the creditors have no option but to liquidate the CD. However, in most cases the RP attempts a resolution before filing for liquidation orders. This forces the conduct of the CIRP where the chances of resolution do not exist and imposes a cost on the creditors in paying to the RP and other process costs. It also delays the liquidation process and leads to loss of value of the assets of the CD. In order to avoid such situations and to enable the CoC to arrive at an early decision, certain guiding parameters can be laid out.

***Proposal: The CoC may take into consideration certain factors in deciding on liquidation during the early stages of CIRP, such as the CD being de-funct or non-operational for 3-5 years, product/service offered is obsolete, the technology employed is obsolete, lack of intangible assets like brand value, intellectual property, accumulated losses/depreciation, investments that are yet to mature etc. Other factors may also be included. A deliberation on these factors may form part of the recommendation of liquidation made to the AA.***

***Proposed amendment:***

*40D Decision for liquidation*

- (1) The committee while considering the liquidation of the corporate debtor may consider factors such as non-operational status for preceding 3 years, goods produced or service offered being obsolete, the technology employed being obsolete, lack of intangible assets like brand value, intellectual property, accumulated losses/depreciation, investments that are yet to mature that reflect the viability of the corporate debtor.*
- (2) Such consideration may be recorded and submitted in the application for liquidation order submitted by the resolution professional to the Adjudicating Authority.*

**5. Exploring compromise arrangement after CoC approves liquidation**

On initiation of the liquidation process, the Liquidator first attempts to workout a compromise arrangement under section 230 of the Companies Act 2013. For this a period of 90 days from commencement of liquidation is prescribed, which is now proposed to be reduced to 30 days. Once the CoC decides to liquidate the CD and the RP files an application, the approval of AA is required for liquidation. During this period the CIRP is in limbo and the value of assets continues to erode. The assets go out of the market and are brought only once liquidation starts. In order to make efficient use of the time and to keep the assets in the market, it is envisaged that if CoC and RP decide to explore the option of compromise or arrangement, this intervening period should be used for exploring this option. In the event, a compromise or arrangement is worked out, the liquidator can on passing of the order immediately file for compromise or arrangement.

***Proposal: The RP and CoC should begin exploring the option for compromise or arrangement during the period it awaits the AA's approval for liquidation order. If a compromise arrangement is reached before the order is passed, the RP / CoC can file an application seeking approval for the arrangement in place of the liquidation order.***

***Proposed amendment:***

***Regulation 39CA. Assessment of compromise or arrangement***

- (1) Where the committee has decided to liquidate the corporate debtor under Section 33 and the application is pending before the Adjudicating Authority for approval, the committee may recommend that the liquidator may explore proposal of compromise or arrangement under Section 230 of the Companies Act, 2013 (18 of 2013).*
- (2) The resolution professional shall submit the recommendation of the committee under sub-regulation (1) to the Adjudicating Authority while filing the decision of the committee under Section 33.*

Subsequent changes in Liquidation regulations to be put by Liquidation Division regarding the same.

**6. Contents of Information Memorandum (IM)**

Section 29 (2) of the Code provides for the preparation of IM by the RP and explanation to section 29 provides that "relevant information" means the information required by the resolution applicant to make the resolution plan for the CD, which shall include the financial position of the corporate debtor, all information related to disputes by or against the corporate debtor and any other matter pertaining to the corporate debtor as may be specified. Regulation 36 provides the mandatory

contents of the IM. However, it is observed that the IPs and the CoC do not pay enough and close attention to preparation/approval of the IM. This restricts the information available to the resolution applicants and may also lead to complete loss of information. The IM should also be seen as the starting point of a marketing effort for the CD and its assets and in that sense equivalent to a red-herring prospectus issued for market listing. It is also observed that the IM does not reflect the unique selling proposition of the CD and does not provide a clear picture of the CD's strengths and prospects. It is hence felt that there is need to strengthen the preparation of the IM and to align the contents to the purpose for which an IM is developed.

