

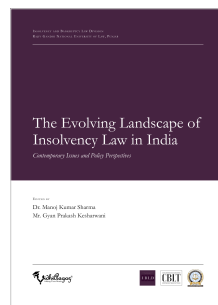
CHAPTER 7

Aligning Legislative Intent with Institutional Practice: Reassessing India's Pre-Pack Insolvency Framework for MSMEs

Paras Verma and Prathamesh Deshpande

in *The Evolving Landscape of Insolvency Law in India: Contemporary Issues and Policy Perspectives*, edited by Manoj Kumar Sharma and Gyan Prakash Kesharwani (VidhiAagaz 2026), pp. 109–126

DOI <https://doi.org/10.63108/VAB.IBL.1.7>



CITE THIS CHAPTER

BLUEBOOK (21ST ED.)

Paras Verma & Prathamesh Deshpande, *Aligning Legislative Intent with Institutional Practice: Reassessing India's Pre-Pack Insolvency Framework for MSMEs*, in *THE EVOLVING LANDSCAPE OF INSOLVENCY LAW IN INDIA: CONTEMPORARY ISSUES AND POLICY PERSPECTIVES* 109 (Manoj Kumar Sharma & Gyan Prakash Kesharwani eds., VidhiAagaz 2026).

OSCOLA, Chicago and APA citations, RIS and BibTeX: vidhiaagaz.com/books/the-evolving-landscape-of-insolvency-law-in-india/chapter-7/

LICENCE

Open access under the Creative Commons Attribution-NonCommercial 4.0 International Licence (CC BY-NC 4.0): it may be copied, shared and adapted for non-commercial purposes, with credit to the authors and the source. The permanent address of this chapter is its DOI above.

CHAPTER 7

Aligning Legislative Intent with Institutional Practice: Reassessing India's Pre-Pack Insolvency Framework for MSMEs

PARAS VERMA* AND PRATHAMESH DESHPANDE**

The Insolvency and Bankruptcy Code, 2016 ("the Code"), introduced the Corporate Insolvency Resolution Process ("CIRP"), which transformed the Indian insolvency landscape by significantly increasing the number of structured resolutions and enhancing stakeholder value while reducing the reliance on liquidation as the primary means of addressing financial distress. Although CIRP was a major success, the Indian Insolvency regime primarily focused on the corporates, thereby excluding Micro, Small and Medium Enterprises ("MSMEs"), which form a significant percentage of the markets of India, out of the purview of the benefits brought in by resolution. To address this gap, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021, enacted the Pre-packaged Insolvency Resolution Process ("PPIRP"). However, its implementation has been met with substantial underuse, as the Insolvency and Bankruptcy Board of India ("IBBI") reported that only fifteen PPIRPs have been filed. This research critically examines whether the design and procedural architecture of India's PPIRP framework align with its legislative intent and functional objectives.

Adopting a qualitative doctrinal and empirical legal methodology, the paper is structured in three parts: First, through a case law analysis of all 13 PPIRP proceedings filed, this study is to investigate the procedural timelines, stakeholder behaviour, resolution outcomes and key judicial interventions under sections 54A-54H of the Code. Second, the paper conducts a comparative legal analysis of analogous pre-packaged insolvency mechanisms in foreign jurisdictions, particularly UK's pre-pack administration under the Insolvency Act 1986, USA's Pre-packaged reorganization under chapter 11 and the Pre-package insolvency framework of Singapore under the Insolvency, Restructuring and Dissolution Act ("IRDA") 2018, to assess the divergences in creditor assent threshold, the plan formulation mechanisms, and regulatory functions of the authorities. This comparative analysis is utilised to gain actionable insights on the bottlenecks faced by the current PPIRP framework of India.

Finally, by further utilising these actionable insights, a normative legal approach is followed to prescribe legal reforms that conform to an Indian context. These recommendations are posited as innovative legal

* Student at National Forensic Sciences University, Gandhinagar, Gujarat, India.

** Student at National Forensic Sciences University, Gandhinagar, Gujarat, India.

solutions, with potential relevance to global insolvency reform initiatives. This study contributes to emerging Indian insolvency jurisprudence by identifying empirical lacunae, exposing comparative inefficiencies, and advancing doctrinal reforms, thus offering a holistic evaluation of PPIRP as a special resolution mechanism for MSMEs.

Keywords: Pre-packaged Insolvency, Doctrinal Analysis, Insolvency Reform, MSME Resolution, PPIRP India

1 INTRODUCTION

The MSMEs constitute a major part of the Indian economy, contributing approximately 30% to the Indian GDP¹ while providing employment to over 25.18 crore people². The primary resolution mechanism under the Code, CIRP, with its procedure-intensive, rigidly formal, and financially demanding architecture, mainly catered to the large corporates, marginalising the MSMEs limited by resources³. Furthermore, the impact of the COVID-19 pandemic on the MSMEs made the dire need for a resolution mechanism tending to corporate MSME stress apparent. To address these issues, PPIRP was introduced as an alternative stress resolution mechanism through the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021.

The PPIRP framework embodies a unique, cost-effective, time-saving, and value-maximising resolution alternative, tailored to the needs of MSMEs that blends in the formal features that make CIRP sacrosanct with the informal elements, while adopting the creditor-in-control and debtor-in-possession model that makes the PPIRP framework flexible and suitable to the needs of corporate MSMEs.⁴ The framework envisages a hybrid procedure with an informal pre-initiation phase offering flexibility for the corporate debtor (“CD”) and its creditors a swift opportunity to explore and negotiate the optimal way to resolve business stress, while the formal post-initiation phase drives value-maximisation and bestows the resolution plan with statutory protection.

Despite these advantages, only 15 cases have been admitted as of September 2024,⁵ underscoring a substantial underuse of the provisions. This paper endeavours to critically assess whether the design and implementation of India’s PPIRP framework align with its

¹ Press Information Bureau, *Contribution of MSMEs to the GDP*, Ministry of Micro, Small & Medium Enterprises, Government of India (July 22, 2024), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2035073>.

² Press Information Bureau, *Budget 2025-26: Fuelling MSME Expansion*, Ministry of Micro, Small & Medium Enterprises, Government of India (Feb. 4, 2025), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2099687>.

³ Akash Srivastava, *A Detail Study of Pre-Packs: A New Regime of Insolvency in India*, IBC LAWS (June 23, 2020), <https://ib-claw.in/a-detail-study-of-pre-packs-a-new-regime-of-insolvency-in-india-by-adv-akash-srivastava/?print=print>.

