

# **Insolvency and Bankruptcy Board of India**

**9<sup>th</sup> October, 2017**

## **Press Release**

### **IBBI invites public comments on:**

- (i) draft Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Individuals and Firms) Rules, 2017, and**
- (ii) draft Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Individuals and Firms) Regulations, 2017.**

The Insolvency and Bankruptcy Board of India had constituted a Working Group to recommend the strategy and approach for implementation of the provisions of the Insolvency and Bankruptcy Code, 2016 dealing with insolvency and bankruptcy in respect of: (i) Guarantors to corporate debtors, i.e., personal guarantors, and (ii) Individuals having business, and submit a report along with draft Rules and Regulations.

2. The Working Group has since submitted a report dealing with insolvency resolution process of individuals and firms. It intends to submit a separate report for bankruptcy process of individuals and firms. IBBI intends to implement insolvency resolution in the first phase for: (i) Guarantors to corporate debtors, i.e., personal guarantors, and (ii) Individuals having business (partnership, proprietorship or any other).

3. Along with the report for insolvency resolution process of individuals and firms, the Working Group has submitted (i) the draft Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Individuals and Firms) Rules, 2017, and (ii) the draft Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Individuals and Firms) Regulations, 2017. These rules and regulations are available at [www.ibbi.gov.in](http://www.ibbi.gov.in).

4. IBBI invites public comments on these draft rules and regulations by 31<sup>st</sup> October 2017. 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 'Draft rules/regulations'
- (iii) Provide your Name, and Email ID
- (iv) Select Comment Type (General/ Specific)

5. If your comment is 'General' please select one of the following options:

- a. Inconsistency, if any, between the provisions within the draft rules or regulations (intra-regulations);
- b. Inconsistency, if any, between the provisions in different draft rules or regulations (intra-regulations);
- c. Inconsistency, if any, between the provisions in the draft rules or regulations with those in the rules;
- d. Inconsistency, if any, between the provisions in the draft rules or regulations with those in the Code;
- e. Inconsistency, if any, between the provisions in the draft rules or regulations with those in any other law;
- f. Any difficulty in implementation of any of the provisions in the draft rules or regulations; and
- g. Any provision that should have been provided in the draft rules or regulations, but has not been provided; or
- h. Any provision that has been provided in the draft rules or regulations, but should not have been provided.

Write comments under the selected option.

6. Click 'Submit'
7. If your comment is Specific, select the draft rules or regulations, you wish to make a comment upon, from the dropdown menu, as under:
  - (i) the draft rules i.e. Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Individuals and Firms) Rules, 2017
  - (ii) the draft regulations i.e. Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Individuals and Firms) Regulations, 2017

Please select draft rules or regulations number and then sub rule/ regulation number, and write comments under the selected number.

8. Click 'Submit'

You can make comments on more than one draft rule, or more than one draft regulation / sub regulation number, by repeating the process outlined above.

**DRAFT**  
**MINISTRY OF CORPORATE AFFAIRS**  
**NOTIFICATION**

New Delhi, the [...] [...], 2017

**G.S.R. [...].**— In exercise of the powers conferred by sub-section (1) and clauses (m), (n) and (o) of sub-section (2) of section 239 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016), the Central Government hereby makes the following Rules, namely-

- 1. Short title and commencement.** — (1) These rules may be called the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Individuals and Firms) Rules, 2017.  
(2) They shall come into force from the [...] day of [...], 2017.
- 2. Application.** —These Rules shall apply to matters relating to the insolvency resolution process for individuals and firms under Part III of the code.
- 3. Definitions.** — (1) In these Rules, unless the context otherwise requires-

(a) “Adjudicating Authority” means-

- (i) the National Company Law Tribunal constituted under the Companies Act, 2013 (18 of 2013) for personal guarantors if Section 60 (2) or 60 (3) is applicable; or
- (ii) the Debt Recovery Tribunal constituted under Section 3(1A) of the Recovery of Debts and Bankruptcy Act, 1993 (51 of 1993) for individuals and firms in all other cases as applicable;

(b) “electronic means” means an authorized and secured computer programme which is capable of producing confirmation of sending communication to the participant entitled to receive such communication at the last electronic mail address provided by such participant and keeping record of such communication;

(c) “insolvency resolution process” means insolvency resolution process for individuals and firms under Part III of the code;

(d) “separate debt” means a debt, including a personal debt, for which a partner of a firm is liable, other than a partnership debt.

