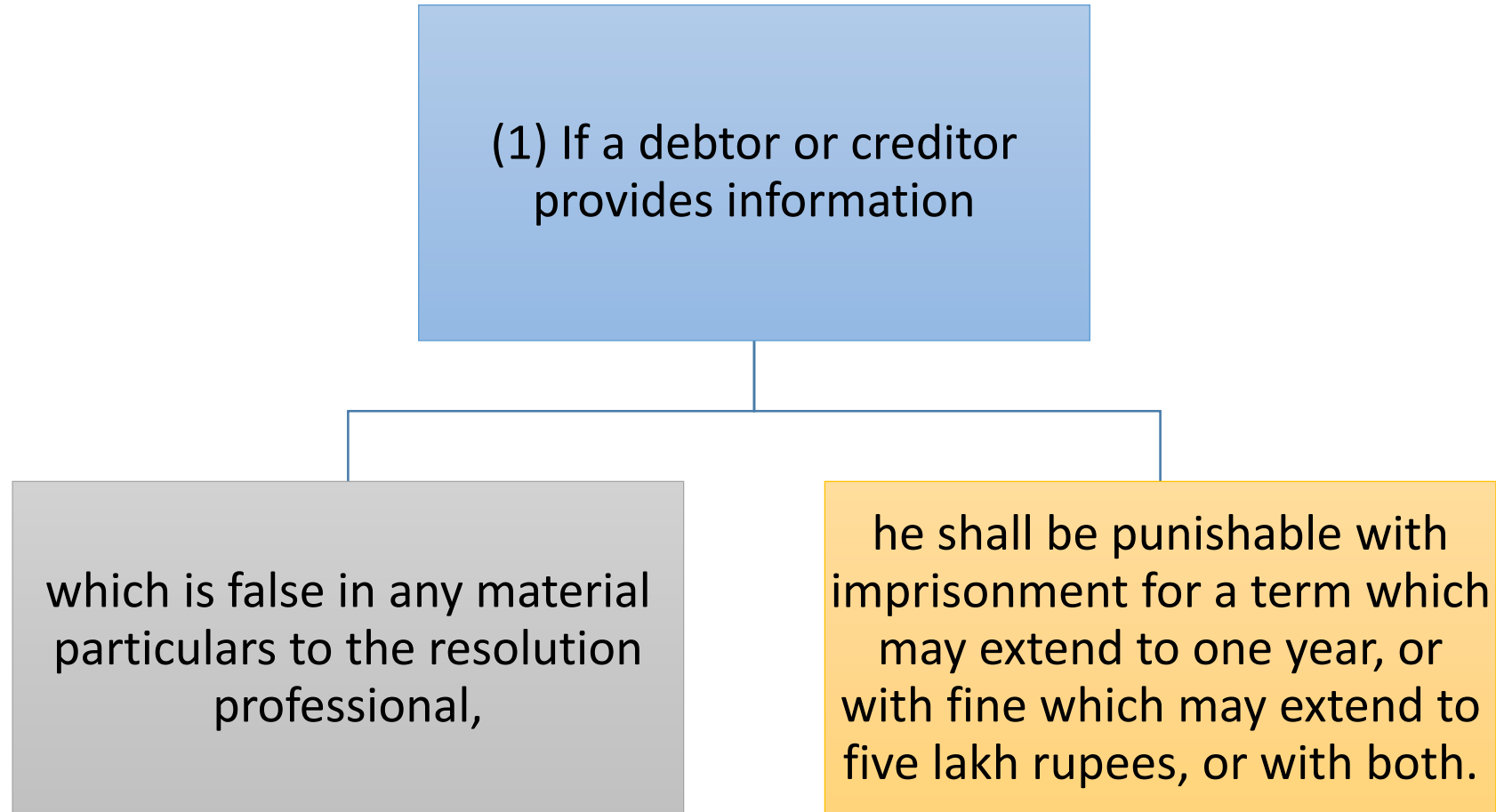


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## OFFENCES AND PENALTIES – Individuals and Firms

184. Punishment for false information etc. **by creditor [ as also by debtor ? ]**  
in insolvency resolution process.



## 184. Punishment for false information etc. by creditor in insolvency resolution process

	<p>(2) If a creditor promises to vote</p>	<ul style="list-style-type: none"><li>• in favour of the repayment plan dishonestly</li><li>• by accepting any money, property or security from the debtor,</li><li>• he shall be punishable with imprisonment for a term which may extend to two years,</li></ul>
	<p>or with fine which may extend to three times</p>	<ul style="list-style-type: none"><li>• the amount or its equivalent of such money, property or security accepted by such creditor, as the case may be, or with both:</li></ul>
	<p>Provided that where such amount is not quantifiable, the total amount of fine shall not exceed five lakh rupees.</p>	

