

(ix)	<u>Pre-Packaged Insolvency Resolution Process (PPIRP) (Secs. 54A to 54P)</u>
	(i) <u>Corporate debtors eligible for PPIRP - Sec. 54A</u>
	(1) An application for initiating PPIRP may be made in respect of a corporate debtor classified as a MSME under the MSME Development Act, 2006.
	(2) An application for initiating PPIRP may be made in respect of a corporate debtor, who commits a default referred to in Sec. 4 , subject to the following conditions:
	(a) it has not undergone PPIRP or completed CIRP, as the case may be, during the period of 3 years preceding the initiation date;
	(b) it is not undergoing a CIRP;
	(c) no order requiring it to be liquidated is passed u/s 33;
	(d) it is eligible to submit a resolution plan u/s 29A;
	(e) financial creditors of the corporate debtor, not being its related parties have proposed the name of insolvency professional to be appointed as RP for conducting the PPIRP of the corporate debtor, & the financial creditors, not being the related parties, representing $\geq 66\%$ in value of financial debt due to such creditors, have approved such proposal in specified form;
	(f) majority of the directors or partners of the corporate debtor, as the case may be, have made a declaration , in specified form, stating, <i>inter alia</i> -
	(i) that the corporate debtor shall file an application for initiating PPIRP within a definite time period not exceeding 90 days;
	(ii) that the PPIRP is not being initiated to defraud any person; and
	(iii) the name of the insolvency professional proposed and approved to be appointed as resolution professional;
	(g) the members of the corporate debtor have passed a special resolution, or at least 3/4 th of the total number of partners, as the case may be, of the corporate debtor has passed a resolution, approving filing of an application for initiating PPIRP.

	(3) Corporate debtor shall obtain an approval from its financial creditors, not being its related parties, representing not less than 66 % in value of the financial debt due to such creditors, for the filing of an application for initiating PPIRP.
	(4) Prior to seeking approval from financial creditors, the corporate debtor shall provide such financial creditors with:
	(a) the declaration referred to in clause (f) of Sec. 54A(2);
	(b) the special resolution or resolution referred to in clause (g) of Sec. 54A(2);
	(c) a base resolution plan which conforms to the requirements referred to in Sec. 54K, and other specified conditions.
	(ii) <u>Duties of resolution professional before initiation of PPIRP - Sec. 54B</u>
	(1) IP, proposed to be appointed as the RP, shall have the following duties:
	(a) prepare a report confirming whether corporate debtor meets requirements of Sec. 54A & base resolution plan conforms to the requirements referred to in Sec. 54K;
	(b) file such reports and other documents, as specified with the Board; and
	(c) perform such other duties as may be specified.
	(2) The duties of the insolvency professional shall cease, if:
	(a) corporate debtor fails to file an application for initiating PPIRP within time as stated under the declaration referred to in clause (f) of Sec. 54A(2); or
	(b) application for initiating PPIRP is admitted or rejected by the AA.
	(3) Fees payable to the IP in relation to the duties performed shall be determined and borne in specified manner and such fees shall form part of the PPIRP costs, if the application for initiation of PPIRP is admitted.
	(iii) <u>Application to initiate PPIRP - Sec. 54C</u> ----- Self Study from the Book -----
	(iv) <u>Time-limit for completion of PPIRP - Sec. 54D</u>
	✚ PPIRP shall be completed within period of 120 days from pre-packaged insolvency commencement date.
	✚ RP shall submit the resolution plan, as approved by the CoC, to the AA, within a period of 90 days from the pre-packaged insolvency commencement date.