***Proposal: The RP shall include as part of the IM a clear picture of the CDs business performance, business evolution details, key contracts, industry overview including sector fundamentals, key growth drivers, projected business plan, key investment highlights etc. It should reflect details that would attract/ incentivise PRAs such as brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other infrastructure facilities which will take a lot of time to be set up.***

***Proposed amendment:***

Regulation 36(2) may be amended to provide for the objective of the IM and the following shall be incorporated which shall read as under:

*The information memorandum shall contain all relevant information which serves as a comprehensive document conveying significant information about the corporate debtor including its operations, financial statements, to the prospective resolution applicant to enable it to submit a compliant resolution plan and shall contain the following details of the corporate debtor-*

(a)

(b)

*(ba) Company overview including snapshot of business performance, business evolution details, key contracts, industry overview including sector fundamentals, key growth drivers, projected business plan, key investment highlights etc.*

*(bb) Factors which bring out the value as a going concern over and above the assets of the corporate debtor – brought forward losses in the income tax returns, input credit of GST, key employees, key customers, supply chain linkages, utility connections and other infrastructure facilities which will take a lot of time to be provided etc.*

## **7. Dealing with asset provided through a personal guarantor as part of the CIRP of the CD**

In many CIRPs the factory or the project is built and plant and machinery of the CD is laid on land that belongs to a third party, through a lease agreement that provides right to use to the CD for a specified amount of time. The law enables that such right to use can be transferred to the resolution applicant through an approved resolution plan. However, since the land belongs to a related party of the CD/promoter, the resolution applicants are hesitant to come forward as the right to use may be contested or denied at any time or litigated on frivolous grounds by the third party. This has disincentivised several resolution applicants in proposing plans even for viable CDs. Such cases have proven very difficult to resolve as the land is not part of resolution estate.

***Proposal: The assets belonging to promoters/guarantors without which meaningful resolution of CD is not possible, and which are already mortgaged/charged to creditors for securing the loan of the CD can be made part of the resolution estate with the consent of the mortgagee / charge holder (creditor).***

***Proposed amendment:*** Regulation 35AA may be added under CIRP Regulations which shall state the following:

***35AA. Relinquishment by charge holder***

*A mortgagee/charge holder which is part of the committee may choose to relinquish such rights of mortgage or charge on the property if it results in better realisation for the creditors.*

Further, Regulation 36(2)(fa) may be added under CIRP Regulations which shall state the following:

*(fa) details of assets for which assent has been given by the mortgagee/charger holder to make a part of resolution estate.*

## **8. Geo-tagging of immovable assets**

The Code provides that the IRP/ RP should make every endeavour to protect and preserve the value of the property of the CD. The foremost task of the IP is to take control and custody of all the assets of the CD and manage operations as a going concern. The inventory of assets and their details form the basis for further activities like valuation, inclusion of details in the IM, management of these assets and dealing with any litigation on these assets. It is observed that there is lack of complete information about the CDs assets in several cases and the IP builds the information after he takes over. To strengthen the information base regarding assets and make it more robust in terms of the title and rights of the CD on assets, the RP should be encouraged to leverage technology by geotagging of assets having fixed location. Such records can also be made part of the valuation exercise and the IM, to enable the CoC and resolution applicants to make an informed choice.

***Proposal: The IP shall enable geo-tagging of the immovable assets wherever possible and include such information as part of the IM.***

***Proposed amendment:***

The explanation under Regulation 36(2)(a) may be amended which shall read as follows:

*Explanation: 'Description' includes the details such as date of acquisition, cost of acquisition, remaining useful life, identification number, depreciation charged, book value, and any other relevant details. Further, such description must include the details of the immovable assets along with geotagging of all places at which such assets are situated.*

Further, the Board may issue guidelines in this regard in exercise of the powers under Rule 14(i) of the Companies (Registered Valuers and Valuation) Rules, 2017.

