

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 311  
ANSWERED ON MONDAY, THE 24<sup>TH</sup> JUNE, 2019  
ASHADHA 3, 1941 (SAKA)**

**CORPORATE INSOLVENCY RESOLUTION**

**311. SHRIMATI RAMYA HARIDAS:**

**Will the Minister of CORPORATE AFFAIRS**

**कारपोरेट कार्य मंत्री**

**be pleased to state:**

- (a) whether the provision made to protect the interests of small and minority shareholders of the companies which have turned sick and where the process of improving them is going on through the corporate insolvency resolution;**
- (b) whether any efforts have been made by conducting proper inquiry of these companies to ascertain any irregularities by their managements;**
- (c) whether the committee of creditors have been given full rights to accept or reject the proposals made by resolution professionals; and**
- (d) whether they have been given any guidance and if so, the details thereof?**

**ANSWER**

**THE MINISTER OF FINANCE AND  
CORPORATE AFFAIRS**

**(MS. NIRMALA SITARAMAN)**

**वित्त और कॉर्पोरेट कार्य मंत्री**

**(श्रीमती निर्मला सीतारमण)**

- a) The object of Insolvency and Bankruptcy Code, 2016 (Code) inter alia is maximization of value of assets and to balance the interest of all the stakeholders. Further, it is provided in section 31 of the Code that the Adjudicating Authority shall by order approve the resolution plan as approved by the committee of creditors under sub-section (4) of section 30 fulfilling the requirements as referred to in sub section (2) of section 30.**

- b) Section 43 to 51 and 66 of the Code obliges the resolution professional or liquidator to take action for avoidance of preferential, undervalued, avoidable extortionate and fraudulent transactions. Further, Regulation 35A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 stipulates the timelines within which the resolution professional is required to form an opinion and to make a determination whether the corporate debtor has been subjected to any transaction covered under the aforesaid sections and make an application to the Adjudicating Authority for appropriate directions. As and when any irregularity is observed by the resolution professional under the above sections of the Code and regulations, the same is being filed before Adjudicating Authority for directions.**
- c) & d) Section 30(4) interalia provides that the committee of creditors may approve a resolution plan by a vote of not less than sixty six percent of voting share of the financial creditors, after considering the viability, and such other requirements as may be specified by the Board.**

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