	<p>✚ Where no resolution plan is approved by CoC within 90 days from pre- packaged insolvency commencement date, the RP shall, on the day after the expiry of such time period, file an application with the AA for termination of the PPIRP.</p>
	<p>(v) <u>Declaration of moratorium and public announcement during PPIRP - Sec. 54E</u></p> <p>----- Self Study from the Book -----</p>
	<p>(vi) <u>Duties and powers of RP during PPIRP - Sec. 54F</u></p> <p>----- Self Study from the Book -----</p>
	<p>(vii) <u>List of claims and preliminary information memorandum - Sec. 54G</u></p> <p>----- Self Study from the Book -----</p>
	<p>(viii) <u>Management of affairs of corporate debtor - Sec. 54H</u></p> <p>----- Self Study from the Book -----</p>
	<p>(ix) <u>Committee of creditors - Sec. 54I</u></p> <p>✚ RP shall, within 7 days of pre-packaged insolvency commencement date, constitute a CoC, based on the list of confirmed claims.</p> <p>✚ First meeting of the CoC shall be held within 7 days of constitution of the CoC.</p>
	<p>(x) <u>Vesting management of corporate debtor with resolution professional - Sec. 54J</u></p> <p>----- Self Study from the Book -----</p>
	<p>(xi) <u>Consideration and approval of resolution plan - Sec. 54K</u></p> <p>(1) <u>Submission of Base Resolution Plan (BRP)</u>: Corporate debtor (CD) shall submit the BRP to the RP within 2 days of pre-packaged insolvency commencement date.</p> <p>(2) <u>Presentation of BRP to CoC</u>: RP shall present the BRP to the CoC.</p> <p>(3) <u>Opportunity to revise the BRP</u>: CoC may provide the CD an opportunity to revise BRP prior to its approval or invitation of Prospective Resolution Applicant (PRA).</p>

	(4) <u>Approval of BRP</u>: CoC may approve the BRP for submission to the AA if it does not impair any claims owed by the CD to the Operational Creditors.
	(5) <u>BRP not approved</u>: Where the CoC does not approve the BRP or the BRP impairs any claims owed by the CD to the OC, the RP shall invite PRA, to submit a resolution plan(s), to compete with the BRP, in such manner as specified.
	(6) <u>Fulfilment of criteria laid down by RP</u>: RA submitting resolution plans pursuant to invitation shall fulfil the criteria as laid down by the RP with the approval of the CoC, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified.
	(7) The RP shall provide to the RA: (a) the basis for evaluation of resolution plans as approved by the CoC; and (b) the relevant information referred to in Sec. 29 (Information Memorandum).
	(8) RP shall present to the CoC, for its evaluation, resolution plans which conform to the requirements referred to in Sec. 30(2).
	(9) CoC shall evaluate the resolution plans and select a resolution plan.
	(10) If CoC decides that the resolution plan selected u/s 54K(9) is significantly better than the base resolution plan, such resolution plan may be selected for approval.
	(11) CoC shall approve Resolution plan for submission to the AA.
	(12) If resolution plan selected for approval is not approved by the CoC, RP shall file an application for termination of the PPIRP.
	(13) Approval of resolution plan by CoC, shall be by vote of ≥ 66 % of voting shares.
	(xii) <u>Approval of resolution plan - Sec. 54L</u>
	(1) If AA is satisfied that the resolution plan as approved by the CoC u/s 54K(4) or Sec. 54K(12), meets the requirements of Sec. 30(2), it shall, within 30 days of the receipt of such resolution plan, by order approve the resolution plan.
	(2) If AA is satisfied that the resolution plan does not conform to the requirements referred to in Sec. 54L(1), it may, within 30 days of receipt of such resolution plan, by an order, reject the resolution plan and pass an order u/s 54N.

(xiii) Appeal against order u/s 54L - Sec. 54M

----- Self Study from the Book -----

(xiv) Termination of PPIRP - Sec. 54N

(1) Where RP files an application with the AA u/s 54K(12) or u/s 54D(3), AA shall, within 30 days of such application, by an order terminate the PPIRP.

(2) Where the RP, at any time after pre-packaged insolvency commencement date, but before approval of resolution plan under sub-section (4) or (12) of Sec. 54K, intimates AA of the decision of CoC, approved by a vote of 66% of the voting shares, to terminate the PIRP, the AA shall pass an order under sub-section (1).

(3) Where AA passes an order for termination of PIRP, the corporate debtor shall bear the PPIRP costs, if any.

(xv) Initiation of CIRP - Sec. 54O

(1) CoC, at any time after pre-packaged insolvency commencement date but before the approval of resolution plan, by a vote of 66% of voting shares, may resolve to initiate a CIRP, if such corporate debtor is eligible for CIRP u/c II.

(2) Where the RP intimates AA of decision of the CoC u/s 54O(1), AA shall, within 30 days, pass an order to:

✚ terminate the PIRP and initiate CIRP under Chapter II;

✚ appoint the RP as the IRP, subject to submission of written consent by such RP to the AA in specified form; and

✚ declare that PPIRP costs, if any, shall be included as part of insolvency resolution process costs for the purposes of the CIRP.