(2) Unless the context otherwise requires, words and expressions used and not defined in these Rules, but defined under the code, shall have the meaning assigned to them in the code.

- 4. Application by debtor.** — (1) A debtor shall apply under Section 94(1) in Form 1.
- (2) In case the default is in respect of a separate debt, the person liable for such separate debt shall apply for an insolvency resolution process for himself, personally or through a resolution professional.
- (3) The debtor shall forthwith dispatch a copy of the application filed with the Adjudicating Authority to -
- (a) the last known address of the creditor(s), simultaneously by registered post, speed post and courier and in any case through electronic means at the last known e-mail address;
- (b) the last known address of the of the other partners of the firm simultaneously by registered post, speed post and courier and in any case through electronic means at the last known e-mail address, for an application under sub-rule 2.
- 5. Demand notice by creditor.** — (1) A creditor shall deliver a demand notice to the debtor for the payment of the unpaid debt in default under Section 95(4)(b), which shall contain the following-
- (i) the amount of debt due;
- (ii) the amount of debt in default;
- (iii) the basis for (i) and (ii);
- (iv) a statement that if the debtor does not pay the unpaid debt in default within a period of fourteen days from the receipt of the demand notice, an insolvency resolution process will be initiated; and
- (v) a statement that the right to make an application in respect of the debt is not barred by limitation under the applicable law.
- (2) The demand notice shall be delivered to the debtor at the last known address simultaneously by registered post, speed post and courier and in any case through electronic means at the last known e-mail address.
- (3) If the demand notice under sub-rule (2) is not delivered to the debtor, it shall be affixed at the last known address of the debtor and shall be deemed to be delivered.
- (4) A copy of the demand notice delivered under this section may be filed in an information utility, if any.
- 6. Application by creditor.** — (1) A creditor, either by itself or jointly, shall apply for initiating the insolvency resolution process for an individual or a firm, as the case may be, under Section 95, in Form 2.
- (2) In case the default is in respect of a separate debt, a creditor shall file an application for triggering the insolvency resolution process of the person who is liable for the separate debt.
- (3) The creditor shall forthwith dispatch a copy of the application filed with the Adjudicating Authority to the last known address of the debtor simultaneously by registered post, speed post and courier and in any case through electronic means at the last known e-mail address.

(4) In case of a joint application, the creditors may nominate one amongst themselves to act on behalf of all the creditors.

7. **Copy of application.** — On the appointment of the resolution professional nominated by the Board under Section 97(4) by the Adjudicating Authority, a copy of the application as filed shall be forthwith provided to such resolution professional by the Adjudicating Authority.
8. **Report of the resolution professional.** — (1) A copy of the report prepared by the resolution professional under Section 99 shall be provided by the resolution professional to the applicant on submission to the Adjudicating Authority, and shall include the following declaration-

*I hereby recommend acceptance / rejection of the application for the following reasons:*

*[reasons to be provided in summary]*

(2) The resolution professional may require the applicant to rectify the application prior to the submission of the report under sub-rule (1), which shall be recorded in the report.

(3) For the purposes of preparation of the report under sub-rule (1), the resolution professional may request further information or explanations in connection with the application from relevant government departments or banks or financial institutions, which should be furnished within seven days of the receipt of the request.

(4) In case the information requested is not provided within the stipulated time, the resolution professional may apply to the Adjudicating Authority for appropriate directions.

9. **Excluded assets.** – (1) For the purposes of Section 79(14)(c), unencumbered personal ornaments up to INR [...] of the debtor or his immediate family which cannot be parted with, in accordance with religious usage, shall be excluded assets.

(2) For the purposes of Section 79(14)(e), an unencumbered single dwelling unit owned by the debtor upto the threshold value calculated according to the methodology provided in the Schedule shall be an excluded asset.

(3) In the event the actual value of the excluded asset is greater than the threshold value in sub-rule (1) or (2) –

- (i) the debtor shall be entitled to an amount equivalent to the threshold value, in the event the excluded asset is disposed of; or
- (ii) the debtor may retain the excluded asset on provision of the amount in excess of the threshold value, for the benefit of the creditors.

- (4) The Adjudicating Authority may, depending on the circumstances of each case, exclude assets which may be above the values in sub-rule (1) or (2).

