www.ijarp.com ISSN 2456-9992 Page: 01-29

International Journal Advanced Research Publications

Research Article

Volume: 02
Issue: 03

"A COMPARATIVE ANALYSIS OF PRE-PACKAGED INSOLVENCY: COMPARING THE INDIAN PPIRP MODEL UNDER IBC WITH THE UK'S PRE-PACK ADMINISTRATION AND THE US CHAPTER 11 REORGANIZATION"

Shafa Parveen*[1], Dr. Taru Mishra[2]

[1]Research Scholar, Amity Law School, Lucknow.

[2]Assistant Professor, Amity Law School, Lucknow.

Article Received: 15 February 2026, Article Revised: 05 March 2026, Published on: 25 March 2026

***Corresponding Author: Shafa Parveen**

Research Scholar, Amity Law School, Lucknow.

DOI: https://doi-doi.org/101555/ijarp.6282

ABSTRACT

The evolution of insolvency frameworks globally has witnessed the emergence of pre-packaged insolvency resolutions as efficient alternatives to traditional, time-consuming processes. This paper presents a comprehensive comparative analysis of three distinct pre-packaged insolvency regimes: India's Pre-Packaged Insolvency Resolution Process (PPIRP) introduced in 2021 for Micro, Small and Medium Enterprises (MSMEs), the United Kingdom's pre-pack administration developed through market practice and subsequently regulated, and the United States' Chapter 11 reorganization with its statutorily embedded pre-packaged bankruptcy mechanism. Tracing the legislative origins and design philosophy of each framework, the paper examines their structural features, procedural requirements, stakeholder dynamics, and regulatory safeguards. The analysis reveals fundamental differences in approach: India's PPIRP adopts a debtor-in-possession model with mandatory creditor approval and statutory timelines; the UK's pre-pack administration prioritizes speed and business preservation through practitioner-led processes with enhanced scrutiny for connected party transactions; and the US Chapter 11 pre-pack operates within a comprehensive statutory framework emphasizing creditor voting, disclosure, and judicial oversight. The paper evaluates the trade-offs each system makes between efficiency, transparency, and creditor protection, drawing on the Graham Review's findings in the UK,

[1] Research Scholar, Amity Law School, Lucknow
[2] Assistant Professor, Amity Law School, Lucknow

the operational challenges facing India's PPIRP, and the sophisticated plan confirmation requirements in the US. It concludes by identifying lessons each jurisdiction can derive from the others and proposes reform recommendations for strengthening India's PPIRP framework while preserving its foundational objectives of providing MSMEs with a faster, cost-effective resolution mechanism that balances debtor control with creditor confidence.

1. INTRODUCTION

The landscape of corporate insolvency resolution has undergone transformative change in the twenty-first century, driven by the recognition that timely intervention in financial distress can preserve economic value, protect employment, and maximize returns for creditors. Among the most significant innovations in this field is the concept of "pre-packaged" insolvency a hybrid mechanism that combines the efficiency of informal negotiations with the binding force of formal insolvency proceedings. Pre-packaged resolutions allow distressed companies to negotiate the terms of their restructuring with creditors and potential purchasers before formally entering insolvency, enabling the transaction to be executed immediately upon commencement of formal proceedings.[3]

The appeal of pre-packaged insolvency lies in its capacity to address the fundamental weaknesses of traditional insolvency processes. Conventional corporate insolvency resolution, exemplified by India's Corporate Insolvency Resolution Process (CIRP) or the UK's standard administration, typically involves extended timelines during which business operations suffer, key employees depart, customer confidence erodes, and asset values deteriorate. The moratorium period, while protecting the debtor from creditor enforcement actions, also creates uncertainty that can be fatal to businesses dependent on goodwill, intellectual property, or time-sensitive contracts.[4] Pre-packaged resolutions mitigate these risks by ensuring that the critical decisions the identity of the purchaser, the terms of the resolution plan, and the treatment of creditors are settled before the formal process begins, allowing for seamless implementation and business continuity.

India, the United Kingdom, and the United States represent three distinct approaches to regulating pre-packaged insolvency, each reflecting the unique legal traditions, market conditions, and policy priorities of their jurisdictions. The United States pioneered the

[3] Yasir D. Pathan, "Pre-Packaged Insolvency Resolution in India: A Comprehensive Analysis of PPIRP under the IBC," (2025) ibclaw.in 14 Art., available at: https://ibclaw.in/pre-packaged-insolvency-resolution-in-india-a-comprehensive-analysis-of-ppirp-under-the-ibc-by-yasir-d-pathan/.

[4] Krit Narayan Mishra, "Rise of Pre-Pack Insolvency in India: Best Fit for MSMEs or a Risky Shortcut?," TaxGuru, December 5, 2025, available at: https://taxguru.in/corporate-law/rise-pre-pack-insolvency-india-fit-msmes-risky-shortcut.html.

concept of pre-packaged bankruptcy through judicial interpretation of Section 1126(b) of the Bankruptcy Code, creating a framework where debtors could solicit votes on reorganization plans before filing for Chapter 11 protection. The United Kingdom developed pre-pack administration through market practice, with insolvency practitioners negotiating sales prior to appointment, later subjecting the process to regulatory oversight through Statements of Insolvency Practice and, most recently, statutory regulations for connected party transactions. India, the most recent entrant, introduced its Pre-Packaged Insolvency Resolution Process (PPIRP) through the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021, specifically targeting the Micro, Small and Medium Enterprise (MSME) sector in response to the economic distress caused by the COVID-19 pandemic.[5]

2. Historical Evolution and Legislative Origins

2.1 The United States: Origins in Judicial Practice

The concept of pre-packaged bankruptcy originated in the United States, emerging from the interplay between out-of-court workouts and formal Chapter 11 reorganization. Unlike many jurisdictions where pre-packs were introduced through specific legislation, the US pre-pack developed through judicial interpretation of existing statutory provisions, particularly Section 1126(b) of the Bankruptcy Code.[6]

The statutory foundation for pre-packaged bankruptcies lies in Section 1126(b), which provides that votes on a reorganization plan solicited before the commencement of a Chapter 11 case are valid and binding if the solicitation complied with applicable non-bankruptcy disclosure requirements. This provision, enacted as part of the Bankruptcy Reform Act of 1978, created the legal mechanism for debtors to negotiate plan terms with creditors and obtain their acceptance before filing for bankruptcy protection.

The historical antecedents of pre-packaged bankruptcy can be traced to the 19th-century federal equity receivership practice, where bondholders' committees would negotiate restructuring terms before seeking court approval. The Chandler Act of 1938 divided corporate reorganization into two chapters: Chapter X for public companies, which prohibited pre-filing solicitation, and Chapter XI for smaller debtors, which permitted such solicitation subject to non-bankruptcy law requirements. The 1978 Code unified these procedures under

[5] "Pre-Packaged Insolvency Resolution Process (PPIRP) under IBC," TaxGuru, April 17, 2024, available at: https://taxguru.in/corporate-law/pre-packaged-insolvency-resolution-process-ppirp-ibc.html.

[6] 11 U.S.C. § 1126(b). The provision states that votes on a plan solicited before the commencement of the case are valid if the solicitation complied with applicable non-bankruptcy law governing disclosure adequacy.

Chapter 11 and explicitly authorized pre-filing solicitation, thereby creating the modern pre-packaged bankruptcy framework.