⁴ Insolvency and Bankruptcy Board of India, *Pre-Packaged Insolvency Resolution Process*, IBBI (Apr. 2021), <https://ibbi.gov.in/uploads/whatsnew/a650764a464bc60fe330bce464d5607d.pdf>.

⁵ Ruchika Chitravanshi, *Pre-packaged Insolvency Sees Sluggish Growth with 13 Applications till Sep*, BUS. STANDARD (Jan. 3, 2025), https://www.business-standard.com/industry/news/prepackaged-insolvency-sees-sluggish-growth-with-13-applications-till-sep-125010200624_1.html.

intended legislative and functional objectives. It undertakes a threefold analysis: *first*, by examining all fifteen reported PPIRP cases to evaluate procedural efficacy and judicial intervention; *second*, by drawing comparative insights from similar pre-pack regimes in the United Kingdom, United States, and Singapore; and *finally*, by proposing targeted legal reforms through a normative lens, aimed at strengthening PPIRP's utility as an effective resolution mechanism for MSMEs.

2 LEGAL BACKGROUND OF PPIRP

2.1 Evolution of PPIRP in Multiple Jurisdictions

The concept of the PPIRP is not exclusive to India; instead, it represents India's adaptation of internationally successful restructuring mechanisms that have evolved across various jurisdictions, specifically in the United Kingdom, the United States and Singapore, over several decades.

The United Kingdom emerged as one of the earliest adopters of pre-packaged mechanisms through the Enterprise Act 2002. In the standard prepackaged administration of the United Kingdom, the sale of a company's business or assets is planned before the formal administration begins. Once the administrator is officially appointed, the sale is typically finalised on the first day of the process, helping to save the business entirely or at least in part.⁶ This regulatory framework was developed through Statement of Insolvency Practice ("SIP") 16, which provides rules on what information must be disclosed and how transparency should be maintained,⁷ which was later supplemented in 2015 by the Pre-pack Pool mechanism.⁸

In the United States, pre-packaged reorganisations under Chapter 11 allow companies to negotiate and secure creditor approval for a restructuring plan before filing for bankruptcy.⁹ This helps businesses exit bankruptcy quickly while retaining judicial oversight and

⁶ INSOLVENCY PRACTITIONERS ASS'N, STATEMENT OF INSOLVENCY PRACTICE 16: PRE-PACKAGED SALES IN ADMINISTRATIONS (2015) (effective Nov. 1, 2015), <https://insolvency-practitioners.org.uk/uploads/documents/E30389ce35ed923c06b2879fecdb616a.pdf>.

⁷ Bolanle Adebola, *Transforming Perceptions: The Development of Pre-pack Regulations in England and Wales*, 43 OXFORD J. LEGAL STUD. 150 (2023), <https://doi.org/10.1093/ojls/gqac026>.

⁸ Lorraine Conway & Ali Shalchi, *Pre-pack Administrations* (Research Briefing SN 05035, House of Commons Library, Mar. 4, 2021), <https://commonslibrary.parliament.uk/research-briefings/sn05035/>.

⁹ Dennis F. Dunne, Dennis C. O'Donnell & Nelly Almeida, *Prepackaged Chapter 11 in the United States: An Overview*, Insight, GLOBAL RESTRUCTURING REVIEW (May 16, 2023), <https://globalrestructuringreview.com/guide/the-art-of-the-pre-pack/edition-3/article/prepackaged-chapter-11-in-the-united-states-overview>.

creditor protections. Unlike the UK's approach, the US model involves stricter judicial supervision and formal creditor voting.¹⁰

Singapore adopted a similar approach in 2017, creating an efficient pre-pack framework under its IRDA. These reforms, inspired by the US Chapter 11 regime, were introduced to support debtor-led restructurings through a fast-track scheme of arrangement, reducing both time and costs under Section 211 of the Companies Act. The framework has been successful in debt restructurings for companies facing financial distress.

2.2 Overview of the PPIRP Framework under the Code

The legislative purpose behind the PPIRP was outlined in the report of the Sub-Committee, chaired by Dr. M.S. Sahoo of the Insolvency Law Committee, submitted in October 2020.¹¹ Based on this subcommittee's recommendations, a pre-pack mechanism was introduced within the existing structure of the Code.¹² Furthermore, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021, which came into effect on April 4, 2021,¹³ formally introduced the PPIRP Framework through Chapter III-A of the Code, covering sections from 54A to 54P. It is designed as a hybrid model combining global practices with the needs of Indian MSMEs. Section 54A limits its use to MSMEs and sets conditions, including a default threshold of ₹10 lakh, 66% creditor approval, and compliance with Section 29A.¹⁴

The framework follows a clear process from eligibility checks and application, ranging from Section 54B to 54C, formal proceedings including public announcements and creditor verification, covering Section 54D to 54G, and governance through a debtor-in-possession model, where current management stays in control but is subject to creditor oversight, from Section 54H to 54K.¹⁵ The final provisions address plan approval, implementation, and termination procedures (Section 54L-54P), ensuring alignment with the Code principles while maintaining PPIRP's specific characteristics.

Unlike the traditional insolvency process, where control shifts to a resolution professional ("RP"), PPIRP lets the existing management run the business during the process by

¹⁰ BO XIE, COMPARATIVE INSOLVENCY LAW 175–202 (2016), https://www.elgaronline.com/monochap/9781781007372/15_chapter5.xhtml (last visited Aug. 6, 2025).

¹¹ Press Information Bureau, *Sub-Committee of Insolvency Law Committee Recommended IBC Pre-Pack Framework* (Ministry of Corporate Affairs, Govt. of India, Mar. 8, 2021), <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1703245>.

¹² *Id.*

¹³ MMJC, *Pre-Packaged Insolvency Resolution Process for MSME: A Boon in Disguise During Pandemic* (Mar. 2021), <https://www.mmjc.in/pre-packed-insolvency-resolution-process-for-msme-a-boon-in-disguise-during-pandemic/>.

¹⁴ Akansha Rathi & Associates, *Pre-Packaged Insolvency Resolution Process* (Insights Report, June 2022), <https://aracs.in/wp-content/uploads/2022/12/PPIRP-By-Akansha-Rathi.pdf>.