## **9. Discussion of valuation report with CoC**

The CIRP Regulations expressly provides that the valuation report be shared with the CoC when the resolution plans have been received. Till such stage the CoC, has limited knowledge of the valuations viz. Fair Value and Liquidation Value. They in effect decide on the eligibility criteria of

PRA's and the evaluation matrix with such limited knowledge. Allowing access of the valuation reports to the CoC would enable informed deliberations and better IM. This may facilitate better price discovery for the CD. Since the CoC members provide confidentiality agreements at a later stage, the same may be obtained earlier in order to enable them access to the valuation results. This will also provide time and enable the CoC to decide if there is need for a third valuer to be appointed.

***Proposal: It shall be provided that along with RP, CoC must be given an opportunity to interact with valuers to understand their valuation methods, underlying assumptions, and justifications so that a veritable valuation is accepted. The confidentiality agreements or disclosures may be taken before such discussion is carried out.***

***Proposed amendment:*** It is proposed that the Regulation 35(2A) may be added under CIRP Regulations which shall state the following:

*Regulation 35(2A): The registered valuers appointed under regulation 27 shall present draft valuation report to the resolution professional and committee in a meeting of the committee to brief them about the valuation approach followed and limitations of the reports.*

## **10. Need for repeating the valuation exercise**

Fair and Liquidation value is calculated at on the insolvency commencement date (ICD). However, it is possible that valuation has eroded over a period of time on account on various reasons like COVID-19 pandemic, obsolescence of plants & machinery, stoppage of CD as a going concern etc. There are several cases where the resolution applicants are applying to withdraw the plans or modify the plans due to the change of the market situation as a long time has lapsed from the time the proposal was made. The valuers were of the view that the validity of a report extends to 6 - 9 months as beyond that the change in market conditions may not be the same as when the valuation was done. Taking into account the above views the need for repeating the valuation exercise is being explored.

***Proposal: The CoC may decide to repeat the valuation exercise in CIRPs where the timeline has extended beyond the mandatory 330 days due to difficult market conditions or force majeure conditions or legal stalemate.***

***Proposed amendment:*** Regulation 35(4) may be inserted in CIRP Regulations which shall state the following:

*(4) The committee may choose to repeat the valuation exercise undertaken in terms of this Section where the process has extended beyond the time-limit stipulated under Section 12 for completion of insolvency resolution process for reasons to be recorded in writing.*

## **11. Status of the CoC after approval of the resolution plan by the CoC**

It has been found that approval of the resolution plan is taking considerably longer because of large number of interlocutory applications which need to be decided before the approval of resolution plan. At present, post approval of resolution plan/ decision to liquidate the CD, there is no clarity as to the role of CoC. Also, after approval of resolution plan, it has been held in a plethora of cases that the role of RP also ceases to exist, and he becomes *functus officio*. In reality, approval of resolution plans/ liquidation orders takes time for various reasons and in cases where the CD is a going concern the RP and the CoC are required to take major decisions. The lack of clarity on the

status of the RP and CoC during the period from submission of approval of resolution plan before AA till approval of resolution plan/ order of liquidation leads to uncertainty.

***Proposal: The RP shall continue to conduct the CoC meetings during the period between approval of plan by the CoC and approval by the AA. During such period he shall through the meetings keep the CoC informed on the progress on CIRP, approval of the resolution plan and to confer with the CoC in all matters regarding the operations of the CD.***

***Proposed amendment:*** The following clarification may be added under Regulation 18(2) of CIRP Regulations:

*Clarification: A meeting may also be convened under this sub-regulation after approval of the resolution plan by the committee or where a decision has been taken to liquidation the corporate debtor by the committee and before the approval by Adjudicating Authority.*

## **12. Minimum entitlement for dissenting financial creditors**

Minimum entitlement of the dissenting financial creditors is stated in Section 30(2)(b):