**10. Filing of the application and documents.**— (1) Till such time the rules of procedure for conduct of proceedings under the code are notified, the applications under rule 4 or 6 shall be filed before the National Company Law Tribunal in accordance with rules 20, 21, 22, 23, 24 and 26 of Part III of the National Company Law Tribunal Rules, 2016 issued under Section 469 of the Companies Act, 2013, and before the Debt Recovery Tribunal in accordance with rule 3, 4, 7, 8 and 9 of Debt Recovery Tribunal (Rules), 1993 issued under Section 36 of the Recovery of Debts and Bankruptcy Act, 1993 and Regulation 3, 4, 5 and 11 of the Debt Recovery Tribunal Regulations, 2015 issued under Section 22 of the Recovery of Debts and Bankruptcy Act, 1993, as applicable.

(2) The application, accompanying documents and reports in the insolvency resolution process shall also be filed in electronic form, as and when such facility is made available and as may be prescribed by the Adjudicating Authority.

(3) Till the time the facility mentioned in sub-rule (1) is made available, the applicant may submit the application, accompanying documents and reports in scanned, legible portable document format in a data storage device such as a compact disc or a USB flash drive acceptable to the Adjudicating Authority.

**11. Withdrawal of application.** — An application under rule 4 or 6 shall not be withdrawn by the applicant before admission under section 100, without the leave of the Adjudicating Authority.

**12. Application fee.** — (1) An application under rule 4 or 6 filed with the National Company Law Tribunal, shall be accompanied by a fee of INR 1000.

(2) An application under rule 4 or 6 filed with the Debt Recovery Tribunal, shall be accompanied by a fee of INR 100.

(3) The application fee may be paid through any permissible mode of payment.

**13. Definition of relatives.** — For the purposes of Explanation (ii) of Section 79(2)(b), the manner in which a debtor or spouse of debtor is related to a person includes:

- (a) son;
- (b) daughter;
- (c) mother;
- (d) father;
- (e) son's daughter and son;
- (f) daughter's daughter and son;
- (g) grandson's daughter and son;

- (h) granddaughter's daughter and son;
- (i) brother;
- (j) sister;
- (k) brother's son and daughter;
- (l) sister's son and daughter;
- (m) father's father and mother;
- (n) mother's father and mother;
- (o) father's brother and sister; and
- (p) mother's brother and sister.

*Explanation:*

- (i) The relatives mentioned in (a), (b), (c) and (d) shall include relatives other than those included in the definition of immediate family under Section 79(17) of the code.
- (ii) Wherever the relation is that of a son, daughter, sister or brother, their spouses shall also be included.

**14. Miscellaneous.**

The information required to be provided by the creditors under Section 103(2) shall be as per Form 2 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Individuals and Firms) Regulations, 2017.

**FORM 1**

(See sub-rule (1) of rule 4)

**APPLICATION BY DEBTOR TO INITIATE INSOLVENCY RESOLUTION  
PROCESS.**

*(Under rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority  
for Insolvency Resolution Process for Individuals and Firms) Rules, 2017)*

[Date]

To,

The Adjudicating  
Authority

[Address]

From,

[Name and last known address of the debtor]

In the matter of [name of the debtor]

**Subject:** Application to initiate insolvency resolution process in respect of [name of  
the debtor].

Madam/Sir,

I/ We hereby submit this application to initiate an insolvency resolution process in  
respect of [name of debtor].

The details for the purpose of this application are set out below-

**Part-I**

<b>PARTICULARS OF THE DEBTOR</b>		
1.	Title and full name	
2.	Date of birth and e-mail address	
3.	Any other name by which the debtor is or has been known (as applicable)	
4.	Last known address	



5.	Occupation			
6.	Monthly income			
7.	List of associates of the debtor, including relatives, who may be creditors	Name	Age	Address
8.	Bank account details	Account number	IFSC code	Branch address
9.	Identification numbers	Aadhaar number	Passport number	PAN
10.	Contact number(s)	Home	Mobile	Business
11.	List of assets of debtor and immediate family as on the application date.  Note: This will include all assets of debtor, irrespective of them being excluded assets. Please mention which assets may be excluded assets.	Immovable	Description	Estimated value
		Movable	Description	Estimated value
		Vehicles		
		Shares in listed companies		
		Shares in other companies		
		Life insurance policy		
		Jewelry		
		Pension policy		
		Investment in mutual funds		