¹⁵ Insolvency and Bankruptcy Board of India, *Pre-Packaged Insolvency Resolution Process* (IBBI information brochure, Apr. 2021), <https://www.ibbi.gov.in/uploads/whatsnew/a650764a464bc60fe330bce464d5607d.pdf>.

combining both the debtor-in-possession and creditor-in-control models.¹⁶ This helps avoid disruptions and is suitable for MSMEs, which often depend on the promoter's networks and experience in building the MSME. By keeping management in place, the framework protects key relationships and operational knowledge that could otherwise be lost if the management is transferred to the RP.¹⁷

At the same time, creditor-in-control safeguards are built in to prevent misuse. Creditors, through the Committee of Creditors ("CoC"), can vote, by a 66% majority, to hand control over to an RP if there's fraud or mismanagement¹⁸. They can also switch the process to normal insolvency proceedings whenever they feel it necessary. This ensures that while the business stays operational, creditors still have the power to step in and protect their interests when needed.¹⁹

2.3 Key Features

The Base Resolution Plan ("BRP") is the initial point of the PPIRP process, prepared by the CD using its inside knowledge of the business. This plan, following Section 54K guidelines, must not reduce payments owed to operational creditors (OC) if it's to be directly approved, and CoC can accept the BRP with some improvements.²⁰ The purpose is to negotiate the plan with creditors beforehand, so that formal proceedings begin only when a workable plan is already in place, reducing delays and uncertainty.

If the BRP is not accepted by the CoC, the Swiss challenge would take place, which is a bidding process. The RP invites alternative resolution plans to compete with the BRP. These competing plans are evaluated, and the best alternative plan ("BAP") is selected. In cases where the BAP is better than the BRP, both the original and the alternative plans can be revised through further rounds until the best plan is finalised. In case there is no alternative plan received, then CoC may approve the BRP. This ensures value maximisation while keeping the process efficient.

The entire PPIRP process follows a strict 120-day timeline. Within the first 14 days, the National Company Law Tribunal ("NCLT") must admit or reject the application. Between Days 1 and 90, creditors evaluate and work on the resolution plan. The final 30 days are for

¹⁶ Manoj Kumar Anand & Rajiv Sharma, *Effects of Individual Insolvency and PPIRP (Pre-Packaged Insolvency Resolution Process) on the Indian Business Environment*, 5 SHODHKOSH: J. VISUAL & PERFORMING ARTS (2024), <https://www.granthaalayapublication.org/Arts-Journal/ShodhKosh/article/download/5122/4641/27301>.

¹⁷ Mathew Jacob, *Catalyzing MSMEs Through a Facilitative Distress Resolution Process*, IBC LAWS BLOG (Feb. 25, 2025), <https://ibclaw.blog/catalyzing-msmes-through-a-facilitative-distress-resolution-process-by-mathew-jacob/>.

¹⁸ Smiti Tewari, Anisa Bawari & Srishti Dembla, *The PPIRP Experiment: A Double-Edged Sword?*, The Indian Restructuring Growth Story, KHAITAN LEGAL (Jan. 4, 2022), <https://khaitanlegal.com/the-ppirp-experiment-a-double-edged-sword/>.

¹⁹ *Id.*

²⁰ Anand & Sharma, *supra* note 16.

NCLT to approve or reject the plan.²¹ The reduced timeline marks a significant compression compared to the 180 to 330 days that is generally required under CIRP²². This is made possible by conducting negotiations upfront and avoiding lengthy marketing and bidding procedures.

3 EMPIRICAL AND DOCTRINAL ANALYSIS OF INDIA'S PPIRP CASE-LAWS

The PPIRP framework was introduced into the Code as a specialised, efficient, and consensual mechanism for the resolution of MSMEs. Despite its legislative intent to provide a swift and less disruptive alternative to the standard CIRP, the framework has seen a remarkably low uptake, with only a handful of cases initiated since its enactment in 2021. This numerical deficit necessitates a deep and critical examination of the cases that have been filed to understand the practical realities of the PPIRP.

This section undertakes a comprehensive qualitative and doctrinal analysis of the set of judicial orders of the proceedings initiated in India. The objective is to deconstruct the procedural efficacy of the framework by investigating four key pillars as they have unfolded in practice: the adherence to procedural timelines, the dynamics of stakeholder behaviour, the nature of resolution outcomes, and the critical role of judicial intervention in interpreting the law under Sections 54A-54H of the Code. The findings herein form the empirical foundation upon which the subsequent comparative analysis and normative recommendations of this study are built.

3.1 Analysis of Procedural Timelines: The Ideal vs. the Reality

A core promise of the PPIRP framework is its “time-bound” and “quicker” nature.²³ The statute prescribes a model timeline of 120 days for completion: 90 days for the CoC to approve a resolution plan, followed by a 30-day window for the Adjudicating Authority (“AA”) to grant its sanction. Our analysis reveals that while this timeline is achievable, it functions more as an ambitious benchmark than a rigid deadline, with judicial flexibility proving essential to the process’s success.

²¹ Insolvency and Bankruptcy Board of India, *Discussion Paper on Amendments to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016* (Aug. 27, 2021), https://ibbi.gov.in/uploads/public_comments/Discussionpaper-CIRP-27Aug2021.pdf.

²² Sharmistha Ghosh & Aditi Sinha, *Pre-packaged Insolvency: To Uphold the Legislative Intent or the Letter of the Law?*, *Juris Corp* (Legal 500 News & Developments, Feb. 8, 2023), <https://www.legal500.com/developments/thought-leadership/pre-packaged-insolvency-to-uphold-the-legislative-intent-or-the-letter-of-the-law/>.

²³ Insolvency and Bankruptcy Board of India, *Pre-Packaged Insolvency Resolution Process* (IBBI information brochure, Apr. 2021), <https://www.ibbi.gov.in/uploads/whatsnew/a650764a464bc60fe330bce464d5607d.pdf>.

The case of Sudal Industries Limited stands as a testament to the framework's potential for speed, where the entire process from admission to final approval was concluded in just 112 days.²⁴ However, this is an exception. More frequently, the 120 days is significantly exceeded, as seen in ENN TEE International Limited²⁵ and RG Residency Pvt. Ltd., where proceedings extended for over a year.²⁶ This deviation is not arbitrary but is consistently attributable to two factors: stakeholder-led negotiations and essential judicial scrutiny. Delays were often necessary to allow the CoC to conduct a market-testing exercise for value maximisation or to engage in multiple rounds of negotiations to improve a BRP.²⁷ Furthermore, the AAs frequently paused the clock to adjudicate on pre-admission objections²⁸ or to remand a procedurally flawed plan back to the CoC²⁹.

