

# Ministry of Corporate Affairs

## The Insolvency and Bankruptcy Board of India ( Salary, Allowances and other Terms and Conditions of Service of Chairperson and Members) Rules, 2016 [ approved by the Competent Authority yet to be legislatively vetted ]

### 1. Short Title And Commencement

- i. These rules may be called The Insolvency and Bankruptcy Board of India (Terms and Conditions of Chairperson and Members) Rules 2016.
- ii. They shall come into force on the date of publication of this Notification.

### 2. Definitions -

- i. In these rules, unless the context otherwise required:-
  - a) "Code" means The Insolvency and Bankruptcy Code, 2016 as notified in official gazette on 28.05.2016.
  - b) "Board" means The Insolvency and Bankruptcy Board of India established under the Code.
  - c) "Chairperson" means the Chairperson of the Board.
  - d) "Member" means a Member of the Board.
- ii. Words and expressions used in these rules and not defined, but defined in the Code shall have the meanings respectively assigned to them in the Code.

### 3. Terms and Conditions of Service of Chairperson and Members :-

- i. The Chairperson or the Whole Time Member shall be a person who does not, and will not, have any such financial or other interests as are likely to affect prejudicially his functions as such Chairperson or Member.
- ii. The term of office of the Chairperson & Whole Time Member shall be five years or till he/she attains the age of sixty-five years, whichever is earlier, and he/she shall be eligible for reappointment.
- iii. The Chairperson or Whole Time Member appointed to fill up a causal vacancy shall hold office for the remainder period of the term of the Chairperson or, as the case may be, Whole Time Member in whose place he is appointed.
- iv. The Chairperson or whole time Member shall not accept any employment before the expiry of a period of one year from the date of demitting the office in The

Insolvency and Bankruptcy Board of India, except with the previous sanction of the Central Government.

- v. The Chairperson and every Whole Time Member shall be appointed by the Central Government on the recommendation of a Selection Committee as provided in section 189(3) of the Code consisting of:
- (a) Cabinet Secretary – Chairperson;
  - (b) Secretary to the Government of India to be nominated by the Central Government – Member;
  - (c) Chairperson of the Insolvency and Bankruptcy Board of India (in case of selection of members of the Board) – Member;
  - (d) three experts of repute from the field of finance, law, management, insolvency and related subjects, to be nominated by the Central Government – Members.

**4. Pay -**

- i. The Chairperson shall have an option to receive pay (a) as admissible to a Secretary to Government of India or (b) consolidated salary of Rs 4,50,000 per month.
- ii. The Whole Time Members shall have an option to receive pay (a) as admissible to a Additional Secretary to Government of India or (b) consolidated salary of Rs 3,75,000 per month.
- iii. In the case of an appointment of a person as a Chairperson or a Whole Time Member shall have an option to receive pay as admissible to a Secretary and Additional Secretary to the Government of India respectively who has retired from service under the Central Government or the State Government and who is in receipt of, or has received, or has become entitled to receive any retirement benefits by way of pension, gratuity, employer's contribution to the Contributory Provident Fund or other Funds or retirement benefits the pay and allowances of such Chairperson or Member, as the case may be, shall be reduced by gross amount of pension and pension equivalent of gratuity or employer's contribution to the Contributory Provident Fund or any other form of retirement benefits, if any, drawn or to be drawn by him.

**5. Dearness Allowance and City Compensatory Allowance -**

The Chairperson and a Whole Time Member who has opted pay as admissible to a Secretary and Additional Secretary to the Government of India respectively shall receive Dearness Allowance and City Compensatory Allowance at the rates admissible to a Group 'A' Officer of the Central Government of equivalent rank.

**6. Entertainment Allowance -**

The Chairperson and a Whole Time Member shall be entitled to Entertainment Allowance subject to a maximum of Rs.6,000 per annum.

**7. Leave -** The Chairperson and a Whole Time Member shall be entitled to a leave as follows:

- i. Earned Leave at the rate of thirty days (30 days) for every completed calendar year of service: Provided that the leave account shall be credited with earned leave in advance in two instalments of fifteen days (15 days) each from the first day of January and July of every calendar year; Provided further that the earned leave at the credit at the close of previous half year shall be carried forward to the next half year, subject to the condition that the leave so carried forward plus credited for half year do not exceed 240 days.
- ii. Half Pay Leave on medical certificate or on private affairs at the rate of twenty days (20 days) in respect of each completed year of service to be credited in advance in two installments of ten days each on 1<sup>st</sup> January and 1<sup>st</sup> July of every calendar year and leave salary for half pay leave shall be equivalent to half of the leave salary admissible during he earned leave;
- iii. Leave on Half Pay may be commuted to full pay leave at the discretion of the Chairperson or a whole - time Member, if it is taken on medical grounds and is supported by a Medical Certificate by a competent medical authority;
- iv. Causal Leave at the rate of twelve days in a calendar year;
- v. Extra - ordinary leave without pay and allowances up to a maximum period of 180 days in one term of office;
- vi. Extra-Ordinary leave without pay and allowances in a calendar year out of the holidays notified by the Central Government.