		Investment in other funds		
		Investment in partnerships and other business concerns,		
		Any other movable property		
12.	Marital status (single, married, divorced, widowed, co-habiting, separated, or specify any other)			
13.	In case of a firm			
(i)	Firm name			
(ii)	Business address			
(iii)	Registration number and date of registration (if applicable)			
(iv)	Nature of business			
(v)	List of assets of the firm in the format in number 10.			
	Details of each partner of firm:			
(vi)	Details mentioned in serial number 1-11 of this part			
(vii)	Date of joining firm			
(viii)	Capital subscription as per latest balance sheet			
(ix)	Profit sharing as per latest balance sheet			

(x)	Name, address and authority of person submitting application on behalf of the firm	
14.	In case of a personal guarantor-	
	Name of corporate debtor for which guarantee is given	
	Any current or past position held in the corporate debtor	
	Identification number	
	Whether corporate debtor is an associate	
15.	Name and address of person resident in India authorised to accept the service of process on debtor's behalf	

### Part – II

Please complete this Part if you have been self-employed, or a partner in a firm. If not, go to Part III.

<b>BUSINESS PARTICULARS OF DEBTOR</b>		
1.	Name of business and form of business	
2.	Details of any registration	
3.	Description of business	
4.	Business address	
5.	Monthly income of debtor	

5.	If business organization is a firm, details mentioned in serial no. 12 (v) – (x) in Part I of this form.	
6.	Commencement date of business and date of close of operations (if applicable)	
7.	Address where books of accounts / accounting records are kept (including soft copy records)	
8.	Whether employees to whom debt owed (state yes or no, and if yes, details to be mentioned in Part III)	

**Part - III**

<b>PARTICULARS OF DEBT [CREDITOR WISE, AS APPLICABLE]</b>		
1.	Name(s) of creditor(s)	
2.	Last known address	
3.	Total outstanding debt (including any interest or penalties)	
4.	Amount of debt in default	
5.	Reason for the default in payment of debt	
6.	Date when the debt was due	
7.	Date when the default occurred	

8.	Nature of the debt	
9.	Secured debt including particulars of security held, the date of its creation, estimated value of security as per the creditor	
10.	Unsecured debt	
11.	Details of retention of title arrangements (if any) in respect of goods to which the debt refers	
12.	Record of default with the information utility, if any	
13.	List of documents attached to this application in order to prove the existence of debt and the amount in default	
14.	Statement by debtor in respect of excluded debts	<p>I [<i>debtor</i>] hereby state that the debt(s) for which the insolvency resolution process application is filed does not include any-</p> <ul style="list-style-type: none"> <li>(i) liability to pay fine imposed by a court or tribunal;</li> <li>(ii) liability to pay damages for negligence, nuisance or breach of a statutory, contractual or other legal obligation;</li> <li>(iii) liability to pay maintenance to any person under any law for the time being in force;</li> <li>(iv) liability in relation to a student loan.</li> </ul>
15.	Statement by debtor regarding limitation	I [ <i>debtor</i> ] hereby state that the right to make this application is not barred by limitation as per the applicable law.

**Part - IV**

<b>PARTICULARS OF &amp; DECLARATIONS BY RESOLUTION PROFESSIONAL THROUGH WHOM APPLICATION FILED</b>			
1.	Title and full name		
2.	In case associated with an Insolvency Professional Entity (IPE), details of the IPE and nature of association.		
3.	Last known address		
4.	E-mail address(es)		
5.	Contact number	Home	Mobile
		Business	

6.	Declaration by resolution professional	<p>I, [<i>name of insolvency professional</i>], an insolvency professional registered with [<i>name of insolvency professional agency</i>] having registration number [<i>registration number</i>] have been proposed as the resolution professional by [<i>name of applicant debtor</i>] in connection with the proposed insolvency resolution process of [<i>name of the debtor</i>].</p> <p>I hereby:</p> <ul style="list-style-type: none"> <li>(i) agree to accept appointment as the resolution professional if an order of appointment is passed by the Adjudicating Authority;</li> <li>(ii) state that the registration number allotted to me by the Board is [<i>insert registration number</i>] and that I am currently qualified to practice as an insolvency professional;</li> <li>(iii) disclose that I am currently serving as an insolvency professional / resolution professional / liquidator/ bankruptcy trustee in [<i>insert number and details of the proceedings</i>];</li> <li>(iv) certify that there are no disciplinary proceedings pending against me with the Board or [<i>name of the insolvency professional agency he is a member of</i>];</li> <li>(v) affirm that I am eligible to be appointed as a resolution professional in respect of the debtor in accordance with Regulation 3 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Individuals and Firms) Regulations, 2017.</li> <li>(vi) make the following disclosures in accordance with the code of conduct for insolvency professionals as set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 [<i>insert disclosures, if any</i>].</li> </ul> <p>(Signature of the insolvency professional)</p>
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[Name of the debtor] has paid the requisite fee for this application through [state means of payment] on [date].

