Comments on the IBBI Discussion Paper on *'Streamlining Processes under the Code: Reforms for Enhanced Efficiency and Outcomes'*

The Insolvency and Bankruptcy Board of India ('IBBI'/ 'Board') has issued Discussion Paper on 4th February, 2025[1] on CIRP Regulations, Liquidation Process and Insolvency Resolution & Bankruptcy Process of Personal Guarantors ('Discussion Papers'), addressing various operational challenges encountered during CIRP, liquidation and bankruptcy process. The proposal broadly envisages- coordinated insolvency resolution of interconnected entities, disclosure and treatment of avoidance transaction before approval of resolution plan, removing the option of going concern sale during liquidation, resolution plans for part wise resolution of CD, etc., and has invited public comments on the proposals contained in the Discussion Papers.

Following are our comments on the proposals made in the Discussion Paper-

IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016				
Sl. No.	**Present**	**Proposed**	**Rationale as given in the DP**	**VKCo Comments**
Review of expenditure on Goods and Services availed during CIRP				
1.	**32. Essential Supplies** The essential goods and services referred to in section 14(2) shall mean-	**32. Essential Supplies** The essential goods and services referred to in section 14(2) shall mean- (1) electricity;	In order to provide more comprehensive example that better demonstrates the distinction between essential	The distinction between "essential supply" and "critical supply" is there under section 14(2) and

[1] https://ibbi.gov.in/uploads/whatsnew/97b96d2fa7051099112f6dc347807006.pdf

	(1) electricity; (2) water; (3)telecommunication services; and (4) information technology services, to the extent these are not a direct input to the output produced or supplied by the corporate debtor. Illustration-Water supplied to a corporate debtor will be essential supplies for drinking and sanitation purposes, and not for generation of hydro-electricity.	(2) water; (3)telecommunication services; and (4) information technology services, to the extent these are not a direct input to the output produced or supplied by the corporate debtor. ~~Illustration-Water supplied to a corporate debtor will be essential supplies for drinking and sanitation purposes, and not for generation of hydro-electricity.~~ Illustration: "Electricity supplied to a corporate debtor for maintaining basic facility upkeep such as lighting and powering computers would constitute essential services. However, if the corporate debtor operates a manufacturing facility, the high-voltage electricity supply required to run the machinery may be considered as critical services by the insolvency professional as it is being used as a direct input for production and current dues for such services must be paid during CIRP to prevent any service discontinuation" - inserted **32A. Management of operational expenses including leased properties** (1) The resolution professional shall, within thirty days of the constitution of the committee of creditors, prepare and submit to the committee a comprehensive assessment report of all substantial operational expenses, including but not limited to leased	and non-essential services during CIRP, it is proposed to elaborate the illustration provided u/r 32 of CIRP Regulations RP to submit a comprehensive assessment report (details of which have been given in Regulation 32A (2)) of all substantial operational expenses, covering leased properties and CoC to take appropriate decisions, including explicit approval of continuation or discontinuation of specific operational expenses with a focus on leased properties, based on the report. Quarterly review of operational expenses to be a mandatory agenda in CoC meetings.	14(2A) respectively. While essential services should not be stopped during moratorium, critical services can be stopped if the CD has not paid dues arising during moratorium period. The difference has been further clarified by way of illustration.

		properties. (2) The assessment report under sub-regulation (1) shall include: (a) For leased properties: (i) Details of existing lease agreements including tenure, payment schedules, and outstanding obligations; (ii) Current utilization status and occupancy details; and (iii) Assessment of criticality for maintaining the corporate debtor as a going concern; (b) Financial impact analysis of continuing such operational expenses on the corporate insolvency resolution process; (3) The committee shall, within fifteen days of receiving the assessment report under sub-regulation (1): (a) Review the report; (b) Take appropriate decision regarding continuation or discontinuation of specific operational expenses; and (c) In case of leased properties, explicitly approve continuation or surrender or termination of each lease agreement. (4) For operational expenses continued under sub-regulation (3), including leased properties, the resolution professional shall: (a) Include a quarterly review of such expenses as a mandatory agenda item in committee meetings; (b) Present updates on their financial impact on the corporate insolvency resolution process.		