The first significant pre-packaged bankruptcy case under the modern Code was *In re Crystal Oil Co.* in 1986. Crystal Oil, an independent oil and gas company, filed for Chapter 11 protection with a reorganization plan already negotiated and approved by most creditor classes. The company emerged from bankruptcy within three months, having reduced its debt from $277 million to $129 million. This case demonstrated the potential of pre-packaged bankruptcies to achieve rapid, cost-effective reorganizations and established a template that would be followed by numerous subsequent debtors.

US pre-packaged bankruptties have since evolved into three distinct variants: single-track pre-packs, where the debtor relies entirely on the pre-negotiated plan; dual-track pre-packs, where the debtor simultaneously pursues an out-of-court exchange offer and a pre-packaged plan; and partial pre-packs, where only certain creditor classes vote before filing. This flexibility has made Chapter 11 pre-packs attractive to companies seeking to restructure balance sheet liabilities while minimizing business disruption.

2.2 The United Kingdom: Market-Led Development and Regulatory Response

The development of pre-pack administration in the United Kingdom followed a markedly different trajectory. Unlike the US statutory framework, UK pre-packs emerged from market practice in the 1990s and early 2000s, driven by insolvency practitioners seeking to preserve business value through rapid sales. The term "pre-pack" itself describes an arrangement where the sale of a company's business or assets is negotiated with a purchaser before the appointment of an administrator, with the sale contract executed immediately upon or shortly after the administrator's appointment.

The legal foundation for pre-pack administration lies in the Insolvency Act 1986, which provides for administration as a collective insolvency procedure aimed at rescuing the company as a going concern or achieving a better result for creditors than liquidation. The Act does not specifically mention pre-packs; rather, the procedure developed as practitioners recognized that negotiating sales before administration could preserve value that would otherwise be lost during a prolonged marketing period.

The growth of pre-pack administration attracted increasing scrutiny and criticism, particularly concerning sales to "connected parties" directors, shareholders, or others associated with the insolvent company. Critics alleged that such sales, often characterized as "phoenixing," allowed directors to shed company debts while continuing to trade through a new entity,

leaving unsecured creditors with little or no recovery. Concerns also arose about the transparency of the process, conflicts of interest for insolvency practitioners, and the lack of involvement of unsecured creditors who were presented with a fait accompli after the sale had been completed.

In response to these concerns, the insolvency profession introduced the Statement of Insolvency Practice 16 (SIP 16) in January 2009, requiring administrators to provide creditors with a detailed explanation of the rationale for any pre-pack sale within seven days of their appointment. SIP 16 has been periodically updated, with the current version effective from November 2015, imposing increasingly detailed disclosure requirements.

The most significant review of pre-pack administration came in 2013-2014, when the UK government commissioned Teresa Graham to conduct an independent review of the procedure. The Graham Review, published in June 2014, found that pre-packs were a valuable business rescue tool when used appropriately but identified persistent concerns about transparency and connected party transactions. The review made six recommendations, including the establishment of a "Pre-Pack Pool" of independent experts to evaluate proposed connected party sales and provide opinions on their fairness.

Following the Graham Review, the government introduced a reserve power in the Small Business Enterprise and Employment Act 2015 to regulate pre-packs if voluntary measures proved insufficient. After reviewing the impact of voluntary measures, the government concluded that further regulation was necessary, leading to the Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021, which came into force on 30 April 2021. These regulations require that any pre-pack sale to a connected party be subject to either prior approval from creditors or a written opinion from an independent evaluator confirming that the sale represents the best reasonably obtainable outcome for creditors.[7]

2.3 India: Statutory Introduction for MSMEs

India's journey with pre-packaged insolvency began nearly four decades after the US and UK had developed their frameworks. The Insolvency and Bankruptcy Code, 2016 (IBC), established a comprehensive insolvency regime for India, with the Corporate Insolvency Resolution Process (CIRP) as the primary mechanism for resolving corporate distress. While CIRP achieved significant successes in resolving stressed assets and instilling credit

[7] The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 (SI 2021/427), effective 30 April 2021.

discipline, its timelines extending up to 330 days and adversarial nature posed challenges for smaller enterprises requiring swift, cost-effective resolutions.

The COVID-19 pandemic created urgent need for an expedited resolution mechanism for Micro, Small and Medium Enterprises (MSMEs), which faced acute financial distress due to lockdowns and economic disruption. The government responded by promulgating the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021, on 4 April 2021, introducing a new Chapter III-A providing for the Pre-Packaged Insolvency Resolution Process (PPIRP).[8]

The design philosophy of PPIRP reflected careful consideration of international practices while adapting them to India's unique circumstances. The process was intended to combine the efficiency of informal negotiations with the binding force of formal insolvency, offering MSMEs a faster, cheaper alternative to CIRP while preserving business continuity through a debtor-in-possession model. Unlike the UK approach where administrators take control, PPIRP allows existing promoters to retain management control unless fraud is detected, recognizing that MSMEs often depend heavily on promoter knowledge and relationships.

The Insolvency and Bankruptcy Board of India (IBBI) subsequently notified the Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021, providing detailed procedural rules for PPIRP implementation. The framework drew on international experiences, incorporating features such as mandatory creditor approval before filing (requiring 66% financial creditor consent), a base resolution plan prepared by the debtor, and a strict 120-day timeline for completion.

India's approach to PPIRP reflects a deliberate choice to prioritize creditor protection and prevent abuse. Unlike the UK where pre-packs evolved with minimal initial regulation, India's framework was statutorily embedded from the outset, with clear eligibility criteria, procedural requirements, and safeguards. The decision to limit PPIRP to MSMEs reflects both the urgency of addressing COVID-related distress in this sector and the desire to test the framework before potential expansion to larger enterprises.

3. India's Pre-Packaged Insolvency Resolution Process (PPIRP)

3.1 Statutory Framework and Eligibility Criteria

The PPIRP framework is contained in Sections 54A to 54M of the Insolvency and Bankruptcy Code, 2016, inserted by the 2021 amendment. These provisions establish a

[8] Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021, promulgated 4 April 2021.

comprehensive statutory scheme governing the initiation, conduct, and conclusion of pre-packaged insolvency resolution for eligible corporate debtors.[9]

Eligibility for PPIRP is restricted to corporate debtors classified as Micro, Small or Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. The minimum amount of default required for initiation is INR 10,00,000 (approximately USD 12,000), significantly lower than the INR 1 crore threshold for CIRP. This lower threshold reflects the smaller scale of MSME operations and the need for accessible resolution mechanisms.

Additional eligibility conditions require that:

- The corporate debtor has not undergone PPIRP or completed CIRP during the preceding three years;
- No resolution plan has been approved under CIRP in the preceding three years;
- The corporate debtor is not undergoing a corporate insolvency resolution process;
- The corporate debtor is eligible to submit a resolution plan under Section 29A of the Code, which contains restrictions on persons with specified disqualifications (such as convicted offenders, willful defaulters, or persons associated with non-performing assets).[10]

These eligibility requirements serve dual purposes: ensuring that PPIRP is available only to genuinely distressed but viable MSMEs, and preventing abuse by promoters who have previously failed to honor resolution plans or who suffer from statutory disqualifications.

3.2 Procedural Requirements and Timelines

The PPIRP process follows a structured timeline designed to conclude within 120 days of commencement. The procedural journey can be divided into three phases: pre-filing preparation, admission by the Adjudicating Authority, and implementation of the resolution plan.

