

Chapter XII — Compromise, Arrangement and Reconstruction

Chapter in 2 minutes

- Map creditor/partner classes, Tribunal process, valuation, disclosure, voting, implementation and post-order filings.
- Correct class constitution, valuation, disclosure, voting and order implementation are essential.
- Read every section with the amended Rules, current MCA form and the LLP agreement.
- Authority, source evidence, State stamp/registration and cross-law effects are separate closing gates.
- A portal acknowledgement is evidence of filing—not a substitute for legal accuracy or complete transaction documentation.

Mandatory execution gates

- Current Act + amended Rule/form
- Agreement and authority
- State stamp/registration
- Tax/GST/FEMA/IBC overlay
- Evidence + filing acknowledgement
- Forum/limitation on default

Provision / control map

Provision	Subject	Control
60	Compromise or arrangement	Build class analysis, explanatory statement, valuation, creditor schedule, meeting process and implementation monitor.
61	Tribunal enforcement	Apply the chapter gate: Correct class constitution, valuation, disclosure, voting and order implementation are essential.
62	Reconstruction or amalgamation	Apply the chapter gate: Correct class constitution, valuation, disclosure, voting and order implementation are essential.

Evidence file

Stamped agreement; consents/KYC; approvals; forms/attachments; SRN/ challan; books/bank/tax; contracts and delivery; notices/orders; source/ version log.

Default response

Stop continuing loss; legal hold; verify authority and facts; issue notice; correct public records; calculate exposure; preserve mitigation; select statutory/ADR forum.