## 185. Punishment for contravention of provisions.

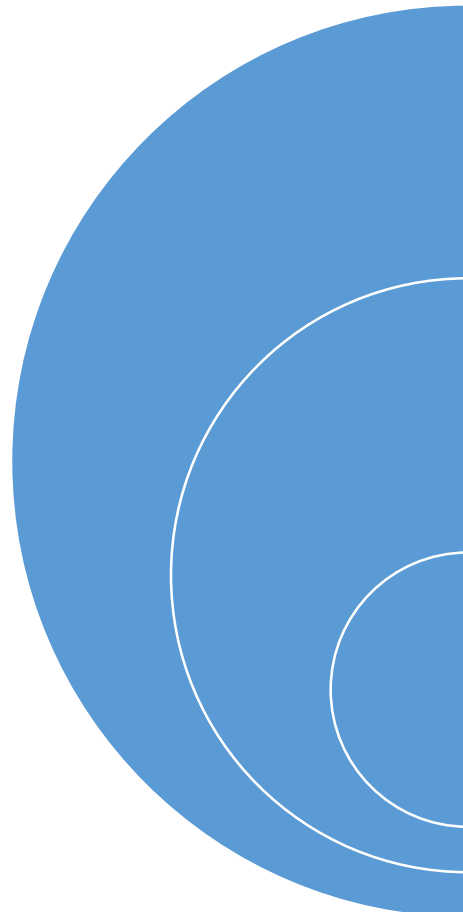
**If an insolvency professional**

- **deliberately contravenes the provisions of this Part,**

he shall be punishable with imprisonment for a term which may extend to six months,

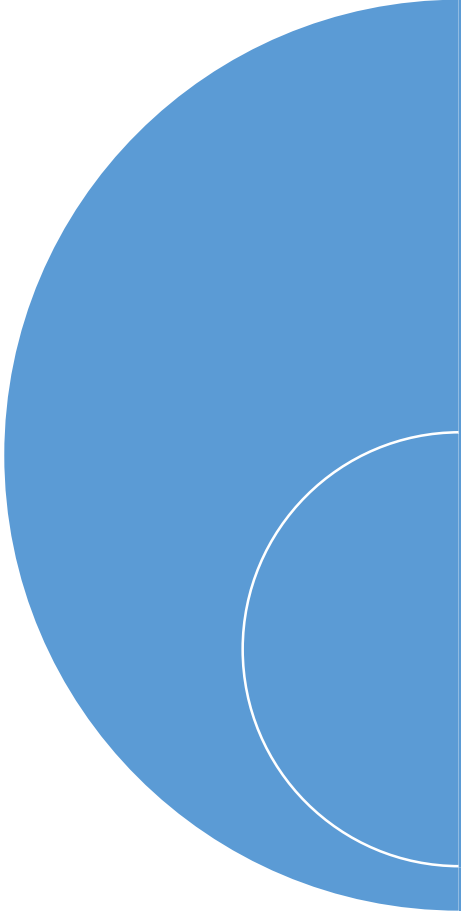
- or with fine, which shall not be less than one lakh rupees,
- but may extend to five lakhs rupees, or with both

## 186. Punishment for false information, concealment, etc., by bankrupt



If the bankrupt – (a) knowingly makes a false representation	• or wilfully omits or conceals any material information
<b>while making an application for bankruptcy under section 122</b>	• <b>or while providing any information during the bankruptcy process,</b>
he shall be punishable with imprisonment which may extend to six months,	• or with fine which may extend to five lakh rupees, or with both;

## 186. Punishment for false information, concealment, etc., by bankrupt

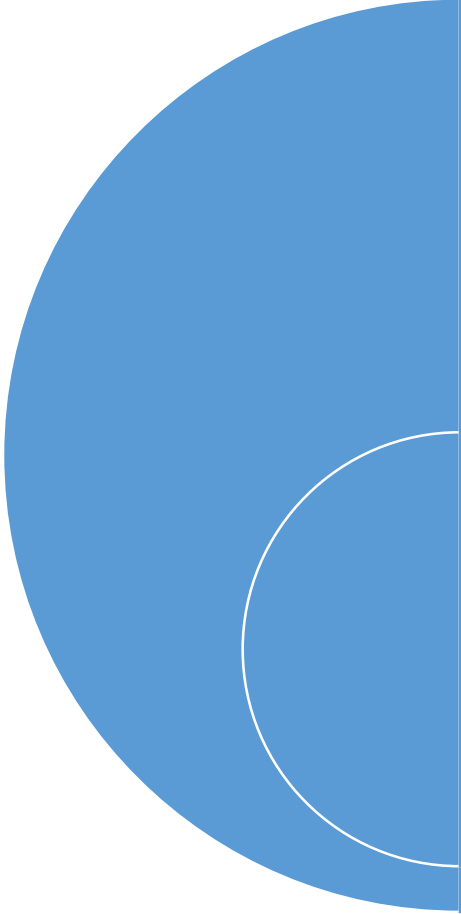


Explanation. – For  
the purposes of  
clause (a),

a false  
representation or  
omission **includes**

- **non-disclosure of the details of disposal of any property**, which but for the disposal, would be comprised in the estate of the bankrupt,
- **other than dispositions made in the ordinary course** of business carried on by the bankrupt;