Pre-Filing Phase: Before filing an application with the Adjudicating Authority (the National Company Law Tribunal), the corporate debtor must obtain approval from at least 66% of its financial creditors for both the initiation of PPIRP and the proposed base resolution plan. The debtor must also appoint an insolvency professional to act as the resolution professional, who will assist in preparing the base plan and filing the application. This pre-filing requirement ensures that the process enjoys substantial creditor support before formal proceedings

[9] Insolvency and Bankruptcy Code, 2016, Sections 54A to 54M.
[10] Insolvency and Bankruptcy Code, 2016, Section 54A, read with Section 29A.

commence, distinguishing PPIRP from CIRP where applications can be filed by creditors without prior consultation.

Admission Phase: Upon receiving the PPIRP application, the Adjudicating Authority must admit or reject it within 14 days. If admitted, the authority declares a moratorium prohibiting the institution or continuation of legal proceedings against the corporate debtor, enforcement of security interests, and transfer of assets. The authority also appoints the resolution professional proposed by the debtor, subject to the professional's written consent.[11]

Resolution Phase: Following admission, the resolution professional invites claims from creditors, constitutes a committee of creditors, and examines the base resolution plan. The committee of creditors, comprising financial creditors, may negotiate modifications to the base plan. Any modification that materially affects the rights of financial creditors requires approval by a vote of at least 66% of voting shares. The final resolution plan must be approved by the committee of creditors within 90 days of the PPIRP commencement date, following which it is submitted to the Adjudicating Authority for approval. The authority must approve or reject the plan within 30 days of submission, concluding the process within the overall 120-day timeline.[12]

3.3 Key Features and Advantages

PPIRP incorporates several distinctive features that differentiate it from both CIRP and international pre-pack models.

Debtor-in-Possession Model: Unlike CIRP where the resolution professional takes over management of the corporate debtor, PPIRP allows existing promoters and management to retain control throughout the process. This feature recognizes that MSMEs often depend on the specialized knowledge, relationships, and operational expertise of their promoters. Business continuity is preserved, reducing the disruption that typically accompanies insolvency proceedings.

Mandatory Creditor Approval: The requirement of 66% financial creditor approval before filing ensures that PPIRP is not used as a delaying tactic or as a means of imposing unreasonable terms on creditors. This pre-filing consensus requirement, while potentially burdensome for debtors, aligns creditor and debtor interests and increases the likelihood of successful resolution.[13]

[11] Insolvency and Bankruptcy Code, 2016, Section 54C.
[12] Insolvency and Bankruptcy Code, 2016, Sections 54D to 54G.
[13] IIMA, "Pre-packs in the Indian Insolvency Regime."

Streamlined Timelines: The 120-day maximum timeline for PPIRP represents a significant acceleration compared to CIRP's 330-day limit. The compressed timeline reduces uncertainty for stakeholders, minimizes professional costs, and preserves asset value by enabling swift resolution. The pre-negotiated nature of the base plan contributes to this efficiency, as much of the negotiation work occurs before formal filing.[14]

Cost Efficiency: PPIRP eliminates many of the costly requirements of CIRP, including public announcements, extensive litigation, and prolonged professional engagements. The absence of a public invitation for expressions of interest, while potentially limiting competitive bidding, significantly reduces administrative expenses. For smaller enterprises with limited resources, this cost efficiency is crucial.

3.4 Operational Challenges and Criticisms

Despite its promising design, PPIRP has faced significant operational challenges since its introduction, resulting in limited adoption. Several ground-level bottlenecks have impeded the process's effectiveness.

Creditor Consensus Requirement: The requirement of 66% financial creditor approval before filing, while designed to ensure creditor support, has proven difficult for many MSMEs to satisfy. Debt-heavy enterprises often struggle to secure consensus among diverse creditors with competing interests. The negotiation process required to obtain this approval can itself be time-consuming and costly, partially offsetting the efficiency gains of the formal process.

Perception of Promoter Bias: The debtor-in-possession model, while advantageous for business continuity, has created perceptions among some lenders that PPIRP lacks independence and transparency. Creditors may view the process as excessively promoter-friendly, particularly where promoters have contributed to the financial distress through mismanagement or diversion of funds. This perception can undermine creditor confidence and willingness to participate constructively.

Limited Market Competition: Unlike CIRP, which invites resolution plans from all prospective bidders through a public process, PPIRP operates on the basis of a base plan prepared by the debtor. While the committee of creditors may consider alternative plans, the absence of mandatory market testing may reduce competitive pressure and potentially result in suboptimal valuations. This concern is particularly acute where the base plan involves retention of existing promoters or sale to connected parties.

[14] "Pre-Packaged Insolvency Resolution Process (PPIRP) under IBC," TaxGuru.

NCLT Bottlenecks: Despite the statutory 14-day timeline for admission decisions, PPIRP applications have faced delays in listing and admission before the National Company Law Tribunal. These delays, arising from the general workload of NCLT benches and procedural inefficiencies, undermine the speed advantage that PPIRP is intended to provide. When admission is delayed, the benefits of pre-negotiation are eroded.

Low Awareness Among MSMEs: Many smaller businesses remain unaware of PPIRP or view any insolvency process with suspicion and stigma. Educational efforts by regulators and professionals have been insufficient to overcome this awareness gap. Without understanding the process's potential benefits, eligible MSMEs continue to rely on informal workouts or allow distress to deepen without intervention.

3.5 Judicial Interpretation: The CHD Developers Case

The early interpretation of PPIRP provisions by the NCLT has revealed potential challenges to the process's effectiveness. In the matter of *CHD Developers Limited*, a preliminary issue arose concerning the relationship between pending CIRP applications and subsequent PPIRP filings. An application for CIRP had been filed against the corporate debtor in October 2020, before the introduction of PPIRP. In July 2022, the debtor filed a PPIRP application, arguing that the new process should take precedence.[15]

Section 11A of the Code, which governs the disposal of competing CIRP and PPIRP applications, provides that where a CIRP application is pending as of 4 April 2021 (the effective date of the PPIRP amendment), the provisions regarding priority between applications do not apply. The NCLT held that in such cases, it would not be restrained from considering the earlier-filed CIRP application in precedence over the PPIRP application. The tribunal admitted the CIRP applications and dismissed the PPIRP application.[16]

This interpretation raises concerns about the long-term viability of PPIRP. As legal commentators have observed, the decision potentially renders the PPIRP mechanism "nugatory and redundant" for many MSMEs, as CIRP applications filed before April 2021 may remain pending for extended periods. The approach overlooks the fundamentally

[15] *CHD Developers Limited* [C.P. I.B. (Pre-packaged insolvency) No. 2 of 2022; order dated 05.09.2022], discussed in Sharmistha Ghosh and Aditi Sinha, "Pre-packaged insolvency: To uphold the legislative intent or the letter of the law?," The Legal 500, February 7, 2023, available at: https://my.legal500.com/developments/thought-leadership/pre-packaged-insolvency-to-uphold-the-legislative-intent-or-the-letter-of-the-law/.

[16] Insolvency and Bankruptcy Code, 2016, Section 11A(4).

different footing of PPIRP, which was specifically designed to meet the urgent requirements of MSMEs through a quicker, cost-effective process.[17]

4. The United Kingdom's Pre-Pack Administration Regime

4.1 Legal Framework and Procedural Mechanics

Pre-pack administration in the United Kingdom operates within the broader framework of administration under the Insolvency Act 1986. Administration is a collective insolvency procedure designed to achieve one of three statutory objectives: rescuing the company as a going concern, achieving a better result for creditors than would be likely in liquidation, or realizing property to make a distribution to secured or preferential creditors.[18]

The pre-pack variant involves negotiating the sale of all or part of a company's business or assets with a purchaser before the company formally enters administration. The sale contract is typically executed immediately upon or shortly after the administrator's appointment, ensuring seamless transfer of the business and continuity of operations. The entire process, from initial advisor engagement to sale completion, can take as little as two to four weeks.

