

# The Insolvency and Bankruptcy Code, 2016

## IBBI (Pre-Packaged Insolvency Resolution Process) Regulations, 2021

### Chapter VI - Committee of Creditors

#### **Regulation 25: Committee with only operational creditors.**

**25.** (1) Where the corporate debtor has no financial debt or all financial creditors are related parties, the committee shall consist of operational creditors, being not related to the corporate debtor, as under:-

- (a) ten largest operational creditors by value, and if the number of operational creditors is less than ten, the committee shall include all such operational creditors;
- (b) one representative elected by all workmen other than those workmen included under clause (a); and
- (c) one representative elected by all employees other than those employees included under clause (a).

(2) A member of the committee formed under this regulation shall have voting rights in proportion of the debt due to such creditor or debt represented by such representative, as the case may be, to the total debt.

*Explanation.-* For the purposes of this sub-regulation, 'total debt' is the sum of-

- (a) the amount of debt due to the creditors listed in clause (a) of sub-regulation (1);
- (b) the amount of the aggregate debt due to workmen under clause (b) of sub-regulation (1); and
- (c) the amount of the aggregate debt due to employees under clause (c) of sub-regulation (1).

(3) A committee formed in accordance with regulation 24 or regulation 25, as the case may be, and its members shall have the same rights, powers, duties and obligations as a committee comprising financial creditors and its members.

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