

## **Insolvency and Bankruptcy Board of India**

### **Frequently Asked Questions (FAQs) on Unclaimed Proceeds of Voluntary Liquidation Process**

**(As on 30.09.2023)**

#### **Question 1. What is the voluntary liquidation process?**

**Answer.** If a Corporate Person (CP) has no default and its assets exceed its liabilities, it may choose to initiate the voluntary liquidation process. Under the process, the liquidator realises proceeds from the sale of the assets of the CP and then distributes the proceeds to the stakeholders. On the distribution of the proceeds, the liquidator files an application before the Adjudicating Authority (AA) for dissolution of the CP.

#### **Question 2. Why there is a need for a Corporate Voluntary Liquidation Account?**

**Answer.** The completion of the voluntary liquidation process requires that all the proceeds be distributed to the stakeholders. However, in several cases, the liquidators are left with the proceeds to be distributed to the stakeholders as such stakeholders are not traceable by the liquidator. As the process cannot be closed with the liquidators having proceeds from realisation, in such cases, the liquidation process gets delayed as the liquidators wait for the stakeholder to be available to make the distribution. The Account was operated to ensure that the process is not held up on account of the non-availability of the stakeholders to whom distribution is to be made. In the event the stakeholders are not traceable or available at the moment, the liquidator deposits the amount into the Corporate Voluntary Liquidation Account, along with the list of such stakeholders and the amount entitled by them with the Insolvency and Bankruptcy Board of India (IBBI/Board). The liquidator then can file the application before the Adjudicating Authority for dissolution of the CP.

#### **Question 3. What is the purpose of the Corporate Voluntary Liquidation Account?**

**Answer.** The purpose of the Corporate Voluntary Liquidation Account is to securely hold unclaimed dividends and undistributed proceeds from voluntary liquidation processes which remain undistributed by the liquidator. Until the Corporate Voluntary Liquidation Account is operated as part of the Public Accounts of India, the Board operates a separate bank account with a scheduled bank for this purpose.

#### **Question 4. Where should the unclaimed dividends and / or undistributed proceeds be deposited during voluntary liquidation process?**

**Answer.** In accordance with regulation 39(1) and (2) of the IBBI (Voluntary Liquidation Process) Regulations, 2017 ('Voluntary Liquidation Regulations'), the liquidator shall deposit the amount of unclaimed dividends and / or undistributed proceeds into Corporate Voluntary Liquidation Account operated as part of the Public Accounts of India. However, since the said account has not yet been operationalised, the liquidator needs to deposit the said amount into Corporate Voluntary Liquidation Account maintained by the Board with a scheduled bank (in

a single transaction), whose details can be accessed from the following link: <https://ibbi.gov.in/uploads/legalframework/fcbdc5eaf8db978a1d82b6cd3d92c5c.pdf>

The liquidator shall thereafter submit a single Form-G ([https://ibbi.gov.in/uploads/downloads/Form\\_G\\_VL.pdf](https://ibbi.gov.in/uploads/downloads/Form_G_VL.pdf)), mentioning therein the nature of the amount deposited, names and other details of stakeholders entitled to receive the amount, etc., along with the supporting documents, to the Board and the authority with which the corporate person is registered.

**Question 5. When should the liquidator deposit the unclaimed dividends and / or undistributed proceeds into Corporate Voluntary Liquidation Account?**

**Answer.** The unclaimed dividends and / or undistributed proceeds needs to be deposited into Corporate Voluntary Liquidation Account by the liquidator prior to submission of application for dissolution of the corporate person to Adjudicating Authority under section 59(7) of the Code (regulation 39(2) of the Voluntary Liquidation Regulations).

**Question 6. How should a stakeholder apply for withdrawal from the Corporate Voluntary Liquidation Account?**

**Answer.** A stakeholder, who claims to be entitled to any amount deposited into the Corporate Voluntary Liquidation Account, may apply to the Board in Form-I for an order for withdrawal of the said amount, after the dissolution of the corporate person.

**Question 7. What is Form-I and how it is to be submitted to the Board?**

**Answer.** Form-I is the application form for withdrawal of unclaimed dividends and / or undistributed proceeds from the Corporate Voluntary Liquidation Account. A stakeholder can download the Form from the IBBI's website ([https://ibbi.gov.in/uploads/downloads/Form\\_H\\_VL.pdf](https://ibbi.gov.in/uploads/downloads/Form_H_VL.pdf)), fill in the details about the entitled amount, personal information, etc. and submit it, along with the necessary supporting documents, to the Board.

**Question 8. How do I know if I'm entitled to any unclaimed dividends or undistributed proceeds from the Corporate Voluntary Liquidation Account?**

**Answer.** You may be entitled to unclaimed dividends or undistributed proceeds if you were a stakeholder in a corporate person that had undergone the voluntary liquidation process and your details have been provided by the liquidator while depositing the proceeds with the Insolvency and Bankruptcy Board of India (IBBI / Board). To find out if your unclaimed dividends or undistributed proceeds have been deposited into the Corporate Voluntary Liquidation Account, you can contact the liquidator who was responsible for the voluntary liquidation process or directly reach out to the IBBI.