**8. Leave Sanctioning Authority -**

The Chairperson shall be the authority competent to sanction leave to a Whole Time Member and the President of India shall be the authority competent to sanction leave to the Chairperson.

**9. Provident Fund -**

The Chairperson or a Whole Time Member shall be entitled to subscribe to the General Provident Fund.

**10. Travelling Allowance -**

- i. The Chairperson, while on tour or on transfer (including the journey undertaken to join the Board or on the expiry of his term with the Board proceeds to his home town) shall be entitled to the travelling allowances, daily allowances, transportation of personal effects and other similar matters at the same scale and at the same rate as are prescribed for a Secretary to the Government of India.
- ii. A Whole Time Member while on tour or on transfer (including the journey undertaken to join the Board or on the expiry of his term with the Board proceeds to his home town) shall be entitled to the travelling allowances, daily allowances, transportation of personal effects and other similar matters at the same scale and at the same rates as are prescribed for Group 'A' officer of equivalent rank of the Central Government.

**11. Leave Travel Concession -**

- i. The Chairperson shall be entitled to Leave Travel Concession at the same rates and at the same scales as are applicable to a Secretary to the Government of India.
- ii. A Whole Time Member shall be entitled to Leave Travel Concession at the same rates and at the same scales as are applicable to a Group 'A' officer of the Government of India.

**12. Accommodation -**

- i. The Chairperson and a Whole Time Member shall be entitled to rent free unfurnished house and the Board shall approve the type of accommodation, purchase price or rent of the house to be used for residence by the Chairperson or a Whole Time Member.
- ii. Charges for water, electricity and fuel consumed in the house shall be borne by the occupant of the house.
- iii. Where the Chairperson or a Whole Time Member occupies his own accommodation or makes private arrangements, he shall be entitled to a compensation comprising of 10 per cent of his Basic Pay and House Rent Allowance as admissible to a Group 'A' officer of the Government of India.
- iv. Nothing in this rule shall apply to the Chairperson and a whole time Member who has opted a consolidated salary of Rs. 4,50,000/- per month and 3,75,000/- respectively.

**13. Conveyance -**

- i. The Chairperson and a Whole Time Member shall be entitled to a staff car of the Board for official purpose.
- ii. No passenger vehicle shall be purchased by the Board and requirement of vehicles shall be met by hiring.
- iii. Nothing in this rule shall apply to the Chairperson and a Whole Time Member who has opted a consolidated salary of Rs. 4,50,000/-per month and 3,75,000/- respectively

**14. Bonus -**

The Chairperson and a Whole Time Member shall not be entitled to bonus.

**15. Sitting Fees and Board's Meetings -**

The Chairperson and a Whole Time Member shall not be entitled to any sitting fees for attending meetings of the Board.

**16. Gratuity -** The Chairperson or a Whole Time Member shall not be entitled to gratuity.

**17. Encashment of Leave -**

The Chairperson or a Whole Time Member shall be entitled to the encashment of leave in accordance with the rule applicable to Group 'A' officers of Government of India, subject to a maximum encashment of 240 days, including the leave encashed before superannuation.

**18. Facilities for medical treatment -**

The Chairperson or a Whole Time Member shall be entitled to medical treatment and hospital facilities as provided in the Contributory Health Services Schemes Rules, 1954.

**19. Residuary Provisions -**

Matters relating to the conditions of service of the Chairperson or a Whole-Time Member with respect to which no express provision has been made in these rules shall be referred in each case, to the Central Government for its decision and the decision of the Central Government thereon shall be final.

**20. Terms and Conditions of Services of Part-time Members -**

- i. A part-time Member shall be a person who does not, and will not, have any such financial or other interest as is likely to affect prejudicially his functions as a part-time member.
- ii. Every part -time Member shall hold office for such period, not exceeding three years, as may be specified in the order of his appointment, but shall be eligible for reappointment.
- iii. A part-time Member appointed to fill up a casual vacancy, shall hold office for the remainder period of the term of whole -time or part-time Member in whose place he is appointed.

**21. Fee and Allowances of Part-time Members -**

- i. A part-time Member shall be entitled to receive remuneration by way of a fee of rupees one thousand only for each meeting of the Board attended by him.
- ii. A part-time Member while on tour (including the journey undertaken to attend a meeting of the Board) shall also be entitled to travelling allowance and daily allowances at the same rates and scale as are applicable to an Additional Secretary to the Government of India”.

**22. Power to Relax -**

The Central Government shall have power to relax the provisions of any of these rules with respect to any class or category of person.