Yours sincerely,

Signature of debtor / authorized person
Name in block letters
Position with or in relation to the debtor
Address of person signing

**ATTACHMENTS: List of documents to be appended to the application:**

1. All documents mentioned in serial number 13 of Part III of this form.
2. Copy of the income tax returns with detailed computation of the income of the debtor, or the firm, as the case may be, for the previous three years.
3. Copy of the partnership deed, if applicable.
4. Copy of the personal guarantee contract, if applicable.
5. Copies of entries in a bankers book in accordance with the Bankers Books Evidence Act, 1891 (18 of 1891)
6. The latest and complete copy of the financial contract reflecting all amendments and waivers to date.
7. Relevant ownership and title documents for all assets.
8. Copy of the authorization, wherever required under this form.
9. Proof that the application fee has been paid.
10. Documentary evidence of all information sought in each entry for each part of the form.
11. A statement of affairs of the debtor made up to a date not earlier than seven days from the date of the application including the following information and supporting documents, namely-
  - (i) debtor's assets (inclusive of assets which may be excluded assets) and liabilities for the previous three years;
  - (ii) secured and unsecured debts (inclusive of excluded debts mentioned in serial number 14 of Part III of the form) with names of the creditors, and all requisite details for the previous three years;



- (iii) particulars of debt owed by debtor to associates of the debtor for the previous three years;
- (iv) guarantees given in relation to any of the debts of the debtor, and if any of the guarantors is an associate of the debtor;
- (v) financial statements with all annexures and schedules for the business owned by the debtor, or of the firm in which the debtor is a partner, as the case may be, for the previous three years, if applicable;
- (vi) if debtor is a member of a HUF, financial statements of the business operations of the HUF;
- (vii) wealth tax statements filed by the debtor, if any, for the previous five years.

Note: For a firm, the statement of affairs for the firm, and of each individual partner should be prepared separately, for attachment herewith.

**FORM 2**

(See sub-rule (1) of rule 6)

**APPLICATION BY CREDITOR TO INITIATE INSOLVENCY RESOLUTION  
PROCESS**

*(Under rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority  
for Insolvency Resolution Process for Individuals and Firms) Rules, 2017)*

[Date]

.....

To,

The  
Adjudicating  
Authority  
[Address]

From,

[Name and last known address of the  
creditor]

In the matter of [name of the debtor]

Subject: Application to initiate insolvency resolution process in respect of [name  
of the debtor] under the Insolvency and Bankruptcy Code, 2016.

Madam/Sir,

[Name of the creditor], hereby submits this application to initiate an insolvency  
resolution process in the case of [name of debtor].

The details for the purpose of this application are set out below:

**Part - I**

<b>PARTICULARS OF APPLICANT</b>				
1.	Title and full name			
2.	Date of birth and e-mail address			
3.	Contact number(s)	Home	Mobile	Business

4.	Identification number of creditor	Aadhaar number	CIN	PAN
5.	Last known address			

**Part – II**

<b>PARTICULARS OF THE DEBTOR</b>				
1.	Title and full name			
2.	Date of birth and e-mail address (to the extent known)			
3.	Any other name by which the debtor is or has been known (as applicable) (to the extent known)			
4.	Last known address			
4.	Occupation			
5.	Monthly income (to the extent known)			
6.	List of associates of the debtor, including relatives, who may be creditors (to the extent known)	Name	Age	Address
7.	Bank account details	Account number	IFSC code	Branch address
8.	Identification numbers	Aadhaar number	Passport number	PAN
9.	Contact number(s)	Home	Mobile	Business
10.	List of assets of debtor as on the application date (to the extent	Immovable	Description	Estimated value