Coordinated Insolvency Resolution for Interconnected Entities				
2.	**40D. Decision for liquidation.** (1) The committee while considering the liquidation of the corporate debtor may consider factors including but not limited to non-operational status for preceding three years, goods produced or service offered or technology employed being obsolete, absence of any assets, lack of any intangible assets or factors which bring value as a going concern over and above the physical assets like brand value, intellectual property, accumulated losses, depreciation, investments that are yet to mature. Such consideration may be recorded and submitted in the application for liquidation submitted by the resolution professional to the Adjudicating Authority.	**40E. Coordination of insolvency resolution process of interconnected entities.** (1) Where two or more corporate debtors undergoing corporate insolvency resolution process are interconnected which may be based on the existence of control or significant ownership, the resolution professional of any such corporate debtor may file an application with the Adjudicating Authority for coordinated conduct of the processes, subject to obtaining prior approval of each committee of creditors by a vote of not less than sixty-six percent in value of the creditors voting in that CoC. For the purposes of this sub-regulation the term 'control' shall be as defined in the Companies Act, 2013, and in respect of Limited Liability Partnerships, it shall mean the ability, by virtue of voting rights, partnership interest, or contractual arrangements, to direct the management or policies of the Limited Liability Partnership or to appoint or remove the majority of its designated partners, and the term 'significant ownership' shall be defined as the ability to exercise 26% or more voting power. (2) The Adjudicating Authority may, if satisfied that coordination would be in the best interests of the corporate debtors and their stakeholders, pass appropriate orders for: (a) joint hearings;	To increase efficiency, reduce costs, and improve outcomes in cases involving multiple interconnected entities undergoing CIRP simultaneously, it is proposed to provide a mechanism for coordination of CIRP of interconnected entities. Detailed mechanism is yet to be introduced It is proposed to amend the CIRP Regulations to introduce a mechanism for coordination of CIRP of interconnected entities. This may include: - Provisions for joint hearings - Appointment of a common resolution professional - Information sharing protocols - Coordinated timelines	The existing insolvency framework treats each entity as a distinct and independent unit, failing to account for a web of interdependencies typically present in business structures. This approach has the potential to erode the collective value of interconnected entities. Therefore, the proposed amendment is a welcome move. However, it is imperative that clear guidelines be established regarding the identification of interconnected entities, specifying the criteria under which entities will be treated as interconnected and, conversely, the circumstances under which entities will not be considered interconnected. Simultaneously, due to the inherent complexities of the CIRP, the coordination of CIRPs for interconnected entities will present

		(b) appointment of a common resolution professional; (c) information sharing between the resolution professionals; (d) coordination of timelines; or (e) any other measure as deemed fit.		significant challenges. These challenges include, but are not limited to, the formation of the CoC, the distribution of realized proceeds, and whether such distribution should occur on an entity-specific basis or collectively. Clear and precise provisions must be introduced to address these issues to ensure an efficient and equitable resolution process. Cues, however, may be taken from the report submitted by Cross-Border Insolvency Rules/Regulations Committee (CBIRC-II) on Group Insolvency in 2021., where detailed guidance has been given on various elements of procedural coordination, mostly aligned with UNCITRAL Model Law on Enterprise Group Insolvency. It may be noted that in 2023 as well, MCA came up with a discussion paper proposing amendments in the Code so as to include expressed provisions dealing with the 'Group Coordination' process in

				order to account for higher possibility of revival, improved procedural coordination and better value realisation. It may also be noted that the coordination referred here is different from substantive consolidation. In procedural coordination, the objective is to coordinate the proceedings while at the same time respecting different legal status of the entity. However, in case of substantive consolidation, all the assets and liabilities of the insolvent CDs (and in some cases, even solvent CDs) belonging to the group are pooled so as to treat the same as a single entity insolvency resolution process
Presentation of All Resolution Plans before the Committee of Creditors				
3.	**39. Approval of resolution plan.** *** (2) The resolution professional shall submit to the committee all resolution plans	**39. Approval of resolution plan.** *** (2) The resolution professional shall submit to the committee all resolution plans	Instances identified, where non-compliant plans were not presented by IP to CoC at all, leading to lack of transparency in the evaluation process. RP to also submit to the	CIRP is a time-bound procedure, as mandated by law. However, it is evident from the quarterly reports published by the IBBI that very few CIRPs are