This reality of structured delays led to the most critical judicial precedent on timelines, established by the National Company Law Appellate Tribunal (“NCLAT”) in the appeal of Kethos Tiles Private Limited. The appellate tribunal explicitly ruled that the 120-day timeline is directory, not mandatory, reasoning that there is no concept of automatic termination.³⁰ The NCLAT looked at the consequences of a mandatory interpretation – the automatic failure of potentially viable resolutions due to procedural delays – and chose instead to empower the judiciary with discretion. This interpretation prioritises the substantive goal of achieving a viable resolution over the rigid observance of a procedural deadline, thereby embedding necessary flexibility into the framework.

3.2 Examination of Stakeholder Behaviour: A Contested Consensus

The PPIRP model is a delicate balance of a “debtor-in-possession” framework with robust “creditor-in-control” mechanisms. The success of each case hinges on the conduct of its key stakeholders.

²⁴ CA Prashant Jain, Resolution Professional, Interlocutory Application No. 3021 of 2023 in CP (IBPP) No. 01/MB-IV/2022 (NCLT Mumbai Bench-IV Aug. 10, 2023) (Shri Prabhat Kumar & Shri Kishore Vemulapalli, Members), <https://ibbi.gov.in/uploads/order/a812d0a4f5d6ad4270015c2c0772d5ab.pdf>.

²⁵ Ritu Rastogi, Resolution Professional of ENN TEE Int'l Limited, Interlocutory Application No. 4313 (PB)/2023 in CP (IBPP) No. 01 (PB)/2022 (NCLT Principal Bench, New Delhi Oct. 19, 2023), <https://ibbi.gov.in/uploads/order/d8050b65c258ba3b5a74230c2d6709c8.pdf>.

²⁶ Rajeev Lochan, Resolution Professional, Interlocutory Application No. 53 of 2024 in CP (IBPP) No. 01 (PB)/2023 (NCLT Principal Bench, New Delhi May 13, 2025), <https://ibbi.gov.in/uploads/order/9229c1557f7647392eac5e8659bf3fa5.pdf>.

²⁷ Ritu Rastogi, Resolution Professional of ENN TEE Int'l Limited, Interlocutory Application No. 4313 (PB)/2023 in CP (IBPP) No. 01 (PB)/2022.

²⁸ Krrish Realtech Pvt. Ltd. v. Union Bank of India, Company Appeal (AT) (Insolvency) Nos. 1008, 1009 & 1010 of 2021 (NCLAT Dec. 21, 2021), <https://ibbi.gov.in/uploads/order/6c2281182a0c09919cbbf9481a22098a.pdf>.

²⁹ Rajeev Lochan, Resolution Professional, Interlocutory Application No. 53 of 2024 in CP (IBPP) No. 01 (PB)/2023.

³⁰ Mr. Vikash Gautamchand Jain, Resolution Professional for Kethos Tiles Pvt. Ltd., Company Appeal (AT) (Insolvency) Nos. 1173 & 1323 of 2024 (NCLAT Principal Bench, New Delhi Aug. 20, 2024).

- a. **The Corporate Debtor:** The behaviour of CDs presented a mixed spectrum. Many cases, such as Garodia Chemicals Limited and ENN TEE International Limited, showcased the ideal “honest debtor” who proactively engaged creditors and diligently followed pre-initiation requirements.³¹ However, several cases highlighted attempts to misuse the process. The BRP in Amrit India Ltd., offering a mere 10% recovery, was seen as a non-serious offer that undermined the good-faith basis of the process.³² In Krrish Realtech Private Limited, the CD’s attempt to convene a creditor meeting with same-day notice was a clear instance of procedural abuse intended to suppress creditor participation and railroad an approval.³³ More systemically, the AAs in RG Residency Pvt. Ltd. and KVIR Towers Pvt. Ltd. raised serious doubts about the bona fides of the debtors’ MSME status, suggesting a trend of larger, non-operational entities engaging in regulatory arbitrage to leverage the benefits of the PPIRP framework.
- b. **The Committee of Creditors:** The analysis overwhelmingly shows CoCs embracing their “creditor-in-control” role with commercial acumen. They were far from passive, decisively rejecting weak BRPs and successfully triggering the “Swiss Challenge” mechanism to invite better offers. This mechanism, central to PPIRP’s value maximisation goal, allows the CoC to use a competing third-party plan as a new benchmark, which the original debtor is then invited to match or improve upon. This was seen in cases like Amrit India Ltd. and Mudra Lifespaces Pvt. Ltd., which directly led to superior resolution outcomes³⁴. A notable and highly positive trend is that in none of the analysed cases did a CoC vote to terminate the PPIRP, indicating a strong institutional preference for resolution over liquidation.
- c. **The Resolution Professional:** The RP’s role as a facilitator was crucial, though not without challenges. In most successful resolutions, RPs acted as exemplary facilitators, dutifully following CoC directions and ensuring compliance.³⁵ However, the judiciary did not hesitate to point out deficiencies. A recurring challenge was the quality of claim verification. In RG Residency Pvt. Ltd., the AA had to intervene to correct the RP’s under-admission of homebuyer claims, reminding the RP of the duty to look beyond

³¹ Manish Jaju, Resolution Professional, Interlocutory Application No. 02 of 2025 in CP (IBPP) No. 02 of 2023 (Garodia Chemicals Ltd.) (NCLT Mumbai Bench-I Feb. 24, 2025) (Shri Virendrasingh Gyansingh Bisht & Shri Prabhat Kumar, Members).

³² Mukesh Kumar Jain, Resolution Professional, Interlocutory Application No. 1599 (PB)/2023 in CP (IBPP) No. 03 (PB)/2022 (NCLT Principal Bench, New Delhi May 3, 2023).

³³ *Krrish Realtech Pvt. Ltd.*, Company Appeal (AT) (Insolvency) Nos. 1008, 1009 & 1010 of 2021.

³⁴ *Mukesh Kumar Jain, Resolution Professional*, Interlocutory Application No. 1599 (PB)/2023 in CP (IBPP) No. 03 (PB)/2022.