The procedural mechanics involve several key stages:

- **Pre-appointment negotiations**: Directors, typically advised by insolvency practitioners, identify a purchaser and negotiate the terms of sale. Where the proposed purchaser is a connected party (such as existing directors or shareholders), enhanced scrutiny applies.
- **Independent valuation**: The business and assets are valued to inform negotiations and demonstrate that the sale price reflects market value.
- **Administrator appointment**: An insolvency practitioner is appointed as administrator, either by the company's directors (out-of-court appointment) or by the court.
- **Immediate sale execution**: The pre-negotiated sale contract is executed, transferring the business and assets to the purchaser.
- **Post-sale disclosure**: Within seven days of appointment, the administrator must provide creditors with a detailed report under SIP 16 explaining the rationale for the pre-pack, the marketing process (if any), valuation details, and justification for the sale.

The role of directors in the pre-appointment phase is subject to important legal duties. Once a company becomes insolvent or likely to become insolvent, directors' duties shift from promoting the company's success to prioritizing the interests of creditors. Directors must

[17] Ghosh and Sinha, "Pre-packaged insolvency."
[18] Insolvency Act 1986, Schedule B1, Paragraph 3.

avoid wrongful trading, seek early professional advice, and ensure that all decisions particularly those relating to pre-pack sales are properly documented and justified.

4.2 The Statement of Insolvency Practice 16 (SIP 16)

SIP 16, issued by the insolvency profession's regulatory bodies, establishes the disclosure standards applicable to pre-pack administrations. The statement requires administrators to provide creditors with a detailed explanation of their actions within seven days of appointment, addressing specific matters including:

- The extent of marketing undertaken and the reasons if marketing was limited or absent;
- Details of valuations obtained and the basis of valuation;
- The rationale for the sale, including why the pre-pack achieved a better result than alternatives;
- Information about the purchaser, including any connection to the company or its directors;
- The consideration received and its distribution;
- Any alternatives to pre-pack that were considered.[19]

SIP 16 compliance is monitored by the regulatory bodies, and failures to comply can result in professional disciplinary action. However, the statement operates through professional standards rather than statutory mandate, reflecting the UK's preference for practitioner-led regulation. The effectiveness of SIP 16 has been subject to ongoing debate, with critics arguing that disclosure after the fact does little to protect creditor interests when the sale has already been completed.[20]

4.3 The Graham Review and Connected Party Transactions

The Graham Review of 2014 represented the most comprehensive examination of pre-pack administration to date. The review found that pre-packs, when used appropriately, were an effective business rescue tool that preserved value and jobs. However, it identified persistent concerns about transparency, particularly in connected party transactions, and recommended a package of measures to address these concerns.[21]

The review's six recommendations included:

[19] SIP 16, as summarized in House of Commons Library, "Pre-pack administrations."
[20] House of Commons Library, "Pre-pack administrations."
[21] The Graham Review into Pre-Pack Administration, June 2014.

- Establishment of a "Pre-Pack Pool" of independent experts to provide opinions on proposed connected party sales;
- Enhanced marketing requirements to ensure that better offers are not missed;
- Improved guidance for insolvency practitioners on valuation and marketing;
- Greater transparency in the disclosure of fees and expenses;
- Monitoring of outcomes to assess the effectiveness of pre-packs;
- A reserve power for government to regulate if voluntary measures proved insufficient.[22]

The Pre-Pack Pool became operational in November 2015, offering connected party purchasers the option to obtain an independent opinion on the proposed sale before it is completed. While participation in the pool is voluntary, obtaining a positive opinion provides assurance that the sale is likely to withstand scrutiny. However, utilization of the pool has been lower than anticipated, with many connected purchasers proceeding without seeking an opinion.[23]

4.4 The 2021 Regulations: Mandating Independent Scrutiny

Following an assessment of the voluntary measures' impact, the government concluded that further regulation was necessary to address continuing concerns about connected party sales. The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021, effective from 30 April 2021, introduced mandatory requirements for pre-pack sales to connected parties.[24]

Under the regulations, a pre-pack sale to a connected party cannot proceed unless either:

- Creditors of the company have approved the proposed sale; or
- A written opinion has been obtained from an independent evaluator confirming that the terms of the proposed sale are such that the administrator is likely to achieve a better result for the company's creditors as a whole than would be likely if the administrator did not sell to the connected person.[25]

The independent evaluator must be a person who satisfies prescribed independence requirements and holds appropriate qualifications or experience. The evaluator's opinion must be provided to the administrator before the sale is completed and must be included in the

[22] House of Commons Library, "Pre-pack administrations."
[23] House of Commons Library, "Pre-pack administrations."
[24] The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021.
[25] Regulation 3, The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021.

administrator's statement under Rule 3.55 of the Insolvency Rules, which is made available to creditors.

These regulations represent a significant shift from the voluntary approach that had characterized UK pre-pack regulation for over a decade. By mandating independent scrutiny for connected party sales, the UK has moved closer to a statutory framework while preserving the flexibility and speed that make pre-packs attractive.

4.5 Advantages and Criticisms

Pre-pack administration offers several well-documented advantages. The speed of execution minimizes business disruption, preserving customer relationships, supplier contracts, and employee morale. The confidential nature of pre-appointment negotiations avoids the reputational damage that often accompanies public insolvency proceedings. Lower costs result from the reduced period of formal administration and the avoidance of prolonged marketing. For connected party sales, the ability to preserve the business with existing management can be crucial where the company's value depends on specific knowledge or relationships.

However, the procedure faces persistent criticisms. Unsecured creditors, who are typically not consulted before the sale, often receive little or no return while the business continues to trade under new ownership. Connected party sales raise concerns about "phoenixing" where directors shed company debts while continuing to operate through a new entity. The lack of pre-sale involvement for creditors leaves them with only post-sale disclosure and limited avenues for challenge. While the 2021 regulations address some of these concerns for connected party sales, sales to unconnected purchasers remain subject to minimal pre-sale scrutiny.

5. The United States Chapter 11 Pre-Packaged Reorganization

5.1 Statutory Foundation: Section 1126(b)

The US pre-packaged bankruptcy framework rests on Section 1126(b) of the Bankruptcy Code, which provides that votes on a reorganization plan solicited before the commencement of a Chapter 11 case are valid and binding if the solicitation complied with applicable non-bankruptcy law governing disclosure adequacy. This simple provision creates the legal mechanism for pre-packaged reorganizations, allowing debtors to negotiate plan terms and obtain creditor acceptance before filing.[26]

[26] 11 U.S.C. § 1126(b)

Unlike the UK where pre-packs focus primarily on business sales, US pre-packs typically address balance sheet restructuring reducing debt, extending maturities, or converting debt to equity while the debtor continues operating its business. The distinction reflects fundamental differences in the two countries' insolvency cultures: the US emphasizes rehabilitation of the debtor entity, while the UK has historically been more receptive to going-concern sales that result in the original entity being liquidated.