	which comply with the requirements of the Code and regulations made thereunder along with the details of following transactions, if any, observed, found or determined by him: - (a) preferential transactions under section 43; (b) undervalued transactions under section 45; (c) extortionate credit transactions under section 50; and (d) fraudulent transactions under section 66, and the orders, if any, of the adjudicating authority in respect of such transactions. ***	which comply with the requirements of the Code and regulations made thereunder along with the details of following transactions, if any, observed, found or determined by him: - (a) preferential transactions under section 43; (b) undervalued transactions under section 45; (c) extortionate credit transactions under section 50; and (d) fraudulent transactions under section 66, and the orders, if any, of the adjudicating authority in respect of such transactions. (2A) The resolution professional shall also submit to the committee the resolution plans received which are not in compliance with the provisions of the Code and these regulations and specify in detail the aspects of non-compliance. ***	committee the resolution plans received which are non-compliant with the Section 30(2) of IBC, 2016 or any other relevant regulations, highlighting areas of non-compliance(s) alongwith reasons for considering any plan as non-compliant. It is now proposed to present all the Resolution plans before CoC along with a detailed compliance report to enable the CoC to make more informed decisions at the time of plan solicitation.	completed within the prescribed timelines. Hence, in our view, presenting all resolution plans before the CoC may result in confusion, lead to unnecessary delays, and ultimately squander time that is crucial for the timely resolution of the insolvency process.
Mandatory Submission of Statement of Affairs by Corporate Debtors				
4.	**2D. Details of debt, default and limitation in respect of applications under section 7 or section 9.** While filing an application under section 7 or 9, the financial creditor or the operational creditor, as the case may be, shall also submit along with evidence,	**2E. Statement of Affairs** (1) The corporate debtor shall submit a Statement of Affairs along with its reply, where an application under section 7 of the Code has been filed by a Financial Institution as defined in Section 3(14) of the Code. (2) The statement of affairs shall contain the details of assets and liabilities of the	Lack of information about the corporate debtor at the commencement of the CIRP causes unnecessary delay in CIRP process, creates information asymmetry, increases the risk of asset dissipation, and hampers efficient decision-making by the	In many CIRP, one of the primary reasons for undue delays has been the failure to receive requisite information from the CD. Further, once RPs assume office, collating books and records becomes difficult.

	chronology of the debt and default including the date when the debt became due, date of default, dates of part payments, if any, date of last acknowledgment of debt and the limitation applicable.	corporate debtor as reflected in its latest annual financial statements, the total number of employees and workmen, the location where books of accounts are maintained, and the names of persons having custody thereof. (3) The corporate debtor shall attach copies of its financial statements for the preceding three financial years with the statement of affairs.	Committee of Creditors and potential resolution applicants. To overcome the same, now it is proposed to insert a provision thereby mandatorily requiring the CDs to submit a statement of affairs at the time of submitting their reply to the applications filed by FCd.	This failure often results in the filing of a non-cooperation application before the AA by the Resolution Professional, ultimately leading to the liquidation of the company. However, the mandatory requirement for the CD to submit the Statement of Affairs at the time of filing the reply will undoubtedly facilitate the expeditious progression of the process. It will also provide the AA with a clearer understanding at the outset regarding the viability of admitting the CIRP, thus promoting a more efficient and timely resolution.
Reliefs and Concessions subsequent to approval of Resolution Plan				
5.	**39. Approval of resolution plan.** *** (4) The resolution professional shall endeavour to submit the resolution plan approved by the committee to the Adjudicating	**39. Approval of resolution plan.** *** (4) The resolution professional shall endeavour to submit the resolution plan approved by the committee to the Adjudicating Authority at least fifteen	Currently, there is no explicit provision prohibiting post-approval reliefs or concessions. In fact, in order to have a smooth transition, SRAs used to file applications before AA post approval of the Resolution plan, thereby	In practice, at the time of approving a Resolution Plan, the primary focus of the CoC remains on value realization, and the AA generally does not delve into the specifics of the

	Authority at least fifteen days before the maximum period for completion of corporate insolvency resolution process under section 12, along with a compliance certificate in Form H of the Schedule-I and the evidence of receipt of performance security required under sub-regulation (4A) of regulation 36B. ***	days before the maximum period for completion of corporate insolvency resolution process under section 12, along with a compliance certificate in Form H of the Schedule-I and the evidence of receipt of performance security required under sub-regulation (4A) of regulation 36B. (4A) Upon approval of the resolution plan by the Adjudicating Authority under Section 31, no modifications shall be sought by the resolution applicant in the resolution plan approved by the Adjudicating Authority. ***	seeking concessions/ relifts and directions for its smooth handover. However, the same sometime also causes uncertainty in the implementation of resolution plans and affects the sanctity of the CIRP timeline. In order to avoid that, it is proposed that the Plan, once approved, will be binding on all and no further concession, modification, etc. will be allowed thereafter.	plan, provided the CoC has approved it. However, the very purpose of participation and submission of a resolution plan would be rendered futile if the resolution applicant does not receive a smooth transition post-approval. It is only after assuming control of the CD that the Resolution Applicant is in a position to ascertain the specific reliefs required to ensure a seamless transition. Therefore, precluding resolution applicants from seeking further relief after the approval of the plan, in our view, may discourage potential applicants from submitting viable resolution plans, as it undermines the practical aspects of executing the plan post-approval
Incentivizing Interim Finance Providers				
6.	**18. Meetings of the committee.** ***	**18. Meetings of the committee.** ***	To enhance the attractiveness of interim financing, it is proposed to amend the CIRP regulations	Insofar as the interim financier is accorded priority in repayment, it is

