

**IBBI AMENDMENTS TO THE INSOLVENCY AND BANKRUPTCY BOARD OF INDIA (LIQUIDATION PROCESS) REGULATIONS, 2016.**

This note delves into the recent amendments made by the Insolvency and Bankruptcy Board of India (IBBI) to the Liquidation Process Regulations of 2016 notified on 12.03.2024. It analyses the impact of these amendments on the efficiency of the liquidation process and assesses the benefits ensured to the Stakeholders' Consultation Committee (SCC). The SCC constitutes of Secured Financial Creditor, Operational Creditor, Workmen and employees, Government etc.

• Enhancing Asset Valuation: A Step-by-Step Approach to Reserve Price Reduction in Auctions

The IBBI notified and provided clarity on Clause 4 of Schedule I of the Regulation wherein it provided clarity that the Liquidator may reduce the reserve price by up to the threshold of 25% for assets with existing valuation of the CIRP Process with the prior approval of the SCC at anytime during the auction proceedings. In case of fresh evaluation to be done, the reserve price can only be reduced up to 10% only with the SCC's approval. Stakeholders' input on reducing the reserve

• SCC's advice required for early dissolution and private sale.

Regulation 14: As per the amendment, prior to applying for early dissolution of the Corporate Debtor, the liquidator now must seek the SCC's views and recommendation. After seeking advice on the same, the liquidator has to provide a detailed application to the Adjudicating Authority. This amendment recognizes the importance of SCC's inputs and application of mind to matters of early dissolution, while safeguarding their interests as well.

Regulation 33 sub-regulation (2): As per the recent amendment prior consultation with the SCC is required of the liquidator wants to sell the assets of the corporate debtor by means of private sale and a

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Recent Amendments to Insolvency Regulations: An ERGO Analysis by Tannya Baranwal and Ankita Sengupta, INDIALAW LLP

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PUBLISHED 19 February 2024

In an ERGO analysis, [Tannya Baranwal](#) and [Ankita Sengupta](#), [INDIALAW LLP](#) delve into the recent amendments introduced by the [Insolvency & Bankruptcy Board of India \(IBBI\)](#) to the regulations governing the [#liquidation](#) process of corporate debtors. The authors discuss the amendments in detail and elucidate the reasoning behind these changes.

<https://www.indialaw.in/wp-content/uploads/2024/02/Analysis-of-the-IBBI-amendment-on-Liquidation-process-Regulation-dated-12.02.2024.pdf>