³⁵ *CA Prashant Jain, Resolution Professional*, Interlocutory Application No. 3021 of 2023 in CP (IBPP) No. 01/MB-IV/2022.

flawed corporate records and verify claims based on all available evidence.³⁶ This highlights the dual nature of RP's role – to be a facilitator for the CoC and a compliance officer for the court.

3.3 Analysis of Resolution Outcomes: Value Maximisation in Practice

A striking feature across the analysed cases is the high rate of successful resolution. Of the cases that proceeded to the final stage, 100% resulted in the approval of a resolution plan. This supports the “Liquidation Remote” characteristic of PPIRP, a key design feature. Because the process begins with a debtor-led plan and creditor consent, the entire orientation is towards revival, with liquidation being a distant possibility.

- a. **Change in Management vs. Debtor-led Revival:** The outcomes were split between two primary models. In cases like *Mudra Lifespaces Pvt. Ltd.* and *Amrit India Ltd.*, the process led to a change in management, where a superior competing plan from a third-party applicant was approved.³⁷ In other instances, such as *Sudal Industries Limited* and *ENN TEE International Limited*, the debtor's own BRP was successfully negotiated and approved, keeping the existing promoters in control.³⁸ This dual potential allows for a tailored outcome based on the viability of the debtor's own plan.
- b. **Haircuts and Treatment of Creditors:** The haircuts for financial creditors (“FCs”) in PPIRP can be substantial and are comparable to those in CIRP, often exceeding 90% for unsecured FCs. However, a distinguishing trend is the significantly better treatment of OCs. In multiple approved plans, OCs were proposed to be paid 100% of their admitted claims. This is likely driven by the PPIRP structure, which incentivises debtors to protect OC claims in their BRPs to secure a smoother, more consensual approval. Finally, the “clean slate” principle was clarified in the *Shree Rajasthan Syntex Ltd.* (NCLAT Appeal), where it was held that statutory dues becoming payable in future instalments may not be extinguished by a plan's approval, defining the limits of debt discharge.³⁹

3.4 Synthesis of Key Judicial Interventions

The judiciary has been the most influential force in shaping the PPIRP, transforming it from a statutory text into a functional regime through key precedents.

³⁶ *RG Residency Pvt. Ltd.*, I.A. No. 2527 of 2024 etc. in CP (IBPP) No. 01(PB)/2023 (NCLT New Delhi Bench).

³⁷ *Mudra Lifespaces Pvt. Ltd.*, I.A. (IBC)(PLAN) No. 90 of 2024 in C.P. (IBPP) No. 1/MB/2023 (NCLT Mumbai Bench).

³⁸ *Sudal Indus. Ltd.*, I.A. No. 3021 of 2023 in C.P. (IBPP) No. 01/MB-IV/2022 (NCLT Mumbai Bench).

³⁹ *Shree Rajasthan Syntex Ltd. v. Chief Eng'r (Com.)*, Ajmer, Company Appeal (AT) (Insolvency) No. 1411 of 2024 (NCLAT).

- a. **Strict oversight:** The judiciary has firmly established that the admission stage is a rigorous checkpoint, not a formality. The NCLAT's ruling in *Krrish Realtech Private Limited* is the definitive statement on this, confirming the AA's inherent power to hear objectors who allege fraud or serious non-compliance with pre-initiation requirements before admitting an application.⁴⁰
- b. **Substantive Justice:** The courts have consistently prioritised substantive justice over rigid procedure. In *Shree Rajasthan Syntex Ltd. (Admission Order)*, the AA prioritised a PPIRP application over an earlier-filed CIRP plea, upholding the specific legislative intent to provide MSMEs with a preferred resolution path.⁴¹ Similarly, in *Shreemati Fashions Private Limited*, the AA pragmatically interpreted the 66% creditor approval threshold to apply to those "present and voting," facilitating the initiation of the process.⁴²
- c. **A Dual Judicial Philosophy:** The judiciary's approach is best described as a dual philosophy: highly interventionist on procedure, but hands-off on commercial wisdom. The courts have actively policed the integrity of the process by remanding flawed plans back to the CoC⁴³ and scrutinising MSME eligibility. However, once procedural fairness is established, they have consistently upheld the commercial wisdom of the CoC, as seen in *Garodia Chemicals* and *Sudal Industries*, where plans with unanimous or super-majority creditor support were approved without interference on their commercial terms.⁴⁴ This balanced approach ensures the PPIRP framework remains both equitable and commercially driven.

4 COMPARATIVE LEGAL ANALYSIS OF ANALOGOUS PRE-PACKAGED INSOLVENCY MECHANISMS

In this section, we compare and contrast the pre-packaged regimes of the United Kingdom, the United States, Singapore, and India, from their foundational principles to procedural mechanics, to draw conclusions on India's Pre-Packaged Insolvency Resolution Process.

The pre-packaged insolvency regimes across these four jurisdictions, while sharing a common goal of expedited resolution, are built upon different philosophical foundations (Table 1).

⁴⁰ *Krrish Realtech Pvt. Ltd., Company Appeal (AT) (Insolvency) Nos. 1008, 1009 & 1010 of 2021 (NCLAT).*

⁴¹ *Shree Rajasthan Syntex Ltd. v. State Bank of India, C.P. No. (IBPP)-01/54C/JPR/2022 (NCLT Jaipur Bench).*

⁴² *Shreemati Fashions Pvt. Ltd., C.P. (IBPP) No. 01/KB/2022 (NCLT Kolkata Bench).*

⁴³ *RG Residency Pvt. Ltd., I.A. No. 53 of 2024 in C.P. (IBPP) No. 01(PB)/2023 (NCLT New Delhi Bench).*

⁴⁴ *Sudal Indus. Ltd., I.A. No. 3021 of 2023 in C.P. (IBPP) No. 01/MB-IV/2022.*

TABLE 1. *Pre-packaged insolvency mechanisms compared: India, the United Kingdom, the United States and Singapore*