	(4) Where the corporate debtor has any real estate project, the committee may direct the resolution professional to invite the 'competent authority' as defined in clause (p) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) related to such project to attend such meeting(s) of the committee, as the committee may decide, without voting rights, for providing inputs on matters associated with the development of such project.	(4) Where the corporate debtor has any real estate project, the committee may direct the resolution professional to invite the 'competent authority' as defined in clause (p) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016) related to such project to attend such meeting(s) of the committee, as the committee may decide, without voting rights, for providing inputs on matters associated with the development of such project. (5) The committee may direct the resolution professional to invite the providers of interim finance to attend such meeting(s) of the committee, as the committee may decide, without voting rights, as observers.	to empower the Committee of Creditors to decide on inviting interim finance providers to attend CoC meetings as observers	our submission that their participation in the CoC meetings, which are primarily convened for discussions relating to the CIRP, should not be mandated. The interim financier's role, being limited to the provision of funding and priority repayment, does not necessitate involvement in the deliberations of the CoC regarding the resolution process. Also, data suggests that in around 85% of the cases, amounts less than Rs. 5 crores were raised as interim finance, which suggests that the said funds were likely utilised to cover the process costs only.[2]
Disclosure and Treatment of Avoidance Transactions				
7.	**36. Information Memorandum** (1) Subject to sub-regulation (4), the resolution professional shall submit the information memorandum in electronic form to each member of the committee on or before the ninety- fifth day from the insolvency	**36. Information Memorandum** (1) Subject to sub-regulation (4), the resolution professional shall submit the information memorandum in electronic form to each member of the committee on or before the ninety- fifth day from the insolvency commencement date and its subsequent updation thereof.	Currently, the provision does not explicitly provide for comprehensive disclosure of identified avoidance transactions in the IM, and its subsequent updates, leading to reduced transparency and information asymmetry.	The amendment seeks to bring in more transparency in invitation of resolution plans. However, it appears that the same is only relevant where the proceeds from avoidance proceedings are proposed

[2] https://ibbi.gov.in/uploads/whatsnew/11177d63dbf602b97f179669aa8b7eb0.pdf

	commencement date. (2) The information memorandum shall highlight the key selling propositions and contain all relevant information which serves as a comprehensive document conveying significant information about the corporate debtor including its operations, financial statements, to the prospective resolution applicant and shall contain the following details of the corporate debtor- *** (h) details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities; *** **38. Mandatory contents of the resolution plan** *** (2) A resolution plan shall provide: (a) the term of the plan and its implementation schedule; (b) the management and control of the business of the corporate debtor during its term; and	(2) The information memorandum shall highlight the key selling propositions and contain all relevant information which serves as a comprehensive document conveying significant information about the corporate debtor including its operations, financial statements, to the prospective resolution applicant and shall contain the following details of the corporate debtor- *** (h) details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities; (ha) details of all identified avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code and subsequent filings before Adjudicating Authority, as referred under sub-regulation (3A) of regulation 35A. *** **38. Mandatory contents of the resolution plan** *** (2) A resolution plan shall provide: (a) the term of the plan and its implementation schedule; (b) the management and control of the business of the corporate debtor	There have been cases where prospective resolution applicants did not have access to complete information about avoidance transactions before submitting their plans, leading to reduced transparency and information asymmetry. Hence, to avoid this, it is proposed to include the entire details w.r.t identified avoidance transactions in IM such that their treatment can be taken into consideration while submitting Plan and also regarding the treatment of undisclosed transactions Avoidance transactions that have not been disclosed in IM or intimated to prospective RAs before the last date of submission of plans cannot be assigned. [Prospectively applicable]	to be assigned to the RA.

