

The Insolvency and Bankruptcy Code, 2016

Part-II Insolvency Resolution and Liquidation for Corporate Persons

Chapter-III Liquidation Process

Section 47: Application by creditor in cases of undervalued transactions.

*47. (1) Where an undervalued transaction has taken place and the liquidator or the resolution professional as the case may be, has not reported it to the Adjudicating Authority, a creditor, member or a partner of a corporate debtor, as the case may be, may make an application to the Adjudicating Authority to declare such transactions void and reverse their effect in accordance with this Chapter.

(2) Where the Adjudicating Authority, after examination of the application made under sub-section (1), is satisfied that—

(a) undervalued transactions had occurred; and

(b) liquidator or the resolution professional, as the case may be, after having sufficient information or opportunity to avail information of such transactions did not report such transaction to the Adjudicating Authority,

it shall pass an order—

(a) restoring the position as it existed before such transactions and reversing the effects thereof in the manner as laid down in [section 45](#) and [section 48](#);

(b) requiring the Board to initiate disciplinary proceedings against the liquidator or the resolution professional as the case may be.

Reference

*[Effective from](#) 15.12.2016.

Access complete Bare Act [here](#). To research Section and sub-section wise judgments, [visit here](#).

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