The statutory framework does not separately define "pre-packaged bankruptcy" as a distinct procedure. Rather, it integrates pre-filing solicitation into the standard Chapter 11 process, with the same plan confirmation requirements applying regardless of whether solicitation occurred before or after filing. This integration ensures that creditor protections inherent in Chapter 11 including disclosure requirements, voting rules, and the "cram down" provisions for impaired classes apply fully to pre-packaged cases.

5.2 Types of Pre-Packaged Bankruptcies

US practice has evolved three distinct types of pre-packaged bankruptcies, each suited to different circumstances.

Single-Track Pre-Packs: In a single-track or "full" pre-pack, the debtor solicits votes on its reorganization plan from all impaired classes of creditors before filing for Chapter 11. The debtor obtains the necessary acceptances at least two-thirds in amount and more than one-half in number of voting creditors in each impaired class before commencing the case. Upon filing, the debtor seeks prompt court confirmation of the plan, often within 30-60 days. This approach is most suitable where the debtor has a relatively simple capital structure and can negotiate effectively with key creditor groups.

Dual-Track Pre-Packs: Dual-track pre-packs involve simultaneous pursuit of an out-of-court exchange offer and a pre-packaged bankruptcy plan. The debtor offers creditors the opportunity to exchange their existing claims for new securities under the exchange offer. If sufficient acceptances are obtained, the exchange offer is consummated and bankruptcy is avoided. If the exchange offer falls short but the debtor has obtained acceptances from at least two-thirds in amount and a majority in number of each impaired class, the pre-packaged plan is filed and binds dissenting creditors. The dual-track approach creates powerful incentives for creditor participation, as those who reject the exchange offer may face less favorable treatment under the bankruptcy plan.[^58]

Partial Pre-Packs: In partial pre-packs, the debtor solicits votes from only some impaired classes before filing, intending to solicit remaining classes after commencement. This

approach may be appropriate where certain creditor groups are difficult to reach pre-filing or where the debtor wishes to use the bankruptcy court's processes to facilitate negotiations with particular constituencies. Partial pre-packs retain many of the efficiency benefits of full pre-packs while providing greater flexibility.[^59]

5.3 Plan Formulation, Disclosure, and Voting

The formulation of a pre-packaged Chapter 11 plan follows the same substantive requirements applicable to all reorganization plans under Section 1123 of the Bankruptcy Code. The plan must designate classes of claims and interests, specify which classes are impaired, provide equal treatment for claims within each class (unless a claimant agrees to less favorable treatment), and describe the means for plan implementation.[^60]

Critical to the pre-pack process is the preparation of a disclosure statement containing "adequate information" about the debtor and the proposed plan. The disclosure statement must enable a hypothetical reasonable investor to make an informed judgment about the plan. In pre-packaged cases, the disclosure statement is typically prepared and distributed to creditors before filing, with its adequacy determined by reference to applicable non-bankruptcy law (such as securities laws) for pre-filing solicitations.

Voting on the plan follows the rules set forth in Section 1126. Each impaired class of claims or interests is entitled to vote on the plan. A class accepts the plan if at least two-thirds in amount and more than one-half in number of the claims voting in that class are cast in favor. Classes that are not impaired are deemed to accept the plan and do not vote. Classes that would receive no distribution under the plan are deemed to reject it.[27]

5.4 Plan Confirmation: The "Cram Down" Power

For a plan to be confirmed by the bankruptcy court, it must satisfy the requirements of Section 1129. These include:

- Compliance with all applicable Code provisions;
- Proposal in good faith, not by any means forbidden by law;
- Disclosure of payments for services in connection with the case;
- Disclosure of the identity and affiliations of proposed directors and officers;
- Compliance with applicable regulatory requirements;
- Best interests of creditors test: each holder of a claim in an impaired class must receive at least as much as they would in a Chapter 7 liquidation;

[27] 11 U.S.C. § 1126(c);

- Feasibility: confirmation is not likely to be followed by liquidation or further reorganization.[28]

If all impaired classes accept the plan, the court may confirm it upon satisfying these requirements. However, Section 1129(b) provides the crucial "cram down" power: a plan may be confirmed even if an impaired class rejects it, provided that the plan does not discriminate unfairly against that class and is fair and equitable with respect to it. For secured creditors, "fair and equitable" requires that they retain their liens and receive deferred cash payments equal to the present value of their secured claims. For unsecured creditors, it requires either that they receive property of a value equal to their claims or that no junior class receives any property under the plan (the "absolute priority rule").[29]

The cram down power distinguishes US pre-packs from those in many other jurisdictions, giving debtors significant leverage in negotiations. Creditors who might otherwise hold out for better treatment face the risk that the plan will be confirmed over their objection if it meets the statutory standards. This leverage facilitates pre-filing consensus, as creditors recognize that unreasonable opposition may be overridden.[^65]

5.5 Advantages and Limitations

US pre-packaged bankruptties offer substantial advantages. The speed of emergence often 60-90 days from filing to confirmation minimizes business disruption and professional fees. The ability to bind dissenting minorities through cram down provides certainty of outcome once the necessary acceptances are obtained. The integration with Chapter 11's comprehensive framework ensures robust creditor protections while enabling efficient resolution.[^66]

However, pre-packs are not suitable for all situations. They work best for balance sheet restructurings where the underlying business is viable and the primary challenge is excessive debt. Where operational restructuring is needed, the compressed timeline of a pre-pack may not allow sufficient time for developing and implementing new business strategies. The costs of pre-filing negotiations and solicitation can be substantial, potentially exceeding the costs of a conventional Chapter 11 for smaller cases. The requirement to obtain creditor acceptances before filing may be impractical where creditor groups are numerous, dispersed, or uncooperative.[^67]

[28] 11 U.S.C. § 1129(a);
[29] 11 U.S.C. § 1129(b);

6. Comparative Analysis

6.1 Design Philosophy and Objectives

The three jurisdictions examined reflect fundamentally different design philosophies underlying their pre-packaged insolvency frameworks.

India's PPIRP represents a deliberate statutory creation, crafted to address specific policy objectives: providing MSMEs with a faster, cheaper alternative to CIRP in response to COVID-19 distress. The framework is detailed and prescriptive, leaving little to market practice or professional discretion. Eligibility is narrowly confined to MSMEs, reflecting both the urgency of addressing their distress and the desire to test the mechanism before potential expansion. The debtor-in-possession model recognizes the centrality of promoters to MSME operations, while mandatory pre-filing creditor approval ensures that the process enjoys substantial support before commencement.[30]

The UK's pre-pack administration embodies a market-led evolution subsequently tempered by regulation. The procedure developed through practitioner innovation, with administrators recognizing that pre-negotiated sales could preserve value. Regulatory intervention came later, responding to concerns about transparency and connected party transactions. The framework retains significant flexibility, with detailed rules emerging primarily through professional standards (SIP 16) rather than statute. Even the 2021 regulations, while mandating independent scrutiny for connected sales, preserve the essential speed and confidentiality that make pre-packs attractive.

The US Chapter 11 pre-pack represents statutory integration: pre-filing solicitation is accommodated within a comprehensive legislative framework rather than treated as a distinct procedure. The approach reflects confidence in the Chapter 11 process's ability to accommodate diverse circumstances through judicial discretion and creditor voting. Pre-packs are not separately defined or regulated; they simply represent one way of using the existing statutory tools. This integration ensures that all Chapter 11 protections apply while allowing debtors to achieve efficiency through pre-filing preparation.

6.2 Debtor Control and Management

The allocation of control during insolvency proceedings varies significantly across the three regimes.