	(c) adequate means for supervising its implementation. (d) provides for the manner in which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed: Provided that this clause shall not apply to any resolution plan that has been submitted to the Adjudicating Authority under sub-section (6) of section 30 on or before the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022. ***	during its term; and (c) adequate means for supervising its implementation. (d) provides for the manner in which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed: Provided that this clause shall not apply to any resolution plan that has been submitted to the Adjudicating Authority under sub-section (6) of section 30 on or before the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2022. (e) A resolution plan shall not provide for assignment of any avoidance transactions, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code that were not: (a) disclosed in the information memorandum; and (b) intimated to all prospective resolution applicants under regulation 35A(3A) before the last date for submission of resolution plans, to resolution applicant or the corporate debtor: Provided that this clause shall not apply to any resolution plan that has been submitted to the Adjudicating Authority under sub-section (6) of section 30 on or		

		before the date of commencement of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) (Second Amendment) Regulations, 2025.		
Request for resolution plans for part wise resolution of Corporate Debtor				
8.	**36B. Request for resolution plans** (1) The resolution professional shall, within five days of the date of issue of the final list under sub-regulation (12) of regulation 36A, issue the information memorandum, evaluation matrix and a request for resolution plans to every resolution applicant in the final list: Provided that where such documents are available, the same may also be provided to every prospective resolution applicant in the provisional list. *** (6A) If the resolution professional, does not receive a resolution plan in response to the request under this regulation, he may, with the approval of the committee, issue request for resolution plan for sale of one or more of assets of the corporate debtor.	**36B. Request for resolution plans** (1) The resolution professional shall, within five days of the date of issue of the final list under sub-regulation (12) of regulation 36A, issue the information memorandum, evaluation matrix and a request for resolution plans to every resolution applicant in the final list: Provided that where such documents are available, the same may also be provided to every prospective resolution applicant in the provisional list. Provided that the resolution professional may, with the approval of the committee, simultaneously invite resolution plans for the corporate debtor as a whole or one or more assets of the corporate debtor. *** ~~(6A) If the resolution professional, does not receive a resolution plan in response to the request under this regulation, he may, with the approval of the committee, issue request for resolution plan for sale of one or more of assets of the corporate debtor.~~	Currently, CIRP Regulations follow a sequential approach where RP can invite plans for sale of assets only after failing to receive plans for the entire corporate debtor, however, this restriction may also result in viable business segments losing value while waiting for the sequential process to complete. Hence, now it is proposed to to invite resolution plans concurrently for both the corporate debtor as a whole and for specific businesses or assets of the CD.	The amendment seeks to save time in CIRP. By this, COC will also be better placed to assess various options available to it at one go, including commercial feasibility.

Empowering CoC for Expedited Implementation of Resolution Plans				
9.	**39A. Preservation of records** ***	**39A. Preservation of records** *** **39AA. Phased Approval of Resolution Plan** The committee may, by a vote of not less than sixty-six percent of voting share, recommend to the Adjudicating Authority to first approve the implementation of the resolution plan and thereafter approve the manner of distribution.	To avoid unnecessary delay in CIRP process which causes value deterioration and to empower CoC to design such phased implementation of resolution plans as suited to their requirements, it has been proposed to empower the Committee of Creditors to request the Adjudicating Authority for a two-stage approval process of resolution plans where the financial bid and basic implementation framework may be approved early, and concerns relating to inter-creditor disputes, distribution matters, and other related aspects etc could be addressed subsequently. CoC may, by a majority of 66%,, recommend to the AA to first approve the implementation of the resolution plan and thereafter approve the manner of distribution.	Inter-creditor disputes relating to distribution priorities are common in CIRPs. Once the RA has given the resolution amount and taken over the CD, the RA should not be bothered about the inter-creditor disputes. Hence, the amendments seem to address this issue, however, the feasibility of such amendments would be seen on the basis of actual experience.
IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019				