Parameter	India (PPIRP)	United Kingdom (Pre-Pack)	United States (Chapter 11 Pre-Pack)	Singapore (Pre-Pack Scheme)
Governing Law	Insolvency and Bankruptcy Code, 2016 (Chapter III-A)	Insolvency Act 1986 & The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021	U.S. Bankruptcy Code (Chapter 11)	Insolvency, Restructuring and Dissolution Act 2018 (Section 71)
Core Philosophy	Hybrid Debtor-in-Possession/ Creditor-in-Control Reorganisation	Swift Asset Sale (Administrator-led)	Consensual Reorganisation (Court-supervised)	Court-Sanctioned Scheme of Arrangement
Initiation Control	Debtor-proposed, Financial Creditor-approved	Administrator-driven (often at the behest of debtor/secured creditors)	Debtor-led	Debtor-led
Primary Plan Proponent	Corporate Debtor (via BRP)	Administrator/Purchaser	Debtor	Debtor
Judicial Role	Procedural check at admission, final sanction	Minimal (appoints administrator, but largely hands-off on the sale)	Substantive oversight (disclosure, due process, confirmation)	Dispositive (substantive sanctioning power)
Key Creditor Assent	66% of Financial Creditors (for initiation & plan)	No formal pre-sale creditor vote (historically)	2/3 in value & >1/2 in number per impaired class	Notional 75% in value & majority in number per class

The United Kingdom's pre-pack administration is a tool for swift asset sales, driven by an Insolvency Practitioner (IP) under the Insolvency Act 1986.⁴⁵ It prioritises preserving going-concern value through a rapid asset transfer, often negotiated pre-appointment. Sales to 'Newcos' formed by existing management have drawn criticism for opacity and potential prejudice to unsecured creditors.⁴⁶ The process favours speed and asset sales over consensual reorganisation.

The United States' Chapter 11 pre-pack is a formal mechanism for implementing a pre-negotiated plan of reorganisation.⁴⁷ It front-loads negotiation and voting before the

⁴⁵ Peter Brook et al., *Insolvency: Company Administration* (Research Briefing SN 04915, House of Commons Library, Aug. 8, 2024), <https://researchbriefings.files.parliament.uk/documents/SN04915/SN04915.pdf>.

⁴⁶ Summit Law LLP, *Pre-Pack Administration: Your Essential Legal Guide* (UK Insolvency Law Guide, updated Apr. 14, 2025), <https://www.summitlawllp.co.uk/pre-pack-administration-legal-guide/>.

⁴⁷ Lara Antal, *Prepackaged Bankruptcy*, INVESTOPEDIA (Nov. 25, 2003), <https://www.investopedia.com/terms/p/pre-packagedbankruptcy.asp>.

bankruptcy filing, using the court process to bind dissenters and achieve a rapid exit, often in 30-60 days. The process emphasises robust disclosure via a court-approved Disclosure Statement and strong judicial supervision to protect stakeholder rights, focusing on comprehensive capital restructuring, not just asset sales.

Singapore's pre-packaged scheme under Section 71 of the IRDA 2018 is a court-centric model. It allows a company to bypass creditor meetings and seek direct court sanction for a scheme. This requires satisfying the court that the necessary creditor majorities would have approved the plan. The judiciary's role is dispositive, involving a substantive evaluation of the scheme's fairness before approval.

India's PPIRP is a hybrid model for MSMEs, blending "debtor-in-possession" with "creditor-in-control" safeguards. The Management remains with the debtor under Section 54H of the Code, but the CoC can vote to transfer control to the RP for fraud or mismanagement under Section 54J. This debtor-initiated process requires significant prior approval from FCs, creating a consensual framework that balances promoter expertise with creditor oversight.

4.1 Divergences in Creditor Assent Thresholds

The power to approve an insolvency plan is the ultimate expression of creditor control, and the thresholds for this consent differ dramatically across jurisdictions.

India's PPIRP gives primacy to FCs. Initiation requires approval from unrelated FCs holding at least 66% of the financial debt under Section 54A (3) of the Code. Final plan approval needs an identical 66% vote by the CoC, where FCs dominate. The OCs have no vote at initiation or in the CoC, relegating their protection to downstream procedural rights.

The United States uses a more democratic model. A Chapter 11 pre-pack plan must be accepted by each impaired creditor class. The dual threshold requires approval from creditors holding at least two-thirds in value and more than one-half in number of the claims voted. This structure prevents domination by large creditors and gives a voice to smaller creditors within each class.

In Singapore, to sanction a pre-packaged scheme, the court must be satisfied that the plan would have been approved by a majority in number representing at least 75% in value of the debt within each class. This high-value threshold emphasises securing support from the most significant creditors.⁴⁸

The traditional UK pre-pack was notable for its lack of any formal pre-sale creditor vote, with decisions driven by the administrator and secured lenders. The 2021 Regulations

⁴⁸ Smitha Menon et al., *Singapore Restructuring & Insolvency Yearbook 2023*, SINGAPORE GLOBAL RESTRUCTURING INITIATIVE (CCLA), SINGAPORE MANAGEMENT UNIVERSITY (Jan. 16, 2024), <https://ccla.smu.edu.sg/sgri/blog/2024/01/16/singapore-restructuring-insolvency-yearbook-2023>.

introduced a narrow check for connected-party sales, requiring either creditor approval or a report from an independent evaluator, but this is not a general voting right.⁴⁹

This reveals a dilemma in India's PPIRP. OCs have a powerful defensive right to trigger a "Swiss Challenge" if their claims are impaired, yet they have no offensive right to consent to initiation. The primacy of FCs is a design choice for efficiency, but it creates a moral hazard where FCs and the debtor might collude against OCs. The OC impairment trigger is a reactive safeguard against this risk. However, this design creates a potential bottleneck by allowing an agreed-upon plan to be upended late in the process, an inefficiency absent in the US system, where all impaired creditors' views are sought upfront.

4.2 Plan Formulation and Market Testing

The mechanism for formulating and testing the resolution plan is the commercial heart of any insolvency regime. India's PPIRP is anchored by the debtor's BRP. Its most innovative feature is the regulated "Swiss Challenge." If the BRP impairs OC claims or is rejected by the CoC, the RP must invite competing plans from the market to challenge the BRP, introducing market discipline.

In the UK, the "plan" is typically a private sale agreement, often with a connected party, negotiated with limited marketing to preserve confidentiality and speed. This has led to concerns that the maximum value is not achieved. The primary check is the post-facto disclosure mandated by the SIP 16.

The USA mandates a transparent approach. The plan is formulated pre-filing and must be accompanied by a comprehensive, court-approved Disclosure Statement containing "adequate information" to allow for an informed judgment.⁵⁰ This ensures analytical rigour before any creditor votes.

Singapore's framework focuses on the commercial fairness of the scheme itself, which the company must demonstrate to the court, supported by evidence of notional creditor support and adequate disclosure.