	<p>known)</p> <p>Note: this will include all assets of debtor, irrespective of them being excluded assets.</p>			
		Movable	Description	Estimated value
		Vehicles		
		Shares in listed companies		
		Shares in other companies		
		Life insurance policy		
		Jewelry		
		Pension policy		
		Investment in mutual funds		
		Investment in other funds		
		Investment in partnerships and other business concerns,		
		Any other movable property		
11.	Marital status (single, married, divorced, widowed, cohabiting, separated, or specify any other) (to the extent known)			

12.	In case of a firm	
(i)	Firm name	
(ii)	Business address	
(iii)	Registration number and date of registration (if applicable) (to the extent known)	
(iv)	Nature of business	
(v)	List of assets of the firm in the format in serial number 10. (to the extent known)	
	Details of each partner of firm:	
(vi)	Details mentioned in serial number 1-11 of this part (to the extent known)	
(vii)	Date of joining firm (to the extent known)	
(viii)	Capital subscription as per latest balance sheet (to the extent known)	
(ix)	Profit sharing as per latest balance sheet (to the extent known)	
(x)	Name, address and authority of person submitting application on behalf of the firm	
13.	In case of a personal guarantor-	
	Name of corporate debtor for which guarantee is given	
	Any current or past position held in the corporate debtor (to the extent known)	
	Identification number	
	Whether corporate debtor is an associate (to the extent known)	

14.	Name and address of person resident in India authorised to accept the service of process on debtor's behalf	
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**Part-III**

<b>PARTICULARS OF DEBT</b>		
1.	Total debt (including any interest or penalties)	
2.	Amount in default	
3.	Date on which debt was due	
4.	Date on which default occurred	
5.	Nature of the debt	
6.	Secured debt including particulars of security held, the date of its creation, its estimated value as per the creditor (as applicable)	
7.	Unsecured debt (as applicable)	
8.	Details of retention of title arrangements (if any) in respect of goods to which the debt refers (attach a copy)	
9.	Particulars of an order of a court, tribunal or arbitral panel adjudicating on the default, if any (attach a copy of the order)	
10.	Record of default with the information utility, if any (attach a copy)	

11.	Details of succession certificate, or probate of a will, or letter of administration, or court decree (as may be applicable), under the Indian Succession Act, 1925 (10 of 1925) (attach a copy)	
12.	Provision of law, contract or other document under which debt has become due (attach a copy)	
13.	A statement of bank account where deposits are made or credits received normally by the creditor in respect of the debt of the debtor (attach a copy)	
14.	List of documents attached to this notice in order to prove the existence of debt and the amount in default	

**Part-IV**

<b>PARTICULARS OF &amp; DECLARATIONS BY RESOLUTION PROFESSIONAL THROUGH WHOM APPLICATION FILED</b>			
1.	Title and full name		
2.	In case associated with an Insolvency Professional Entity (IPE), details of the IPE and nature of association.		
3.	Last known address		
4.	E-mail address(es)		
5.	Contact number	Home	Business



6.	Declaration by resolution professional	<p>I, [<i>name of insolvency professional</i>], an insolvency professional registered with [<i>name of insolvency professional agency</i>] having registration number [<i>registration number</i>] have been proposed as the resolution professional by [<i>name of applicant debtor</i>] in connection with the proposed insolvency resolution process of [<i>name of the debtor</i>].</p> <p>I hereby:</p> <ul style="list-style-type: none"> <li>(vii) agree to accept appointment as the resolution professional if an order of appointment is passed by the Adjudicating Authority;</li> <li>(viii) state that the registration number allotted to me by the Board is [<i>insert registration number</i>] and that I am currently qualified to practice as an insolvency professional;</li> <li>(ix) disclose that I am currently serving as an insolvency professional / resolution professional / liquidator/ bankruptcy trustee in [<i>insert number and details of the proceedings</i>];</li> <li>(x) certify that there are no disciplinary proceedings pending against me with the Board or [<i>name of the insolvency professional agency he is a member of</i>];</li> <li>(xi) affirm that I am eligible to be appointed as a resolution professional in respect of the debtor in accordance with Regulation 3 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Individuals and Firms) Regulations, 2017;</li> <li>(xii) make the following disclosures in accordance with the code of conduct for insolvency professionals as set out in the Insolvency and Bankruptcy Board of India (Insolvency Professionals) Regulations, 2016 [<i>insert disclosures, if any</i>].</li> </ul> <p>(Signature of the insolvency professional)</p>
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[*Name of the creditor*] has paid the requisite fee for this application through [*state means of payment*] on [*date*].