## 186. Punishment for false information, concealment, etc., by bankrupt



**(b) fraudulently has failed to provide or deliberately withheld the production of, destroyed, falsified or altered, his books of accounts, financial information and other records**

- **under his custody or control,**

he shall be punishable with imprisonment which may extend to one year, or with fine, which may extend to five lakh rupees, or with both;

## 186. Punishment for false information, concealment, etc., by bankrupt

**(c) has  
contravened  
the restrictions  
under section  
140 or the  
provisions of  
section 141,**

- he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which may extend to five lakh rupees, or with both;



## 186. Punishment for false information, concealment, etc., by bankrupt

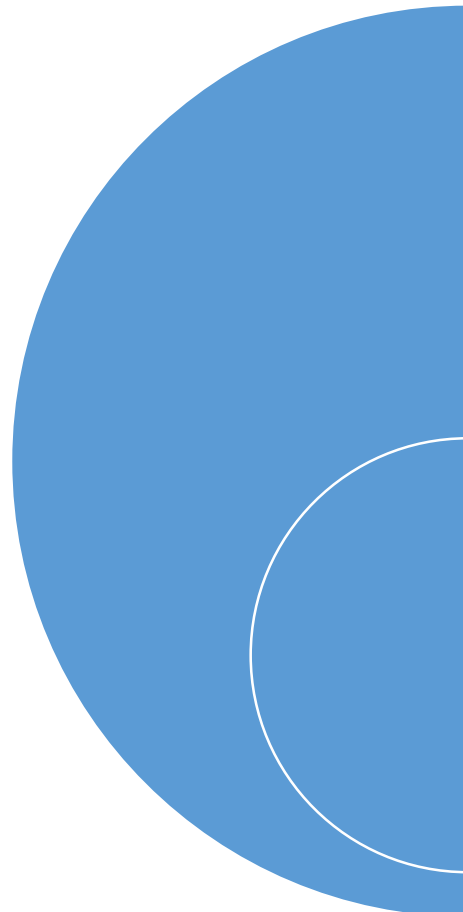
**(d)has failed to deliver**

- the possession of any property comprised in the estate of the bankrupt under his possession or control,

**which he is required to deliver under section 156,**

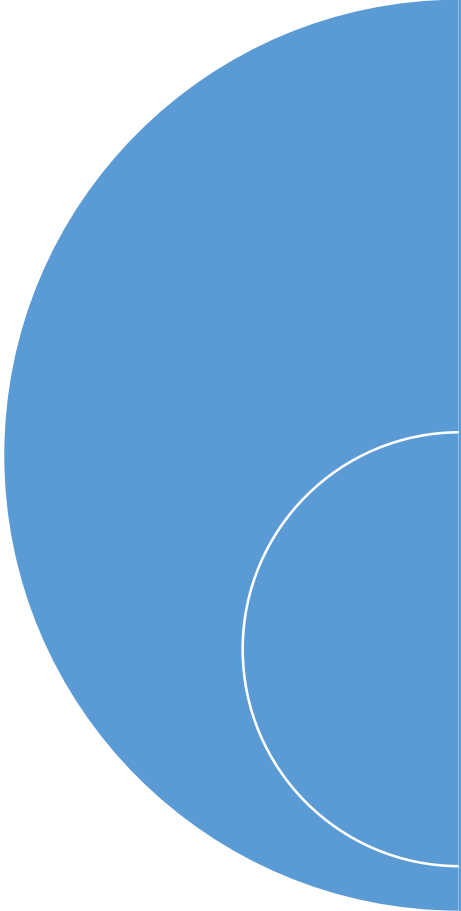
- he shall be punishable with imprisonment for a term which may extend to six months, or with fine, which may extend to five lakh rupees, or with both;

## 186. Punishment for false information, concealment, etc., by bankrupt



<p><b>(e) has failed to account, without any reasonable cause or satisfactory explanation, for any loss incurred of any substantial part of his property comprised in the estate of the bankrupt</b></p>	<ul style="list-style-type: none"><li>• <b>from the date which is twelve months before the filing of the bankruptcy application,</b></li></ul>
<p>he shall be punishable with imprisonment for a term which may extend to two years, or with fine, which may extend to three times of the value of the loss, or with both:</p>	<ul style="list-style-type: none"><li>• Provided that that where such loss is not quantifiable, the total amount of fine imposed shall not exceed five lakh rupees;</li></ul>