India's PPIRP uses a hybrid reactivity. The Swiss Challenge is not a default mechanism; it is triggered only if the BRP is deemed unfair to OCs or rejected by FCs. This creates a potential loophole where a promoter and FCs could structure a plan to narrowly avoid

⁴⁹ The Insolvency Service, *The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021*, SI 2021/427 (made Mar. 29, 2021), https://www.legislation.gov.uk/ukdsi/2021/9780348220421/pdfs/ukdsi_9780348220421_en.pdf (last visited Aug. 6, 2025) (original UK draft published as UK DSI 2021 9780348220421; legislation enacted via SI 2021 No. 427).

⁵⁰ Chris Mallon, *The U.S. Chapter 11 Process* (Skadden, Arps, Slate, Meagher & Flom LLP, June 2012), https://www.skadden.com/-/media/Files/Publications/2012/06/Mallon_The-US-Chapter-11-Process_June-2012.pdf?sc_lang=en.

impairment, bypassing a market test and potentially leaving value on the table, an inefficiency compared to the mandatory, upfront transparency of the US system.

5 CHALLENGES AND LIMITATIONS

5.1 Structural and Legal Limitations

A fundamental weakness of the PPIRP framework is its narrow eligibility criteria. The process is restricted to CDs recognised as MSMEs under the Micro, Small and Medium Enterprises Development Act, 2006, which requires formal registration. However, nearly 94% of Indian MSMEs remain unregistered, leaving most of the small businesses unable to access the process.⁵¹ Additionally, partnerships, sole proprietorships, and HUFs, which are common business forms in India, are entirely excluded. This limited scope reduces the potential effectiveness of the framework, leading experts to argue that PPIRP should be opened to all corporate entities.

Another significant challenge lies in the requirement of securing consent from at least 66% of unrelated FCs before initiating the process. While aimed at ensuring creditor support, this high threshold often becomes a practical hurdle, especially when creditors are cautious or have conflicting priorities.⁵² In many cases, creditors demand better terms in the BRP before giving their approval, but debtors may lack the resources to meet these demands, resulting in a deadlock.⁵³

PPIRP also emphasises its strict debtor-driven initiation model, unlike CIRP, where creditors can also commence the process. This reliance on the CD to start proceedings can be problematic when management is unwilling or unaware, or fears loss of control and reputational damage.⁵⁴ Lastly, the rigid 120-day timeline, although designed for speedy resolution, has proven overly strict, and courts have clarified that the law does not provide any scope for extending the 120-day period, making compliance with this timeframe

⁵¹ GOV'T OF INDIA, MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES, REPORT OF THE TASK FORCE ON MICRO, SMALL AND MEDIUM ENTERPRISES (Final Report, DC-MSME, July 2011), https://www.dcmsme.gov.in/Final_Report.pdf.

⁵² Vikram Kumar, *Pre-Pack Insolvency Resolution Process (PPIRP) for Real Estate Developers: Challenges and Road Ahead*, RESOLUTION PROFESSIONAL, July 2022, at 10–15 (Indian Institute of Insolvency Professionals of ICAI), <https://www.iiipicai.in/wp-content/uploads/2022/07/10-15-Article-Pre-Pack-Insolvency-Resolution-Process-PPIRP-for-Real-Estate-Developers-Challenges-and-Road-Ahead-Vikram-Kumar.pdf>.

⁵³ Surana & Surana, *PPIRP Probed: Examining Progress and Challenges in MSME Insolvency* (Surana & Surana India blog, Feb. 12, 2024), <https://suranaandsurana.com/ppirp-probed-examining-progress-and-challenges-in-msme-insolvency/>.

⁵⁴ Jacob, *supra* note 17.

compulsory.⁵⁵ This timeline often pressures stakeholders into rushed decisions, which may not be optimal for the company, particularly in complex restructurings requiring more time.

5.2 Procedural Complexities and Implementation Challenges

Although PPIRP is intended to be an efficient alternative to CIRP, it involves complex pre-initiation requirements that can be overwhelming for small businesses. These include preparing a detailed BRP, obtaining creditor approvals, verifying claims, and submitting various declarations and reports. For many MSMEs without access to legal or financial expertise, meeting these demands is difficult and undermines the framework's intended accessibility.

PPIRP also requires the involvement of insolvency professionals, registered valuers, and legal advisors, resulting in high costs that many MSMEs cannot afford.⁵⁶ Moreover, there is a shortage of professionals with experience in MSME-specific restructuring and pre-pack processes.⁵⁷ This lack of trained personnel creates delays and often leaves businesses without the guidance necessary to effectively use the mechanism.

While the Swiss Challenge process aims to enhance value, it brings its own set of complications. The process requires maintaining the confidentiality of the BRP and transparent competitive bidding, which creates practical difficulties.⁵⁸ Additionally, limited investor interest in distressed MSMEs due to size and risk perception reduces the effectiveness of the challenge process. This process also creates the risk of losing control of the business to external bidders, which discourages promoters from initiating PPIRP, even when they are willing to restructure.⁵⁹

Furthermore, one of the significant challenges facing PPIRP implementation is the reluctance of financial institutions, particularly public sector banks, to participate in the process. This is mainly due to fears of regulatory scrutiny, accountability for voluntary haircuts, and the absence of clear internal evaluation guidelines.⁶⁰ Lending officers, particularly at lower levels who handle MSME loans, are often hesitant to approve resolutions without strong legal cover, fearing audit or investigation. As a result, even economically viable PPIRP proposals may be rejected due to institutional risk aversion.

⁵⁵ Tewari, Bawari & Dembla, *supra* note 18.

⁵⁶ INDIAN INSTITUTE OF INSOLVENCY PROFESSIONALS OF ICAI (IIPI), STUDY GROUP REPORT: ROLES OF IPS PRIOR TO, DURING AND POST PRE-PACKAGED INSOLVENCY RESOLUTION PROCESS (PPIRP) FOR MSMEs (Study Group Report, Oct. 2021), <https://www.iiipicai.in/wp-content/uploads/2021/11/STUDY-GROUP-REPORT-ROLES-OF-IPS-PRIOR-TO-DURING-AND-POST-PPIRP-FOR-MSMEs.pdf>.

⁵⁷ Anand & Sharma, *supra* note 16.

⁵⁸ Kumar, *supra* note 52.

