

## The Insolvency and Bankruptcy Code, 2016

### Part-II Insolvency Resolution and Liquidation for Corporate Persons

#### Chapter-II Corporate Insolvency Resolution Process

#### Section 17: Management of affairs of corporate debtor by interim resolution professional.

\*17. (1) From the date of appointment of the interim resolution professional,—

(a) the management of the affairs of the corporate debtor shall vest in the interim resolution professional;

(b) the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended<sup>1</sup> and be exercised by the interim resolution professional;

(c) the officers and managers of the corporate debtor shall report to the interim resolution professional and provide access to such documents and records of the corporate debtor as may be required by the interim resolution professional;

(d) the financial institutions maintaining accounts of the corporate debtor shall act on the instructions of the interim resolution professional in relation to such accounts and furnish all information relating to the corporate debtor available with them to the interim resolution professional.

(2) The interim resolution professional vested with the management of the corporate debtor shall—

(a) act and execute in the name and on behalf of the corporate debtor all deeds, receipts, and other documents, if any;

(b) take such actions, in the manner and subject to such restrictions, as may be specified by the Board;

(c) have the authority to access the electronic records of corporate debtor from information utility having financial information of the corporate debtor;

(d) have the authority to access the books of account, records and other relevant documents of corporate debtor available with government authorities, statutory auditors, accountants and such other persons as <sup>1</sup>[[may be specified](#); and]

<sup>2</sup>[(e) be responsible for complying with the requirements under any law for the time being in force on behalf of the corporate debtor.]

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#### Reference

\*[Effective from](#) 01.12.2016.

1. Subs. by the [Insolvency and Bankruptcy Code \(Second Amendment\) Act, 2018](#), w.e.f. 06.06.2018, for the word “*may be specified.*”.
  2. Ins. by the [Insolvency and Bankruptcy Code \(Second Amendment\) Act, 2018](#), w.e.f. 06.06.2018.
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### Judicial Pronouncements:

**J1.** Once an insolvency professional is appointed to manage the company, the erstwhile directors who are no longer in management, obviously cannot maintain an appeal on behalf of the company. [*Innoventive Industries Ltd. v. ICICI Bank and Anr. (2017) ibclaw.in 02 SC, p11*]

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