*‘... 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.**’*

The amount to be paid to dissenting financial creditors in accordance with sub-section (1) of section 53 in the event of a liquidation of the corporate debtor is a notional amount which is not known because the same can only be determined in the event of liquidation when the assets are liquidated while this is being determined when the CD is being resolved. At present, one view in the market is that the liquidation value should be taken as proxy for the same. This is the liquidation value at the insolvency commencement date (ICD). However, liquidation value as defined in the regulations is the value determined at the ICD and does not reflect the liquidation value which will result when the assets are liquidated which will be much later. Since, the value of assets deteriorates with time and so in most cases, liquidation value as defined in regulations is higher than the actual realisation upon liquidation. This seems to create a perverse incentive for creditors to dissent to a resolution plan and receive a higher value and militates against the objective of resolution. If many FCs dissent to a resolution plan in the greed of looking for higher entitlement it may push the CD into liquidation.

Thus, the amount obtained under resolution plan is a better indicator of the present market value of the CD. This value is likely to be higher than value realized on liquidation as in resolution the value is on the going concern basis. Hence, resolution plan value actually received would be a better indicator of the market value of assets at the time rather than determination of liquidation value at the insolvency commencement date. To ensure that they get a fair deal, they need to be given out of resolution plan amount, an amount which is available to them as per waterfall. The minority financial creditors should be protected if they are being provided in the resolution plan, a value which is much less than the amount they will get as per the waterfall out of the resolution value.

However, in resolution plans, sometimes operational creditors are provided amounts which are higher than their entitlements as per waterfall. Since, the operational creditors are being paid higher than their entitlements, the pie for distribution to financial creditors will be less than the resolution



plan value entitled to them as per waterfall. This may create an incentive to the dissenting financial creditors as they may get a higher amount than the payment as per the waterfall as that does not take out the excess payment to OCs beyond the amount due as per waterfall.

***Proposal: The payment to dissenting financial creditors shall be linked to the realisable amount in the event of liquidation when the resolution plan has been approved. This would be instead of the current provision of linking it to the amount due to them in the event of liquidation, which is a notional number. To protect the interest of minority dissenting financial creditors while ensuring that there is no perverse incentive to dissent, dissenting financial creditors should be paid as follows:-***

***Distribution as per 53(1) out of [Resolution plan value – Value given to operational creditors above their entitlement as per section 53 out of Resolution plan Value]***

***Proposed amendment:*** It is proposed that the following definition of ‘realisable amount in the event of liquidation when the resolution plan has been approved’” under Regulation 2(1)(k) of CIRP Regulations:

*(ka) “realisable amount in the event of liquidation when the resolution plan has been approved” means a notional amount which is the difference of amount available for distribution under a resolution plan and the amount distributed to operational creditors under resolution plan above the amount available to operational creditors as per section 53(1) out of the amount distributed as per the resolution plan.*

### **13. Process email**

The claims are invited by the IRP in the public announcement and he provides an email address that he operates or uses. The claimants continue to submit claims in the said email even after the IRP demits office and the RP takes over. This then necessitates the IRP to share the information received in a prompt manner to the RP, failing which claims may go unaddressed leading to avoidable correspondence for the claimant and possible litigations.

***Proposal: The IRP shall be required to open an email account for conduct of the CIRP and handover credentials of the same to the RP while he demits office. The RP should also handover the credentials to the other RP in the event of replacement or to the Liquidator in the event of liquidation.***

***Proposed Amendment:*** IP Division had issued a Circular on 3<sup>rd</sup> January, 2018 regarding the same. It may while conducting the exercise of review of Circulars, anchor the same in IP Regulations under the Code of Conduct.

### **14. Need for IRP /RP to communicate to call creditors to submit claims**

It is observed that in several cases the claimant / creditors are unable to file claims due to reasons like lack of information about the CIRP. This is a common occurrence in real estate cases where the allottees are not in touch with the CD on a regular basis. However, the information regarding claimants/ creditors / allottees is available with the CD. There is need to provide timely information to creditors regarding initiation of CIRP and the last date for filing of claims.