⁵⁹ Tewari, Bawari & Dembla, *supra* note 18.

⁶⁰ Sandeep Soni, *Pre-pack Insolvency Resolution Adoption Among MSMEs Seems to Be Relatively Muted*: RBI's Shaktikanta Das, FIN. EXPRESS (Jan. 12, 2024), <https://www.financialexpress.com/business/sme/pre-pack-insolvency-resolution-adoption-among-msmes-seems-to-be-relatively-muted-rbis-shaktikanta-das/3362958/>.

In conclusion, the PPIRP framework faces a range of challenges and limitations that affect its effectiveness. Restrictive eligibility, high creditor approval requirements, and complex pre-initiation procedures limit access for most MSMEs. These obstacles are further intensified by institutional reluctance from FCs and a shortage of skilled professionals. Despite its potential as a targeted solution for MSME distress, PPIRP's impact remains limited due to low awareness, social stigma around insolvency, and weak investor interest in small, struggling enterprises. To fulfil its original promise, the framework needs substantial reforms, including legislative changes, procedural efficiency, improved institutional support, and widespread stakeholder education.

6 RECOMMENDATIONS AND WAY FORWARD

The Pre-Packaged Insolvency Resolution Process of India holds considerable potential to support distressed MSMEs, but remains neglected due to various structural and procedural shortcomings. Releasing its full impact requires a comprehensive reform strategy that rethinks its legal design, simplifies operational procedures, and strengthens institutional capacity. PPIRP needs to move beyond its current narrow and rigid form into a flexible, inclusive mechanism designed to meet the diverse needs of India's small businesses.

From a legislative standpoint, several reforms are necessary. First, the eligibility criteria should be broadened to include partnerships, Limited Liability Partnerships, and sole proprietorships by amending Chapter III-A to adopt an approach based on a turnover threshold rather than limiting it to registered CDs. To address the current exclusion of nearly 90% of MSMEs due to a lack of registration, a voluntary registration option for currently unregistered MSMEs should be introduced, allowing entities to apply for Udyam registration during the insolvency process.⁶¹ The initiation mechanism must also evolve, allowing unrelated FCs holding 51% of the voting share to trigger PPIRP, subject to safeguards like a mandatory cooling-off period and a 15-day window for promoters to submit a counter plan that would strike a balance between consensual restructuring and timely creditor action.

A statutory provision for a one-time extension of up to 60 days should also be included, that can be contingent on a 75% CoC vote and certification of the RP of substantial progress, to make the rigid timeline more flexible and align it with evolving NCLAT interpretations of the 120-day limit as directory rather than absolute.⁶²

⁶¹ Aaisha Hira, *Impact of the Revised Insolvency and Bankruptcy Code Provision on Corporate Insolvency*, 3 INT'L J. LEGAL STUD. & SOC. SCI. 621 (2025), <https://ijlss.com/impact-of-the-revised-insolvency-and-bankruptcy-code-provision-on-corporate-insolvency-2025/>.

⁶² *Adjudicating Authority Can Extend Time Limit of PPIRP Beyond 120 Days: NCLAT New Delhi*, LIVE LAW (Oct. 9, 2024), <https://www.livelaw.in/ibc-cases/adjudicating-authority-can-extend-time-limit-of-ppirp-beyond-120-days-nclat-new-delhi-272031>.

Furthermore, valuation-related disputes can be mitigated by mandating a dual valuer system and the publication of a standardised evaluation matrix before inviting competing plans.⁶³ Recognising the financial constraints of micro-units, a subsidy for RP fees should be introduced from the MSME Distress Fund for cases involving defaults of ₹50 lakh or less, with allocation recommendation in the Union Budget 2026.⁶⁴

These reforms, taken together, would significantly enhance PPIRP's functionality and accessibility, enabling it to fulfil its original legislative intent as an effective MSME resolution mechanism.

7 CONCLUSION

This study examined India's new PPIRP, which was introduced in 2021 to aid distressed MSMEs, and found that only 13 cases have been initiated, highlighting a gap between legislative intent and practical uptake. Case-law analysis showed that, although one case closed in 112 days, most PPIRPs exceeded the 120-day target to allow for market-testing and judicial review; the NCLAT has since ruled the 120-day period to be directory rather than mandatory. Debtors generally cooperated (with isolated procedural abuses), and creditor committees actively used the Swiss Challenge to solicit better plans (with none choosing liquidation). All PPIRPs reaching a conclusion produced an approved resolution plan. Courts played a key role, rigorously scrutinising admissions and tempering technical requirements to uphold substantive justice in line with the MSME-supportive intent.

Comparative analysis revealed that India's PPIRP diverges from other pre-pack models. It requires 66% of financial debt for both initiation and plan approval (excluding operational creditors), whereas US Chapter 11 pre-packs require each impaired class's acceptance (two-thirds in value and a majority in number) and Singaporean schemes set a 75% threshold; the UK regime instead focuses on pre-arranged asset sales with minimal pre-sale creditor voting. These differences underscore India's emphasis on creditor control and speed, but raise concerns about potential creditor collusion.

Despite its promise, PPIRP's impact is undermined by narrow eligibility (only registered MSMEs), high approval thresholds, rigid timelines, and institutional risk-aversion. To address these limitations, the paper proposes targeted reforms: broaden eligibility to all small enterprises (using turnover-based thresholds and voluntary registration) and relax initiation to 51% of debt; allow a one-time 60-day extension by creditor vote and mandate greater

⁶³ Insolvency and Bankruptcy Board of India, *Issue of Regulations for Pre-packaged Insolvency Resolution Process* (Meeting Note, Apr. 2021), <https://ibbi.gov.in/uploads/meetings/3b7d255d9ea5811a0190e9aaf9221ed9.pdf>.

⁶⁴ Insolvency and Bankruptcy Board of India, *Legal Framework – Circulars* (IBBI website) (updated June 2025), <https://www.ibbi.gov.in/en/legal-framework/circulars> (last visited Aug. 6, 2025).

transparency (dual valuations, published valuation matrix); and provide cost support (for example, RP-fee subsidies for micro cases).

These measures would realign PPIRP's practice with its legislative purpose. By empirically diagnosing PPIRP's performance and drawing on comparative insights, the study contributes to insolvency jurisprudence and policy. It identifies the framework's empirical lacunae and advances doctrinal reforms, offering a holistic roadmap to strengthen MSME rescue under the Code.

* * *