Yours sincerely,

Signature of person authorised to act on behalf of the creditor
Name in block letters
Position with or in relation to the creditor
Address of person signing

**List of documents to be attached to the application:**

1. All documents mentioned in serial number 14 of Part III of this form.
2. Copy of the demand notice served on the debtor in Form 2.
3. Copy of the income tax returns with detailed computation of the income of the debtor, or the firm, as the case may be, for the previous three years, if available.
4. Copy of the personal guarantee contract, if applicable.
5. Copy of the authorization, wherever required under this form.
6. Proof that the application fee has been paid.
7. Documents evidencing the debt and the default in relation to the debt, as may have been provided by the debtor at any point in time, if available.
8. Documents evidencing the assets, liabilities, income and any other relevant information as may have been provided by the debtor at any point in time, if available.
9. Documentary evidence of all information sought in each entry for each part of the form.

## SCHEDULE

### METHODOLOGY FOR CALCULATING THE THRESHOLD AND ACTUAL VALUE OF AN UNENCUMBERED SINGLE DWELLING UNIT

*(Under Rule 9(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Individuals and Firms) Rules, 2017)*

#### 1. Calculation of threshold value of a dwelling unit

Threshold value of dwelling unit = Adjusted threshold area of dwelling unit (as per Table A) × circle rate of the lowest residential category of that zone notified by the relevant authority, adjusted by the quarterly All India House Price Index released by the Reserve Bank of India

*Explanation:*

(a) Table A: Adjusted threshold area of dwelling unit

#### Rural

Number of persons in dwelling unit	Adjusted threshold area of dwelling unit (in square feet)
1	300
2	300
3	300
4	300
5	375
6	450
7	525
8	600

9	675
10	750
>10	750

## Urban

Number of persons in dwelling unit	Adjusted threshold area of dwelling unit (in square feet)
1	400
2	400
3	400
4	400
5	475
6	550
7	625
8	700
9	775
10	850
11	925
12+	1000

## 2. Calculation of actual value of a dwelling unit

(1) The following methods in the given order of priority shall be followed for the calculation of the actual value of the dwelling unit –

- (i) Rent capitalisation method;
- (ii) Comparable method;
- (iii) Land and building method.

(2) Rent capitalisation method

Fair market value of the dwelling unit = (Annual rent + interest on security deposit – outgoings)/Rent yield

*Explanation:*

- (a) For the purpose of determining the annual rent of the dwelling unit, the following shall be taken into account, in the order of priority-
  - (i) Comparable rent of an asset of the same size in the same building;
  - (ii) Comparable rent of an asset of the same size in the adjacent building;
  - (iii) Comparable rent of an asset of the same size in the neighborhood or locality;
  - (iv) Rents fixed by the rent control boards of the respective states.
- (b) The interest on security deposit shall be calculated for a period of 3 months @ 1 year government securities rates on the amount of the security deposit.
- (c) The outgoings from the property shall be an aggregate of the following -
  - (i) Municipal taxes;
  - (ii) Repairs and maintenance charges; and
  - (iii) Insurance premium.
- (d) Rent yield is fixed at 2% and shall be subject to revision every three years.

(3) Comparable Method

The fair market value of the dwelling unit shall be calculated taking into account a unit similar to the dwelling unit in the following respects -

- (i) Size;
- (ii) Locality;
- (iii) Age; and
- (iv) Use.

(4) Land and building method

Fair market value of the dwelling unit = Value of the land (A) + Value of the building i.e. the dwelling unit (E)

*Explanation-*

(a) Value of the land (A) shall be calculated in the following order of priority -

- (i) Sale value of the adjacent land;
- (ii) Sale value of the land in the same locality;
- (iii) Sale value of the land in the neighborhood or adjoining localities;
- (iv) Guideline/circle rates issued by local authorities for land & construction.

(a) Value of the Building (E) shall be calculated in the following manner –

Reproduction cost based on plinth area rate issued by state PWDs (B)

Amount of depreciation (C)

Builders' effort @3% of (B)	(D)
Value of building (B-C+D)	(E)

(c) Amount of Depreciation = (Cost of reconstruction - salvage value)/Estimated useful life of the building

For the purposes of (c), the salvage value is as follows -

- (i) Up to 3 Year Old Building: 80%
- (ii) 3 – 5 Year Old Building: 50%
- (iii) 5 – 10 Year Old Building: 25%
- (iv) 10 Years or older buildings: 10%