***Proposal: The IRP shall communicate the initiation of CIRP and the details of the public announcement including the last date for submission of claims to all creditors of the CD.***

**Proposed Amendment:** It is proposed that Regulation 6A may be added under CIRP Regulations, 2016:

**6A. Notice to known creditors**

*The interim resolution professional shall send notice to all the known creditors of the Corporate Debtor which shall contain a copy of the public announcement made under Regulation 6. The notice may be sent through post or through electronic means to such creditors.*

*Explanation: Known creditors of the Corporate Debtor shall mean the creditors reflected in the books of accounts of the Corporate Debtor available with the interim resolution professional or information received from any other source as the case maybe.*

**15. Economic Analysis:**

The Code provides for insolvency resolution of corporate firms in a time bound manner for maximisation of value of assets of such persons, to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders. The objective of the Code, inter alia, to maximize value of assets of the CD, timely completion can only be achieved if the processes are completed according to the model timelines and the stakeholders actively cooperate with each other for the achievement of objectives of the Code. The proposed amendments would aid in faster completion of processes, remove ambiguities, aid and facilitate IPs thereby increasing value and realisation for stakeholders. The proposed amendments would also balance the interest of stakeholders.

**16. Public comments:** The Board accordingly solicits comments on the proposals discussed above and the draft regulations placed in the Annexure. After considering the comments, the Board proposes to make regulations under clauses (aa) and (t) of subsection (1) of section 196 of the Code.

**17. Submission of comments:** Comments may be submitted electronically by **17<sup>th</sup> July, 2022**. 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';
- (iii) Select '**Discussion paper – CIRP June 22**'
- (iv) Provide your Name, and Email ID;
- (v) Select the stakeholder category, namely, - a) Corporate Debtor; b) Personal Guarantor to a Corporate Debtor; c) Proprietorship firms; d) Partnership firms; e) Creditor to a Corporate Debtor; f) Insolvency Professional; g) Insolvency Professional Agency; h) Insolvency Professional Entity; i) Academics; j) Investor; or k) Others.
- (vi) Select the kind of comments you wish to make, namely, a) General Comments; or b) Specific Comments.
- (vii) 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;
  - 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.

(viii) And then write comments under the selected option.

18. If you have selected 'Specific Comments', please select para number and write comments under the selected para number.
19. You can make comments on more than one para, by clicking on more comments and repeating the process outlined above from point 17 (vi) onwards.
20. Click 'Submit' if you have no more comments to make.

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### Amendment proposed to Regulation 40A of the CIRP Regulations

In the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the following changes shall be made in the Table in Regulation 40A: -

<b>Section / Regulation</b>	<b>Description of Activity</b>	<b>Norm</b>	<b>Latest Timeline</b>
Regulation 35A	RP to form an opinion on preferential and other transactions	Within 75 days of the commencement	T+75
	RP to make a determination on preferential and other transactions	Within 115 days of the commencement	T+115
	RP to file applications to AA for appropriate relief	Within 130 days of the commencement	<b>T+130</b>
Regulation 36(1)	Submission of IM to CoC	Within 95 days of commencement	<b>T+95</b>
Regulation 36A	Publish Form G	Within 60 days of commencement	<b>T+60</b>
	Invitation of EoI		
	Submission of EoI	Atleast 15 days from issue of EoI (Assume 15 days)	<b>T+75</b>
	Provisional List of Ras by RP	Within 10 days from the last day of receipt of EoI	<b>T+85</b>
	Submission of objections to provisional list	For 5 days of the receipt of provisional list	<b>T+90</b>
	Final List of Resolution Applicants	Within 10 days of the receipt of objections	<b>T+105</b>

(Changes proposed are shown in bold)