

Checklist on
Voluntary Liquidation

under section 59 of the Insolvency and Bankruptcy Code, 2016 read with IBBI (Voluntary Liquidation Process) Regulations, 2017 (“VLP Regulations”)

S. No.	Particulars	Relevant provision	Tentative timelines	Form, if any	Remarks
1	Convening of Board Meeting: - approving voluntary winding up of the company - appointment of insolvency professional as the liquidator of the company subject to approval of the members fixing date and time for general meeting of members	Under the provisions of Companies Act, 2013	Day 1	-	
2	Declaration of solvency duly verified through an affidavit by majority of directors/ designated partners. declaration shall be accompanied by - audited financial statements and record of business operations of corporate person for previous two years or for period since incorporation - a report of the valuation of the assets of the corporate person, if any, prepared by a registered valuer.	Section 59(3)(a) and Section 59(3)(b) read with Regulation 3(1) of VLP Regulations.	Day 1	-	
3	Filing of the above declaration with RoC.	Regulation 3(2) of the VLP Regulations.	Day 1	GNL-2	
4	Sending of notice of general meeting to all the members/designated partners, directors	As per the Companies Act, 2013.	Day 1	-	The general meeting of shall be convened with 4 weeks from the date declaration of solvency.
5	Convening of general meeting and passing of ordinary resolution / special resolution for: - voluntary liquidation of the company; - appointment of liquidator and fixation of remuneration.	Section 59(3)(c) read with regulation 3(1)(c) of VLP Regulations.	Day (1+28) i.e. Day 29	-	The date of passing of members resolution shall be deemed to be the date of voluntary liquidation.
6	Incase if the corporate person owes any debt, approval of creditors representing 2/3 rd in value is mandated.	Proviso to section 59(3)(c) .	Day (29+7) i.e. Day 36	-	No specific requirement to convene a meeting of creditors. Obtaining NOC from the creditors will suffice.
7	Filing of special resolution passed for voluntary liquidation under the Code	Section 59(4)	Day (29+7) i.e. Day 36	MGT-14	
8	Liquidator to make announcement inviting stakeholders to submit their claims due to the corporate person within 30 days from liquidation commencement date	Regulation 14(1) of the VLP Regulations	Day (29+5) i.e. Day 34	Form A of Schedule I	Announcement in i) English & regional language daily; ii) On website of the company, iii) On website designated by IBBI

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9	Claims by operational creditor	Regulation 16(1) of the VLP regulations	Day (29+30) i.e. Day 59	Form B of Schedule I	Cost of proof of claim shall be heard by the operational creditor
	Claims by financial creditor	Regulation 17(1) of the VLP regulations	Day (29+30) i.e. Day 59	Form C of Schedule I	Cost of proof of claim shall be heard by the financial creditor
	Claims by workmen and employees	Regulation 19(1) of the VLP regulations	Day (29+30) i.e. Day 59	Form D for individual Form E for multiple	Cost of proof of claim shall be heard by the workmen or employee, as the case may be.
	Claims by other stakeholders	Regulation 20(1) of the VLP regulations	Day (29+30) i.e. Day 59	Form F	Cost of proof of claim shall be heard by the stakeholder.
10	Liquidator shall submit Preliminary report detailing: - capital structure of corporate person; - estimates of its assets and liabilities on liquidation commencement date based on books of accounts of corporate person. - If he intends to make further inquiry into matter (s) relating to corporate person - proposed plan of action for carrying out liquidation	Regulation 8 read with regulation 9 of the VLP Regulations	Day (29+45) i.e. Day 74		The liquidation plan shall include timeline within which he proposes to carry out the process and the estimated liquidation cost
11	The liquidator shall have the books of accounts completed and bought up to date, if incomplete.	Regulation 10(1) of the VLP Regulations	Day 29+ASAP	-	
12	The liquidator shall maintain the certain books and registers. The liquidator shall also maintain receipts of all payments and expenses made.	Regulation 10(2) Regulation 10(3)	Day 29+ASAP	Schedule II of the VLP Regulations	The registers and books may be maintained with such modifications as the liquidator may deem fit
13	The liquidator to verify claims submitted for receipt of claims and may either admit or reject the claim, in whole or in part, as the case may be.	Regulation 29 of the VLP Regulations	Day (29+30+30) i.e. Day 89	-	A creditor may appeal to NCLT against decision of liquidator (Section 42)
14	The liquidator shall prepare a list of creditors based on the claims submitted by the creditors	Regulation 30 of the VLP Regulations	Day 59+45 i.e. Day 104	-	The list of stakeholders shall be displayed on the website of the Corporate person and on the website of the Board.
15	The liquidator to open bank account in name of corporate person followed by words ‘in voluntary liquidation’, in scheduled bank	Regulation 34 of the VLP Regulations	Within requisite time	-	Payments out of account by liquidator above Rs. 5000 to be made by cheques or online banking against the bank account.

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16	Liquidator to realise all assets and deduct the liquidation cost from the said realisation and after deducting the liquidation cost, shall distribute the realisation among the stakeholders	Regulation 35 of the VLP Regulations	Day (29+30+180 days from the receipt of amount)	-	The liquidator may, with approval of corporate person, distribute asset that cannot be readily sold due to its peculiar nature or other special circumstances.
17	Liquidator shall endeavor to complete the process within 12 months from the date of commencement of liquidation process	Regulation 37 of the VLP Regulations	Day 29+365 or requisite time	-	<p>Incase if the liquidator is not able to complete the process within 12 months, the liquidator shall:</p> <ul style="list-style-type: none"> - hold meeting of contributories within fifteen days from the end of the twelve months, and - at the end every succeeding twelve months till dissolution of the corporate person; and - shall present: <ul style="list-style-type: none"> o settlement of list of stakeholders, o details of assets that remains to be sold and realized, o distribution made to stakeholders, and o developments in material litigation, by or against the corporate person; o filing of, and developments in applications for avoidance of transactions

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18	Upon completion of liquidation process, the liquidator to prepare final report consisting of - audited accounts of liquidation, showing receipts and payments; - statement demonstrating that assets are sold, debts are satisfied and no litigation is pending - sale statement w.r.t. all assets realised.	Regulation 38 of the Liquidation Regulation	Indispensable time	-	
19	The liquidator shall - send the Final Report to RoC and IBBI - submit the final report to NCLT with application for dissolution.	Section 59(7) read with Regulation 38(2) and 38(3) of the VLP Regulation	Indispensable time	-	
20	Where the liquidator is of the opinion that - the liquidation is being done to defraud a person, - the corporate person will not be able to pay its debts in full from the proceeds of assets to be sold in the liquidation he shall make application to NCLT to suspend the process of liquidation and pass any such orders as it deems fit.	Regulation 40(1) and Regulation 40(2) of the VLP Regulation	Indispensable time	-	
21	The liquidator to preserve copy of the reports, registers and books of account for eight years after dissolution, either with himself or with an information utility.	Regulation 41 of the VLP Regulation	NA	-	
22	Upon receipt of application, NCLT shall pass an order for dissolution of corporate person	Section 59(8)	Indispensable time	-	
23	Copy of order shall be forwarded to RoC and / or other authority with which the dissolved corporate person is registered	Section 59(9)	Within 14 days from the date of NCLT order	-	