

The Insolvency and Bankruptcy Code, 2016

PART III

Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms

CHAPTER V

Administration and Distribution of The Estate of the Bankrupt

Section 153: Approval of creditors for certain acts:

*153. The bankruptcy trustee for the purposes of this Chapter may after procuring the approval of the committee of creditors,—

- (a) carry on any business of the bankrupt as far as may be necessary for winding it up beneficially;
- (b) bring, institute or defend any legal action or proceedings relating to the property comprised in the estate of the bankrupt;
- (c) accept as consideration for the sale of any property a sum of money due at a future time subject to certain stipulations such as security;
- (d) mortgage or pledge any property for the purpose of raising money for the payment of the debts of the bankrupt;
- (e) where any right, option or other power forms part of the estate of the bankrupt, make payments or incur liabilities with a view to obtaining, for the benefit of the creditors, any property which is the subject of such right, option or power;
- (f) refer to arbitration or compromise on such terms as may be agreed, any debts subsisting or supposed to subsist between the bankrupt and any person who may have incurred any liability to the bankrupt;
- (g) make compromise or other arrangement as may be considered expedient, with the creditors;
- (h) make compromise or other arrangement as he may deem expedient with respect to any claim arising out of or incidental to the bankrupt's estate;
- (i) appoint the bankrupt to—
 - (A) supervise the management of the estate of the bankrupt or any part of it;
 - (B) carry on his business for the benefit of his creditors;
 - (C) assist the bankruptcy trustee in administering the estate of the bankrupt.

Notifications & Circulars

*Only in so far as they relate to personal guarantors to corporate debtors, shall come into force w.e.f. 01.12.2019.