

Insolvency and Bankruptcy Board of India
7th Floor, Mayur Bhawan, Connaught Place, New Delhi-110001

CIRCULAR

No. IBBI/LIQ/74/2024

28th June, 2024

To
All Registered Insolvency Professionals
All Recognised Insolvency Professional Entities, and
All Registered Insolvency Professional Agencies
(By mail to registered email addresses and on the website of the IBBI)

Dear Madam / Sir,

Subject: Filing Forms to monitor Voluntary liquidation processes under the Insolvency and Bankruptcy Code, 2016, and the regulations made thereunder.

A corporate person (CP) may initiate voluntary liquidation in terms of section 59 of the Insolvency and Bankruptcy Code and the IBBI (Voluntary Liquidation Process) Regulations, 2017. During the process, the liquidator invites claims and prepares a list of stakeholders based on the verified claims, sells assets of the CP in the manner and mode approved by the CP, and distributes proceeds as per section 53 of the Code. Upon completion, the liquidator submits the Final Report and an application for dissolution of CD, to the Adjudicating Authority.

2. The Insolvency Professional (IP), functioning as a liquidator, is also required to ensure compliance with legal requirements and reporting to the Adjudicating Authority (AA) and IBBI. Presently, the IPs submit the details regarding the voluntary liquidation process to the Board through emails, which is time-consuming and inefficient.

3. To alleviate the compliance burden for Insolvency Professionals (IPs), a set of forms on an electronic platform has been created by the IBBI to capture the details of the voluntary liquidation process. These forms are vital for the voluntary liquidation procedure under the Insolvency and Bankruptcy Code (IBC), as they enable systematic and transparent record-keeping and seamless reporting. The primary advantages of these forms include:

- Boosting the efficiency and effectiveness of the voluntary liquidation process.
- Allowing liquidators to conveniently access and submit forms online, reducing delays and enhancing efficiency.
- Decreasing the chances of errors and omissions, ensuring more accurate and reliable information.

4. An overview of these Forms is as per the Table below:

Form No.	Period Covered and Scope	Timeline
VL 1	This includes details of the Corporate Debtor (CD) and the details of the Voluntary Liquidation Process	On or before the 10 th day of the second month after the public announcement.
VL 2	Details of the meetings of contributories with the reasons for delay in the process and details of replacement of liquidator, if any.	On or before the 10 th day of the subsequent month, after

		the meeting of contributories or replacement of liquidator.
VL 3	Details of dissolution application, details of Unclaimed Proceeds, Details of realisation and distribution made to stakeholders, Details of Pending Litigations, Detection of Fraud or Insolvency, if any.	On or before the 10 th day of the subsequent month, after submission of the dissolution application of the CP or withdrawal/suspension application for the voluntary liquidation process, to the Adjudicating Authority.
VL 4	Details of order for Dissolution: This includes details of, the distribution of proceeds, Receipts and Payments, etc. (The details required in these forms are carried forward from the VL-3 form and hence need not be filled again)	On or before the 14 days of passing of the order for dissolution of the CP. or withdrawal / suspension of the voluntary liquidation process.

5. For the purpose of smooth filing of these Forms, a platform is hosted on the IBBI website at <https://www.ibbi.gov.in>. An IP shall access the platform with a unique username and password provided by the IBBI and upload/submit the Forms, along with relevant information and records, after affixing DSC or e-signing. Further, timely filing of complete and accurate information along with records is the sole responsibility of the IP.

6. It is directed that an IP shall file the forms on the electronic platform only:

a. within the prescribed timeline for all cases where a voluntary liquidation process has commenced on or after the date of issuance of this circular.

b. for the ongoing cases: in which no application for dissolution of the corporate person has been filed, the IP shall file the following forms latest by 30th September 2024:

- Form VL 1 for all cases
- Form VL 2 for cases where the process is delayed or the liquidator is replaced, as the case may be.

c. for cases where an application for dissolution or withdrawal / suspension of the voluntary liquidation process of the CP has been filed with AA, shall file forms VL1, VL2 and VL3 latest by 30th September 2024.

d. for cases where dissolution of the CP or withdrawal / suspension of voluntary liquidation process has been ordered by AA, shall file forms VL 1, VL 3, and VL 4 latest by 30th September 2024. It is clarified that an IPs who do not comply with applicable provisions of the Code and the Regulations made thereunder, shall be liable as per applicable provisions of the Code and the Regulations made thereunder for:

(i) failure to file the requisite Forms along with relevant information and records,

(ii) inaccurate and incomplete information and/or records filed in or along with a Form.

8. This is issued in exercise of the powers under sub-section (1) of section 196 of the Insolvency and Bankruptcy Code, 2016.

Yours faithfully,
(Rajesh Tiwari)
General Manager