Non-receipt of Repayment Plan under Insolvency Resolution of Personal Guarantor				
10.	**17A. Meeting of the creditors.** The resolution professional shall place the repayment plan as mentioned under section 105 in a meeting of the creditors for its consideration. Provided that where no repayment plan has been received within such period as stipulated under section 106, the resolution professional shall notify the same in a meeting of creditors. ***	**17A. Meeting of the creditors.** The resolution professional shall place the repayment plan as mentioned under section 105 in a meeting of the creditors for its consideration. Provided that where no repayment plan has been received within such period as stipulated under section 106, the resolution professional shall notify the same in a meeting of creditors. **17B. Non-submission of repayment plan** Where no repayment plan has been prepared by the debtor, the resolution professional shall file an application, after approval of a majority of more than fifty-one percent in value of the creditors present in person or by proxy, before the Adjudicating Authority intimating the non-submission of a resolution plan and for appropriate directions. ***	Procedural vacuum potentially impacting the efficiency and effectiveness of the bankruptcy resolution process, as the Regulations do not prescribe the procedural pathways to be followed in situations where an application is admitted by the AA under Section 100, but subsequently, no repayment plan is prepared by the debtor. RP to file an application, after approval of majority of >51% of value of creditors, intimating the AA regarding the non-submission of resolution plan and seeking appropriate directions, such as filing an application for bankruptcy.	The amendment only fills up the procedural vacuum as discussed aside.
IBBI (Liquidation Process) Regulations, 2016				
Sale of Corporate Debtor as a going concern				
11	**32. Sale of Assets, etc.** The liquidator may sell- (a) an asset on a standalone basis;	**32. Sale of Assets, etc.** The liquidator may sell- (a) an asset on a standalone basis;	It has been observed that GCS has no additional value preservation advantage in	By this amendment, there would be no option of selling the CD as a going

	(b) the assets in a slump sale; (c) a set of assets collectively; (d) the assets in parcels; (e) the corporate debtor as a going concern; or (f) the business(s) of the corporate debtor as a going concern: Provided that where an asset is subject to security interest, it shall not be sold under any of the clauses (a)to(f) unless the security interest therein has been relinquished to the liquidation estate.	(b) the assets in a slump sale; (c) a set of assets collectively; (d) the assets in parcels; ~~(e) the corporate debtor as a going concern; or~~ ~~(f) the business(s) of the corporate debtor as a going concern:~~ Provided that where an asset is subject to security interest, it shall not be sold under any of the clauses (a) to (f) unless the security interest therein has been relinquished to the liquidation estate.	liquidation, compared to regular dissolution. Instead, maintenance of the CD as a going concern during liquidation has led to an escalation of going concern cost, when the CD has not been sold as a going concern. It has been observed that the liquidators seek various reliefs from the Adjudicating Authority while filing application for approval of the sale of the CD as a going concern even though the same is not contemplated in the Code. This leads to prolonged legal disputes, increased costs, and delays in completion of the process. Also, an increasing number of cases where going concern sales are pursued even when the CD is ultimately not viable as a going concern has been observed. Hence, it is proposed to remove the option of GCS during liquidation.	concern. One of the primary concerns arising from this amendment pertains to the **tax benefits** and the **carry forward of losses** that could have been possibly realized in the event of a going concern sale (although there are no specific provisions in the Income Tax Act relating to such reliefs in case of going concern sale). However, it is understandable that in many cases the difference between "going" and "gone" would be completely circumstantial and difficult for the courts to decide. Further, mandating going concern sales would often lead to wastage of time.
	IBBI (Insolvency Resolution Process for Corporate Persons) Regulations , 2016			
	39C. Assessment of sale as a going concern. While approving a resolution plan under section 30 or deciding to liquidate the corporate debtor under section 33, the committee may recommend that the liquidator may first explore sale of the corporate debtor as a going concern under clause (e) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 or sale of the business of the corporate debtor as a going concern under clause (f) thereof, if	~~**39C. Assessment of sale as a going concern.**~~ ~~While approving a resolution plan under section 30 or deciding to liquidate the corporate debtor under section 33, the committee may recommend that the liquidator may first explore sale of the corporate debtor as a going concern under clause (e) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 or sale of the business of the corporate debtor as a going concern under clause (f) thereof, if an order for liquidation is passed under section 33.~~ ~~Where the committee recommends sale~~		

	an order for liquidation is passed under section 33. Where the committee recommends sale as a going concern, it shall identify and group the assets and liabilities, which according to its commercial considerations, ought to be sold as a going concern under clause (e) or clause (f) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016. The resolution professional shall submit the recommendation of the committee under sub- regulations (1) and (2) to the Adjudicating Authority while filing the approval or decision of the committee under section 30 or 33, as the case may be.	~~as a going concern, it shall identify and group the assets and liabilities, which according to its commercial considerations, ought to be sold as a going concern under clause (e) or clause (f) of regulation 32 of the Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.~~ ~~The resolution professional shall submit the recommendation of the committee under sub- regulations (1) and (2) to the Adjudicating Authority while filing the approval or decision of the committee under section 30 or 33, as the case may be.~~		