

No. 30/20/2020- Insolvency Section  
Government of India  
Ministry of Corporate Affairs

5<sup>th</sup> Floor, A Wing  
Shastri Bhawan, New Delhi  
Dated: 24<sup>th</sup> June, 2020

Order

**Subject: - Constitution of sub-committee of Insolvency Law Committee to propose a detailed scheme for implementing prepack and prearranged insolvency resolution process.**

The experience from implementation of the Insolvency and Bankruptcy Code, 2016 (the Code) including evolution of the ecosystem, stabilisation of the processes, growing jurisprudence has prepared ground to look at new initiatives to further improve the effectiveness of the Code. The efficacy of out-of-court workouts in delivering speedier resolutions provided regulators extend the same regulatory exemptions as available to settlements made under the IBC framework was considered and it was felt that Pre-packaged insolvency resolution process (PPIRP) may be introduced under the Code with necessary checks and balances, as an option for resolving insolvency.

2. In this regard, during deliberation of meeting of Insolvency Law Committee (Standing Committee vide order dated 6.03.2019) dated 14.05.2020, it was decided to form a sub-committee for examining it further and to give its recommendation to this Ministry on the following terms of reference:

- i. To study and recommend the regulatory framework for prepack insolvency resolution process which shall include pre-requisite for initiation of PPIRP in terms of default and threshold, appointment of Insolvency Professional, role and responsibility of committee of creditors, moratorium, expected cost of process, timelines for completion of process.
- ii. The committee may also invite or co-opt practitioners, experts or individuals who have knowledge or experience in the subject matter. The committee may also consult other stakeholders as part of its deliberations.

3. Accordingly a sub- committee of Insolvency Law Committee is constituted as under:-

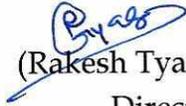
- i Dr M.S Sahoo, Chairperson IBBI & Member, ILC Chairman
- ii Sh. U.K. Sinha, Ex SEBI Chairman & Member, ILC Member

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|-----|---|--------|
| iii | Sh. Sunil Mehta, Chief Executive Officer, IBA   | Member |
| iv  | Sh. Bahram Vakil, Partner, AZB & Member, ILC  | Member |
| v   | Sh, Akhil Gupta, Bharati Infratel   | Member |
| vi  | Joint Secretary, MCA representative   | Member |
| vii | Nominee of Reserve Bank of India not below the rank of Executive Director & Member, ILC | Member |

4. Secretarial support to the committee will be arranged by Insolvency and Bankruptcy Board of India which will also bear the expenses incurred by the non-official members of the committee towards travel, local conveyance and other allowances as per extant government instructions, wherever the sponsoring agency is unable to bear their expenditure.

5. The committee shall submit its recommendations within three weeks from its first meeting.

6. This issues with the approval of Secretary, Corporate Affairs.

  
(Rakesh Tyagi)  
Director

To  
All members

Copy to:-

- (i) PS to CAM
- (ii) PS to MOS for CA
- (iii) Sr. PPS to Secretary, MCA
- (iv) Governor, RBI with a request to nominate an office not below the rank of Executive Director as member of the sub-committee.
- (v) PS to JS(G)