**Question 9. If the direct stakeholder has passed away and I believe that I am entitled to the amount deposited into the Corporate Voluntary Liquidation Account, what evidence do I need to provide?**

**Answer.** If you are not the direct stakeholder but believe you are entitled to the amount deposited into the Corporate Voluntary Liquidation Account, you need to submit the evidence that proves your entitlement. This could include documents such as a will, heir certificate, trust agreement, or court order, which establishes your right to the unclaimed funds.

**Question 10. What are the documents required to be submitted with Form I?**

**Answer.**

- i. Self attested copy of Form I
- ii. Copy of claim form submitted to the liquidator.
- iii. Self-attested copy of identification proof such as Adhaar Card/PAN Card/etc. In the case of Corporates: Approval of the Board authorising the individual to collect the claim.
- iv. Original share certificate, in case of shareholders. In case of loss of original, the procedure for duplicate needs to be completed with the company including submission of FIR, Newspaper Advertisement in English and Vernacular Language, Indemnity cum Surety bond etc.
- v. Self-attested six months bank statement and Original cancelled cheque of the bank account where proceed are to be credited.

**Question 11. How long does it take to process the application for withdrawal, by the Board?**

**Answer.** The time taken to process the withdrawal applications may vary depending on the complexity of the matter. The Board endeavours to make the decision within a reasonable timeframe.

**Question 12. Whether a professional help is required to fill Form I?**

**Answer.** No. The procedure for filling the Form I is simple and can filled by any individual on his own.

**Question 13. If the application for withdrawal is approved, how will the amount be disbursed to the stakeholder?**

**Answer.** Upon approval of withdrawal application, the entitled amount gets transferred to the bank account of the stakeholder, by the Board.

**Question 14. Can a stakeholder track the status of his / her withdrawal application?**

**Answer.** To get an update on the status of withdrawal application, a stakeholder may contact the Board at the email ID: [unclaimed.proceeds@ibbi.gov.in](mailto:unclaimed.proceeds@ibbi.gov.in).

**Question 15. If the application for withdrawal is denied, can the stakeholder file an appeal against the decision?**

**Answer.** Upon rejection of application, a stakeholder may re-submit the application after curing the deficiencies highlighted by the Board. This may include submitting additional documents or evidence to support your claim.

**Question 16. Is there any fee applicable for submitting an application for withdrawal from the Corporate Voluntary Liquidation Account?**

**Answer.** There is no fee or charges associated with the filing of such application.

**Question 17. If a stakeholder holds claim against more than one corporate person, does he need to submit separate application for each claim?**

**Answer.** A stakeholder needs to submit separate application, along with supporting documents, for each claim.

**Question 18. What happens to the unclaimed dividends or undistributed proceeds, if they remain unclaimed after a certain period?**

**Answer.** Any amount deposited into the Corporate Voluntary Liquidation Account, which remains unclaimed or undistributed for a period of fifteen years from the date of order of dissolution of the corporate person and any amount of income or interest received or earned in the Corporate Voluntary Liquidation Account is transferred to the Consolidated Fund of India.

**Question 19. Where can I find the list of companies where unclaimed proceeds have been deposited by the liquidator with the Board?**

**Answer.** The list of companies can be found at the following link:

<https://ibbi.gov.in/uploads/unclaimeddeposits/Corporate-Voluntary-Liquidation-Account-30-Sept-2023.pdf>

**Question 20. How to fill the Form I?**

Sl. No.	Description	Instructions
1	Name of the Corporate Person	Name of the company
2	Identification Number of Corporate Person (CIN/DIN)	
3	Voluntary Liquidation Commencement Date	Date on which liquidation proceedings were initiated
4	Date of Dissolution Order	Date on which dissolution order was passed
5	Date of Deposit into the Corporate Voluntary Liquidation Account	Date on which liquidator deposited money into the Corporate Voluntary Liquidation Account
6	Name of the Stakeholder seeking withdrawal	Name of person who is making claim
7	Identification Number of the Stakeholder a. PAN b. CIN c. Aadhaar No.	Identification number. Also attach self attested copy
8	Address and Email Address of Stakeholder	
9	Amount of Claim of the Stakeholder, admitted by the Liquidator	Amount of claim that was admitted by the liquidator
10	Amount of unclaimed dividends / undistributed proceeds deposited by the liquidator in the Corporate Voluntary Liquidation Account against the stakeholder	Amount deposited by the liquidator against the name of the stakeholder
11	Amount of unclaimed dividends / undistributed proceeds the Stakeholder seeks to withdraw from the Corporate Voluntary Liquidation Account	Amount that the stakeholder wants to withdraw

12	<p>Bank Account to which the amount is to be transferred from the Corporate Voluntary Liquidation Account, if withdrawal is approved</p> <p>a. Account No.:</p> <p>b. Name of Bank:</p> <p>c. IFSC:</p> <p>d. MICR:</p> <p>e. Address of Branch of the Bank:</p>	<p>Details of bank account of the stakeholders. Also attached original cancelled cheque</p>
13	<p>Reasons for not taking dividend or proceeds during the Voluntary Liquidation Process</p>	<p>Explain the reasons why the amount was not taken during the liquidation process and the reasons for filing it now.</p>
14	<p>Any legal disability in applying for withdrawal? (Yes / No), If yes, please provide details</p>	

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