India's PPIRP adopts a pure debtor-in-possession model, allowing existing promoters and management to retain full operational control throughout the process, subject only to

[30] Pathan, "Pre-Packaged Insolvency Resolution in India."

oversight by the resolution professional. This approach reflects recognition that MSME value often resides in promoter knowledge, relationships, and expertise. Removing promoters would likely destroy value rather than preserve it. However, this model also creates risks of abuse, as promoters who contributed to the distress may use continued control to benefit themselves at creditors' expense.

The UK's pre-pack administration transfers control to the administrator upon appointment, but the timing of that appointment immediately before sale execution means that practical control during the critical negotiation phase rests with directors. This division creates potential tensions: directors negotiating the sale owe duties to the company and its creditors, but they may also have personal interests in the outcome, particularly in connected party transactions. The administrator's role is to scrutinize the proposed sale and ensure it achieves the best result for creditors, but the administrator is presented with a negotiated transaction that may be difficult to unwind.

The US Chapter 11 process typically leaves the debtor in possession (unless cause exists for trustee appointment), with control over plan formulation and solicitation resting with management throughout. However, the requirement for creditor voting on the plan, combined with the court's confirmation power, ensures that debtor control is exercised subject to significant checks. Creditors who disagree with management's approach can vote against the plan, and the court must determine that the plan complies with statutory requirements. This structure balances operational continuity with creditor protection.

6.3 Creditor Participation and Voting Rights

The role of creditors in pre-packaged insolvencies varies substantially, reflecting different conceptions of the balance between efficiency and participation.

India's PPIRP requires creditor approval before the process even begins: 66% of financial creditors must consent to both initiation and the base resolution plan. This pre-filing requirement ensures that the process enjoys substantial support from the outset, but it also places significant burdens on debtors who must organize creditor consensus while facing financial distress. During the process, the committee of creditors votes on modifications to the plan, with 66% approval required for material changes. Unsecured creditors, however, have limited formal participation rights; the committee comprises only financial creditors.

The UK's pre-pack administration provides the least pre-sale creditor participation. Unsecured creditors are typically not consulted before the sale; they receive information only after the transaction is completed through the SIP 16 report. This approach prioritizes speed

and confidentiality over participation, reflecting the view that pre-sale consultation would undermine the very advantages that make pre-packs attractive. The 2021 regulations enhance protection for creditors in connected party sales by requiring either creditor approval or independent evaluator opinion, but creditors still lack pre-sale voting rights on the transaction itself.

The US Chapter 11 pre-pack provides the most robust creditor participation. Impaired creditors vote on the plan before filing, with acceptances required from at least two-thirds in amount and a majority in number of each voting class. This voting requirement ensures that the plan has genuine creditor support while allowing dissenting minorities to be bound. The disclosure statement requirement ensures that creditors receive adequate information to make informed decisions. The cram down power provides a backstop when classes reject, but its availability is subject to strict statutory requirements.

6.4 Transparency and Disclosure

Transparency mechanisms differ significantly, reflecting each jurisdiction's approach to balancing confidentiality against accountability.

India's PPIRP operates with limited public disclosure. The process is initiated by private application, and the base resolution plan is negotiated confidentially among the debtor and financial creditors. The absence of public invitations for expressions of interest, while reducing costs, also limits market testing and potential competition. Creditors receive information through the resolution professional, but there is no equivalent to the UK's post-sale SIP 16 report or the US's court-approved disclosure statement. This limited transparency raises concerns about valuation accuracy and potential favoritism in plan approval.

The UK's pre-pack administration emphasizes post-sale transparency through the SIP 16 report, which must explain the rationale for the sale, marketing efforts, valuation basis, and any connections between purchaser and company. This after-the-fact disclosure allows creditors to understand what occurred and, if necessary, challenge the administrator's actions. However, disclosure after the sale cannot undo the transaction; creditors' remedies are limited to claims against the administrator for breach of duty. The 2021 regulations add pre-sale transparency for connected party transactions through the independent evaluator's opinion, but this opinion is not publicly available before the sale.

The US Chapter 11 pre-pack requires extensive pre-sale disclosure through the disclosure statement, which must contain adequate information for creditors to make informed voting decisions. This disclosure is subject to judicial scrutiny (though in pre-packs, adequacy is

typically determined by reference to non-bankruptcy law for pre-filing solicitations). The plan and disclosure statement become public documents upon filing, and court confirmation hearings provide opportunities for objection. This transparency comes at a cost the time and expense of preparing comprehensive disclosure but provides stronger assurances that creditor decisions are informed.[^79]

6.5 Connected Party Transactions

Connected party transactions sales to existing directors, shareholders, or their associates raise particular concerns in all three jurisdictions, but their treatment varies.

India's PPIRP addresses connected party concerns primarily through Section 29A eligibility requirements, which disqualify persons with specified from submitting resolution plans. This approach focuses on the characteristics of the proposed resolution applicant rather than the transaction structure. However, the debtor-in-possession model means that existing promoters remain in control during the process, potentially influencing plan terms in their favor. The requirement of 66% financial creditor approval provides some protection, as creditors can reject plans that unfairly benefit promoters.[31]

The UK's pre-pack administration has developed the most detailed framework for connected party transactions, responding to sustained criticism of perceived abuses. SIP 16 requires enhanced disclosure of connections. The Pre-Pack Pool offers voluntary independent opinions. The 2021 regulations mandate either creditor approval or independent evaluator opinion for connected sales, creating a statutory screen. This layered approach combining professional standards, voluntary scrutiny, and mandatory requirements reflects the UK's incremental response to identified problems.[32]

The US Chapter 11 pre-pack treats connected party transactions within the broader framework of plan confirmation. Purchases by insiders are subject to heightened scrutiny, and plans that favor insiders may face objections on good faith grounds or challenges under the unfair discrimination standard. However, there is no separate regulatory regime for insider transactions; they are evaluated under the same statutory standards applicable to all plans, with courts exercising discretion to scrutinize more closely where conflicts appear. This approach relies on judicial oversight rather than specialized rules.

[31] Insolvency and Bankruptcy Code, 2016, Section 29A.
[32] House of Commons Library, "Pre-pack administrations."

7. Challenges and Reform Proposals

7.1 India: Expanding Eligibility and Strengthening Safeguards

India's PPIRP, while promising in design, faces several challenges that have limited its adoption. The requirement of 66% financial creditor approval before filing has proven difficult for many MSMEs to satisfy, particularly those with fragmented creditor bases or contested debt positions. The perception that PPIRP is excessively promoter-friendly has deterred some creditors from engaging constructively. Limited awareness among MSMEs means many eligible enterprises remain unaware of the process's availability. NCLT bottlenecks have eroded the speed advantage that PPIRP was intended to provide.[^83]

The proposed IBC Amendment Bill 2025 offers an opportunity to address these challenges through targeted reforms. Key improvements could include:

- **Expanding eligibility beyond MSMEs**: Larger stressed companies, particularly in manufacturing, could benefit from structured pre-packs under appropriate oversight, extending the process's benefits to a broader range of enterprises.
- **Strengthening safeguards against promoter misuse**: Clear criteria to prevent abusive "self-serving" base plans, including enhanced disclosure requirements and independent valuation mandates.
- **Improving creditor protection and competition**: Structured challenge mechanisms for base plans, mandatory independent valuation, and market testing where appropriate.
- **Streamlining NCLT admission**: Fast-track benches or electronic admission processes for PPIRP cases to eliminate procedural delays.
- **Building awareness and technological support**: Digital templates, automated data submission, and simplified claim filing processes to increase adoption among smaller enterprises.[^84]

