

The Insolvency and Bankruptcy Code, 2016

Part-II Insolvency Resolution and Liquidation for Corporate Persons

Chapter-III Liquidation Process

Section 51: Orders of Adjudicating Authority in respect of extortionate credit transactions.

***51.** Where the Adjudicating Authority after examining the application made under sub-section (1) of section 50 is satisfied that the terms of a credit transaction required exorbitant payments to be made by the corporate debtor, it shall, by an order—

- (a) restore the position as it existed prior to such transaction;
- (b) set aside the whole or part of the debt created on account of the extortionate credit transaction;
- (c) modify the terms of the transaction;
- (d) require any person who is, or was, a party to the transaction to repay any amount received by such person; or
- (e) require any security interest that was created as part of the extortionate credit transaction to be relinquished in favour of the liquidator or the resolution professional, as the case may be.

Reference

*[Effective from](#) 15.12.2016.