## 186. Punishment for false information, concealment, etc., by bankrupt



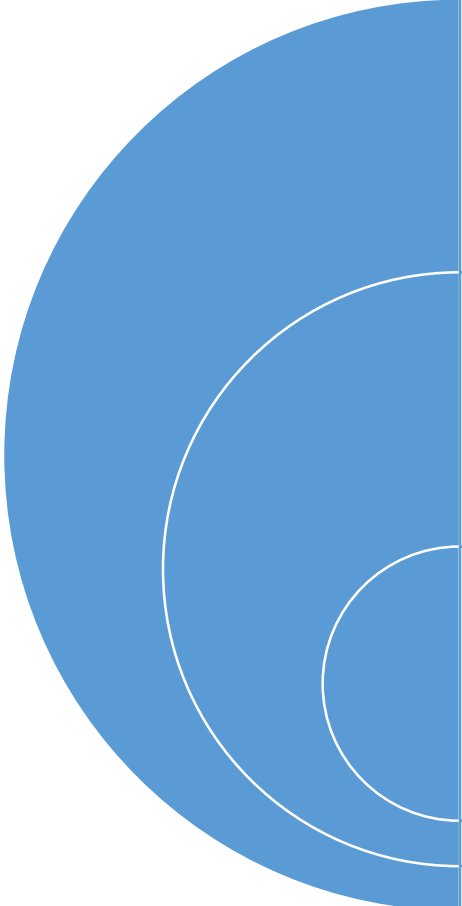
**(f) has absconded or attempts to absconds after the bankruptcy commencement date,**

- he shall be punishable with imprisonment for a term which may extend to one year, or with fine, which may extend to five lakh rupees, or with both;

Explanation. – For the purposes of this clause, a **bankrupt shall be deemed to have absconded**

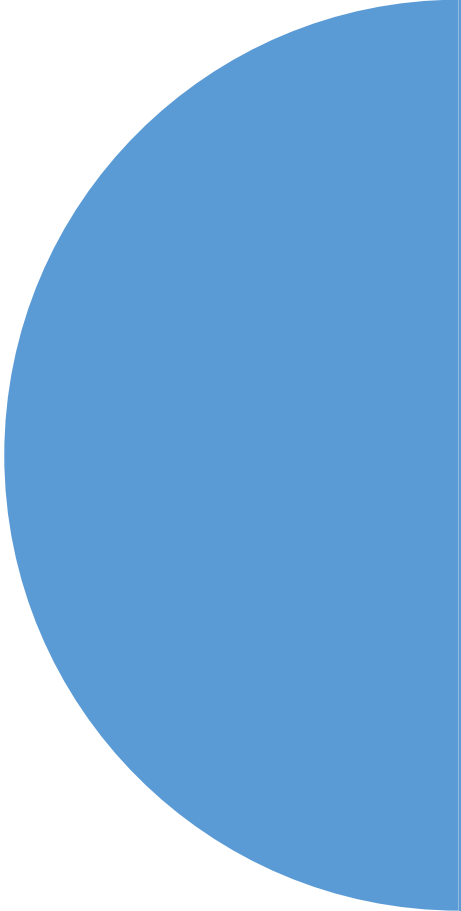
- **if he leaves, or attempts to leave the country**
  - **without delivering the possession any property which he is required to deliver to the bankruptcy trustee under section 156.**

## 187. Punishment for certain actions-**bankruptcy trustee**



<b>(1) If a bankruptcy trustee, –</b>
<b>(a) has fraudulently misapplied, retained or accounted for any money or property comprised in the estate of the bankrupt; or</b>
<b>(b) has wilfully acted in a manner that the estate of the bankrupt has suffered any loss in consequence of breach of any duty of the bankruptcy trustee in carrying out his functions under section 149,</b>

## 187. Punishment for certain actions-- -bankruptcy trustee



bankruptcy trustee shall be punishable with imprisonment for a term which may extend to three years, or with fine, which shall not be less than three times the amount of the loss caused, or likely to have been caused, [ **or with both** ]

- to persons concerned on account of such contravention, [ or with both ] :

## 187. Punishment for certain actions---bankruptcy trustee

Provided that where such loss or unlawful gain is not quantifiable,

- the total amount of fine imposed shall not exceed five lakh rupees:

Provided further that **the bankruptcy trustee shall not be liable under this section**

- if he seizes or disposes of any property which is not comprised in the estate of the bankrupt
- **and**
- at that time had reasonable grounds to believe that he is entitled to seize or dispose that property