7.2 United Kingdom: Balancing Flexibility and Accountability

The UK's pre-pack administration regime has achieved a mature equilibrium through decades of evolution, but challenges remain. The voluntary Pre-Pack Pool has seen lower utilization than anticipated, suggesting that connected purchasers may prefer to proceed without independent scrutiny. SIP 16 compliance, while generally good, varies among practitioners, and the post-sale nature of disclosure limits its effectiveness as a protection mechanism. Unsecured creditors continue to express dissatisfaction with outcomes in pre-pack cases, particularly where they receive little or no distribution while the business continues under new ownership.[^85]

Future reform considerations may include:

- **Strengthening the Pre-Pack Pool**: Making participation mandatory or providing stronger incentives for connected purchasers to seek opinions.
- **Enhancing pre-sale creditor involvement**: Exploring mechanisms for creditor consultation that preserve confidentiality while providing input.
- **Improving valuation transparency**: Requiring more detailed explanation of valuation methodologies and independent verification.
- **Monitoring outcomes**: Systematic collection and analysis of data on pre-pack outcomes to inform policy development.[^86]

7.3 United States: Preserving Flexibility While Addressing Costs

The US Chapter 11 pre-pack framework remains the gold standard for balance sheet restructurings, but it faces challenges related to cost and complexity. The requirement for comprehensive disclosure statements, while protective of creditor interests, imposes significant expenses that may be disproportionate for smaller cases. The need to obtain creditor acceptances before filing can be time-consuming and costly, particularly where creditor groups are numerous or dispersed. The cram down power, while valuable, requires satisfaction of stringent statutory requirements that may be difficult to meet in complex cases.[^87]

Potential areas for reform include:

- **Streamlined procedures for smaller pre-packs**: Reduced disclosure requirements or simplified voting procedures for cases below specified size thresholds.
- **Enhanced use of technology**: Electronic solicitation and voting platforms to reduce costs and increase participation.
- **Clarification of disclosure standards**: Guidance on what constitutes "adequate information" in pre-pack contexts to reduce uncertainty and litigation.
- **Subchapter V expansion**: Extending the small business debtor provisions to more pre-pack cases, providing expedited procedures with appropriate safeguards.[33]

7.4 Cross-Jurisdictional Lessons

Each jurisdiction can learn from the others' experiences in designing and implementing pre-packaged insolvency frameworks.

[33] The Small Business Reorganization Act of 2019 added Subchapter V to Chapter 11, providing expedited procedures for small business debtors.

For India: The UK experience demonstrates the importance of robust transparency mechanisms, particularly for connected party transactions. India's PPIRP could benefit from enhanced disclosure requirements modeled on SIP 16, providing creditors with detailed explanations of valuation, marketing, and rationale. The US example illustrates the value of integrating pre-pack processes within a comprehensive statutory framework that provides clear rules while preserving flexibility. India's prescriptive approach could be tempered by allowing greater room for professional judgment within statutory parameters.

For the UK: India's requirement of pre-filing creditor approval offers lessons on ensuring that pre-packs enjoy genuine stakeholder support. While such a requirement would undermine the speed advantages that make UK pre-packs attractive, some form of pre-sale creditor involvement for significant transactions could enhance legitimacy. The US cram down power suggests possibilities for binding dissenting minorities where a plan enjoys supermajority support, reducing holdout problems.

For the US: India's focus on MSMEs highlights the need for simplified procedures suitable for smaller enterprises. While Chapter 11 provides robust protections, its costs and complexity may be disproportionate for smaller cases. The UK's practitioner-led approach suggests possibilities for greater reliance on professional standards and market mechanisms, reducing the need for intensive judicial involvement in routine matters.[34]

8. CONCLUSION

The comparative analysis of India's PPIRP, the UK's pre-pack administration, and the US Chapter 11 pre-packaged bankruptcy reveals three distinct approaches to balancing the competing objectives of speed, transparency, creditor protection, and business preservation. Each regime reflects its unique legal tradition, market conditions, and policy priorities, yet all share the common goal of providing efficient mechanisms for resolving financial distress while maximizing value for stakeholders.

India's PPIRP, as the newest entrant, has the advantage of learning from international experience while adapting features to local conditions. The debtor-in-possession model recognizes the centrality of promoters to MSME operations. The requirement of pre-filing creditor approval ensures stakeholder support before formal proceedings commence. The 120-day timeline provides certainty and promotes efficiency. However, operational challenges including the difficulty of obtaining creditor consensus, perceptions of promoter

[34] Pathan, "Pre-Packaged Insolvency Resolution in India"; IIMA, "Pre-packs in the Indian Insolvency Regime."

bias, limited market competition, NCLT bottlenecks, and low awareness have limited adoption and undermined effectiveness.

The UK's pre-pack administration demonstrates the possibilities and perils of market-led development. The procedure's speed and flexibility have preserved countless businesses and jobs that might otherwise have been lost in prolonged insolvency processes. Yet concerns about transparency and connected party transactions have persisted, requiring increasingly detailed regulation. The evolution from professional standards (SIP 16) through voluntary scrutiny (the Pre-Pack Pool) to mandatory requirements (the 2021 regulations) illustrates the dynamic process of calibrating regulation to address identified problems while preserving core advantages.

The US Chapter 11 pre-pack represents the most comprehensive statutory framework, integrating pre-filing solicitation within a broader system of creditor voting, disclosure requirements, and judicial oversight. The cram down power provides leverage for plan proponents while protecting minority interests through statutory standards. The framework's flexibility accommodating single-track, dual-track, and partial pre-packs enables adaptation to diverse circumstances. However, costs and complexity limit accessibility for smaller enterprises, and the absence of specialized rules for connected party transactions leaves significant matters to judicial discretion.

For India, the path forward lies in addressing the operational bottlenecks that have limited PPIRP adoption while preserving the process's foundational strengths. The proposed IBC Amendment Bill 2025 offers an opportunity to expand eligibility, strengthen safeguards, improve market testing, streamline admissions, and enhance awareness. Drawing on UK experience with transparency mechanisms and US experience with integrated statutory frameworks, India can develop a PPIRP regime that realizes its potential as a robust restructuring tool for distressed enterprises.

BIBLIOGRAPHY

Primary Sources

Statutes and Legislation

India

1. Insolvency and Bankruptcy Code, 2016 (No. 31 of 2016)
2. Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021 (No. 3 of 2021)
3. Insolvency and Bankruptcy Board of India (Pre-packaged Insolvency Resolution Process) Regulations, 2021

4. Micro, Small and Medium Enterprises Development Act, 2006 (No. 27 of 2006)

United Kingdom

5. Insolvency Act 1986 (c. 45)
6. Small Business, Enterprise and Employment Act 2015 (c. 26)
7. The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021 (SI 2021/427)
8. Statement of Insolvency Practice 16 (SIP 16) (effective November 2015)

United States

9. Bankruptcy Reform Act of 1978, Pub. L. No. 95-598, 92 Stat. 2549 (1978) (codified as amended at 11 U.S.C. §§ 101-1532)
10. Small Business Reorganization Act of 2019, Pub. L. No. 116-54, 133 Stat. 1079 (2019)
11. 11 U.S.C. § 1123 (Contents of plan)
12. 11 U.S.C. § 1125 (Postpetition disclosure and solicitation)
13. 11 U.S.C. § 1126 (Acceptance of plan)
14. 11 U.S.C. § 1129 (Confirmation of plan)

Case Law

India

15. *CHD Developers Limited* [C.P. I.B. (Pre-packaged insolvency) No. 2 of 2022; order dated 05.09.2022] (NCLT)

United Kingdom

16. No specific cases cited in the paper, though the framework is discussed generally

United States

17. *In re Crystal Oil Co.*, discussed in secondary sources as the first significant pre-packaged bankruptcy case under the 1978 Code

Secondary Sources

Books and Book Chapters

18. Agrawal, Anuja, et al. "To Restore the Comforts and Bliss of Married Life." In *Family Studies*. Oxford: Oxford University Press, 2024. Available at: https://api.philpapers.org/rec/AGRTRT.

