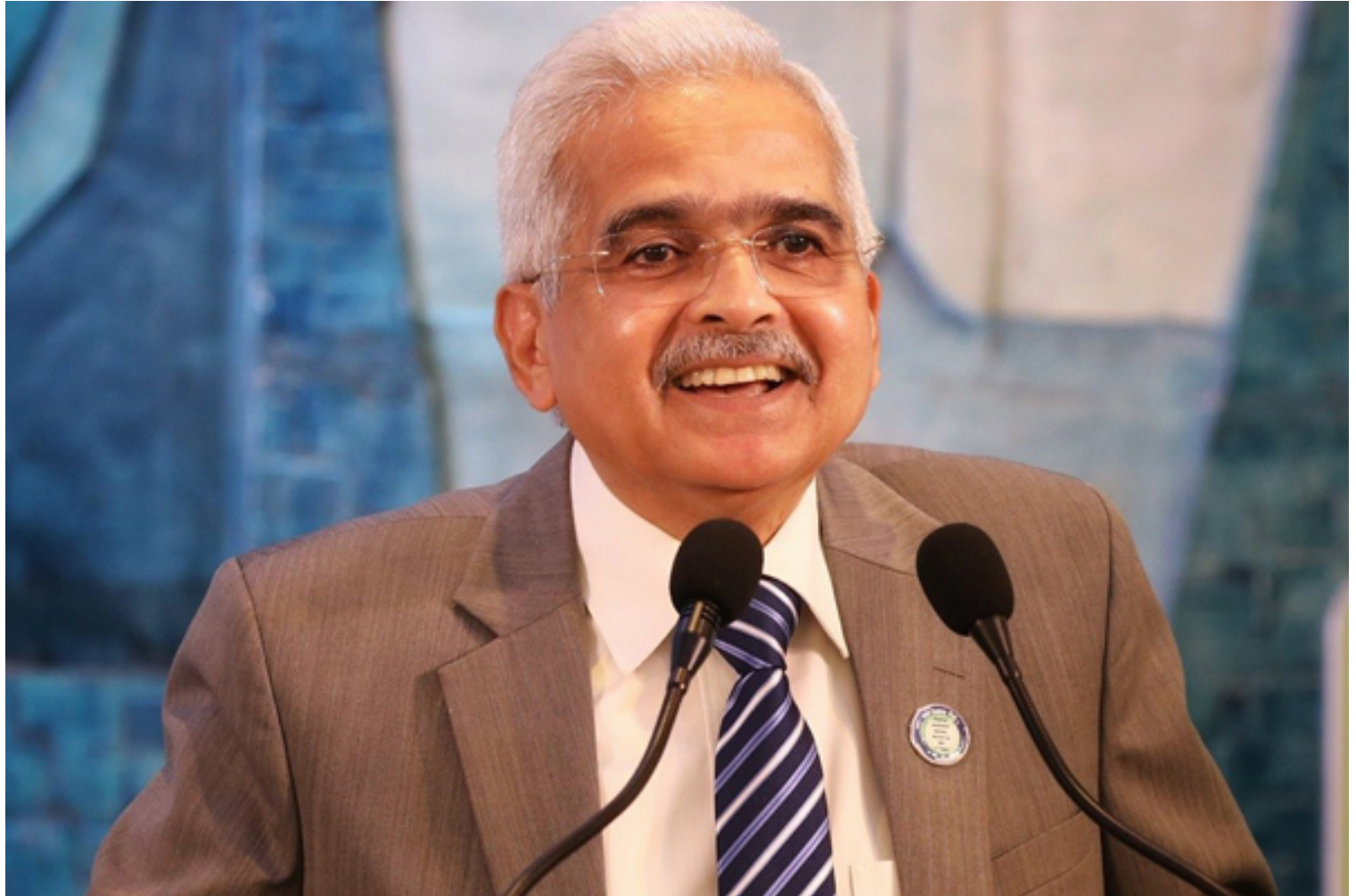


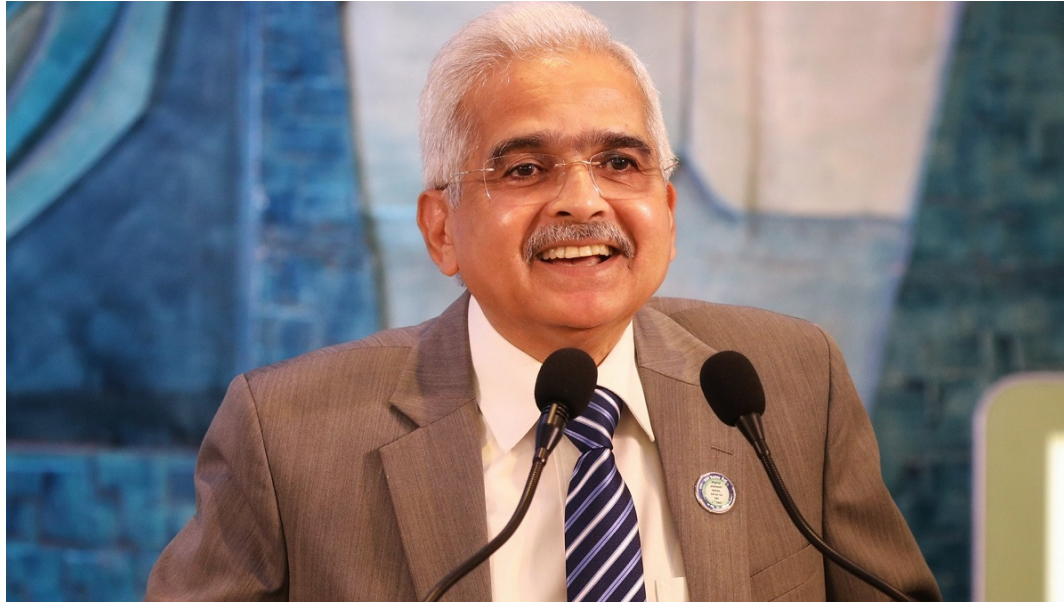
## Pre-packaged Insolvency Resolution Process (PPIRP)

By IASToppers | 2024-05-25 16:10:00



### Pre-packaged Insolvency Resolution Process (PPIRP)

The **Pre-packaged Insolvency Resolution Process (PPIRP)** has recently led to the full settlement of operational creditors' claims in five cases.



[ref-financial express]

### **About PPIRP:**

- **PPIRP** offers an alternate resolution for **MSMEs** (micro, medium, and small enterprises) in financial distress.
- Introduced in **2021** by amending the **Insolvency and Bankruptcy Code (IBC) 2016**, it applies to defaults ranging from **Rs 10 lakh to Rs 1 crore**.
- A pre-packaged resolution plan, agreed upon by the debtor and creditors, must receive approval from the **National Company Law Tribunal (NCLT)**.
- The process is hybrid, with a mainly informal pre-initiation phase and a formal post-initiation stage.
- The resolution must be completed within **120 days** from the date of initiation.