(xvi) Application of provisions of Chapters II, III, VI, and VII to this Chapter - Sec. 54P

----- Self Study from the Book -----

Do practice - Questions on PPIRP - Secs. 54A to 54P

(x)	<u>Fast Track CIRP - Secs. 55 to 57</u>
	(a) <u>Fast Track CIRP - Sec. 55</u>
	Application for fast track CIRP may be made in respect of following corporate debtors (CD), namely:
	(a) CD with assets and income below a level as notified by C.G.; or
	(b) CD with such class of creditors or such amount of debt as notified by C.G.; or
	(c) such other category of corporate persons as may be notified by the C.G..
	NOTE:
	C.G. notifies that an application for fast track CIRP may be made in respect of the following corporate debtors, namely:
	(a) a small company as defined u/s 2(85) of Companies Act, 2013; or
	(b) a Startup (other than the partnership firm); or
	(c) an unlisted company with total assets, as reported in the F.S. of the immediately preceding FY, not exceeding ₹ 1 crore.
	(b) <u>Time Limit for completion of Fast Track CIRP - Sec. 56</u>
	✚ Fast track CIRP shall be completed within 90 days from insolvency commencement date.
	✚ RP shall file an application to the AA to extend the period of the fast track CIRP beyond 90 days if instructed to do so by a resolution passed at a meeting of CoC and supported by a vote of 75% of the voting share.
	✚ On receipt of an application, if the AA is satisfied that subject matter of case is such that fast track CIRP cannot be completed within 90 days, it may, by order, extend the duration of such process beyond 90 days by such further period, as it thinks fit, but not exceeding 45 days.
	NOTE: Any extension of fast track CIRP shall not be granted more than once.
	(c) <u>Manner of initiating Fast-track CIRP - Sec. 57</u>
	----- Self Study from the Book -----
	Do practice - Questions on Fast-track CIRP - Secs. 55 to 57

(xi)	<u>Voluntary Liquidation of Corporate Persons - Sec. 59</u>
	(a) <u>Persons who may initiate:</u>
	A corporate person who intends to liquidate itself voluntarily and has not committed any default may initiate voluntary liquidation proceedings under provisions of this CODE.
	(b) <u>Conditions for Voluntary Liquidation:</u>
	(a) A declaration from majority of the directors verified by an affidavit stating that
	✚ they have made full inquiry into affairs of company & have formed an opinion that either the company has no debts or that it will be able to pay its debts in full from the proceeds of assets to be sold in voluntary liquidation; and
	✚ the company is not being liquidated to defraud any person.
	(b) The declaration shall be accompanied with the following documents, namely:
	✚ audited F.S. and a record of business operations of the company for previous 2 years or for the period since its incorporation, whichever is later;
	✚ a report of valuation of assets of company, if any, prepared by a regd valuer.
	(c) After making the declaration the corporate debtor shall within 4 weeks:
	✚ pass a SR stating that the company should be liquidated voluntarily and IP to act as the liquidator may be appointed.
	✚ pass a resolution stating that company be liquidated voluntarily as a result of expiry of period of its duration (fixed by its Articles or on the occurrence of any event in respect of which the Articles provide that the company shall be dissolved, if any) and appointing an IP to act as the liquidator.
	(c) <u>Notification to the Registrar:</u>
	Company shall notify ROC and the Board about the resolution to liquidate the company within 7 days of resolution or subsequent approval by creditors, as the case may be.
	(d) <u>Commencement of liquidation proceedings:</u>
	Subject to approval of creditors, the voluntary liquidation proceedings shall be deemed to have commenced from the date of passing of the resolution.

	(e) <u>Replacement of Liquidator:</u>
	✚ Corporate person may replace the liquidator by appointing another IP as liquidator by passing a SR.
	✚ Such IP shall, within 7 days of appointment as liquidator intimate the IBBI about such appointment.
	(f) <u>Dissolution of corporate person:</u>
	✚ Where the affairs of corporate person have been completely wound up & its assets completely liquidated, liquidator shall make an application to AA for the dissolution.
	✚ AA shall on an application filed by liquidator, pass an order that corporate debtor shall be dissolved from the date of that order.
	✚ Copy of an order shall within 14 days from the date of such order, be forwarded to the authority with which the corporate person is registered.
	Do practice - Questions on Voluntary Liquidation of Corporate Persons - Sec. 59



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