19. Malik, Taniya. "Balancing Tradition and Gender Justice: Revisiting Section 9 of the Hindu Marriage Act and Its Impact on Women's Autonomy and Constitutional Rights." In Anne Wagner and Angela Condello, eds., *(In)Visible Signs of Gender-Based Violence*, 471-491. Cham: Springer Nature Switzerland, 2025.

Journal Articles and Academic Papers

20. Ghosh, Sharmistha, and Aditi Sinha. "Pre-packaged insolvency: To uphold the legislative intent or the letter of the law?" *The Legal 500*, February 7, 2023. Available at: https://my.legal500.com/developments/thought-leadership/pre-packaged-insolvency-to-uphold-the-legislative-intent-or-the-letter-of-the-law/.
21. Indian Institute of Management Ahmedabad. "Pre-packs in the Indian Insolvency Regime." Publications. Available at: https://randp.iima.ac.in/publication/papers.html?cat=14633.
22. Pathan, Yasir D. "Pre-Packaged Insolvency Resolution in India: A Comprehensive Analysis of PPIRP under the IBC." (2025) ibclaw.in 14 Art. Available at: https://ibclaw.in/pre-packaged-insolvency-resolution-in-india-a-comprehensive-analysis-of-ppirp-under-the-ibc-by-yasir-d-pathan/.
23. Sarker, Shuvro Prosun, and Mitu Biswas. "Restitution of Conjugal Rights v. Individual Autonomy: Looking Through the Constitutional Lens in India." *International Journal of Legal Information* (2025). Published online by Cambridge University Press, January 2, 2025. Available at: http://core-cms.cambridgecore.org/core/journals/international-journal-of-legal-information/article/restitution-of-conjugal-rights-v-individual-autonomy-looking-through-the-constitutional-lens-in-india/96B99A32BD94A571142D3A9485B7A000.
24. Sharma, Kanika, Laura Lammasniemi, and Tanika Sarkar. "Dadaji Bhikaji v Rukhmabai (1886) ILR 10 Bom 301: rewriting consent and conjugal relations in colonial India." *Indian Law Review* (2021): 265-287. Available at: https://www.tandfonline.com/doi/full/10.1080/24730580.2021.1962083.
25. 裴洁 [Pei Jie]. "美国法中的预重整制度 | 律师实务" [Pre-packaged Reorganization in US Law | Lawyer's Practice]. 申浩律师事务所 [Sunhold Law Firm], July 22, 2024. Available at: https://sunhold.com.cn/Cn/Index/pageView/catid/5/id/477.html.

Reports and Official Documents

26. CEDAW Committee. Concluding Observations on India. CEDAW/C/IND/CO/4-5, 2014. Available at: https://sdgdata.humanrights.dk/en/solr-explorer?sdg=106511&f%5B0%5D=country%3A882&f%5B1%5D=country%3A883&f%5B2%5D=country%3A957&f%5B3%5D=sdg_target%3A106681&f%5B4%5D=sdg_target%3A106691&f%5B5%5D=treaty_body%3A771.
27. CEDAW Committee. General Recommendation No. 21 on Equality in Marriage and Family Relations, 1994.
28. CEDAW Committee. General Recommendation No. 35 on Gender-Based Violence Against Women, 2017.
29. Graham, Teresa. *The Graham Review into Pre-Pack Administration*. June 2014.
30. High-Level Committee on the Status of Women in India. Report. 2015.
31. House of Commons Library. "Pre-pack administrations." Research Briefing, January 21, 2026. Available at: https://commonslibrary.parliament.uk/research-briefings/sn05035/.
32. Human Rights Committee. General Comment No. 16 on the Right to Privacy (Article 17), 1988.
33. Law Commission of India. Consultation Paper on Reform of Family Law. 2018.

Online Articles and Blog Posts

34. Darling, Craig. "Understanding Pre-Pack Administration: A Strategic Approach to Business Rescue." Gilson Gray, October 8, 2025. Available at: https://gilsongray.co.uk/blog/understanding-pre-pack-administration-a-strategic-approach-to-business-rescue/.
35. Mahapatra, Alka Nanda, and Harshita Gupta. "Institutional Privacy, Personal Autonomy, and the Conundrum of Restitution as a Remedy." Vidhi Centre for Legal Policy, October 24, 2024. Available at: https://vidhilegalpolicy.in/blog/institutional-privacy-personal-autonomy-and-the-conundrum-of-restitution-as-a-remedy/.
36. Mishra, Krit Narayan. "Rise of Pre-Pack Insolvency in India: Best Fit for MSMEs or a Risky Shortcut?" TaxGuru, December 5, 2025. Available at: https://taxguru.in/corporate-law/rise-pre-pack-insolvency-india-fit-msmes-risky-shortcut.html.
37. NLS Forum. "Challenging the Marital-Consent Fiction: India's Fragmented Response to the Marital Rape Exception." February 23, 2026. Available at: https://forum.nls.ac.in/nlsir-online-blog/challenging-the-marital-consent-fiction-indias-fragmented-response-to-the-marital-rape-exception/.

38. "Pre-Packaged Insolvency Resolution Process (PPIRP) under IBC." TaxGuru, April 17, 2024. Available at: https://taxguru.in/corporate-law/pre-packaged-insolvency-resolution-process-ppirp-ibc.html.
39. Supreme Court Observer. "Challenge to Restitution of Conjugal Rights: Ojaswa Pathak v Union of India." Updated July 8, 2025. Available at: https://www.scobserver.in/cases/ojaswa-pathak-union-of-india-challenge-to-restitution-of-conjugal-rights-case-background/.
40. Supreme Court Observer. "Maintenance Despite Restitution of Conjugal Rights: Rina Kumari @ Rina Devi @ Reena v Dinesh Kumar Mahto @ Dinesh Kumar Mahato." January 10, 2025. Available at: https://www.scobserver.in/supreme-court-observer-law-reports-scolr/rina-kumari-rina-devi-reena-v-dinesh-kumar-mahto-dinesh-kumar-mahatomaintenance-despite-restitution-of-conjugal-rights/.
41. "Unsubstantiated sexual allegations against husband and father-in-law amounts to cruelty: Madras HC sets aside woman's Restitution of Conjugal Rights plea, grants divorce." SCC Online, June 18, 2025. Available at: https://www.scconline.com/blog/post/2025/06/18/madras-hc-divorce-cruelty-unsubstantiated-sexual-allegations/.

International Treaties and Conventions

42. Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), adopted 18 December 1979, entered into force 3 September 1981.
43. International Covenant on Civil and Political Rights (ICCPR), adopted 16 December 1966, entered into force 23 March 1976.