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A Critical Study on the Revival of Indian Companies from Liquidation to Resurgence

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ABSTRACT

The revival of financially distressed companies from the brink of liquidation to a state of resurgence is a critical aspect of corporate restructuring in India. With the enactment of the Insolvency and Bankruptcy Code (IBC), 2016, India witnessed a significant shift from a recovery-oriented to a resolution-driven insolvency regime, aiming to preserve viable businesses, maximize asset value, and protect stakeholder interests. However, the journey of revival remains complex, particularly in cases where companies have crossed into the liquidation phase. This study critically examines the legal, procedural, and practical dimensions involved in the revival of Indian companies post-liquidation order under the IBC framework. Focusing on judicial interpretations, landmark case studies, and the evolving role of resolution professionals and adjudicating authorities, the research analyzes how companies have leveraged provisions under Sections 230–232 of the Companies Act, 2013, and Regulation 2B of the IBBI (Liquidation Process) Regulations, 2016 to exit liquidation and return to operational viability. It explores the effectiveness of schemes of compromise or arrangement, buyer-led takeovers, and promoter-driven revival plans, particularly for MSMEs, while addressing legal ambiguities, procedural bottlenecks, and creditor skepticism. The paper further evaluates policy reforms, stakeholder coordination, and the need for a balanced approach between creditor recovery and economic revival. Empirical data on revival cases, timelines, and outcomes are analyzed to understand trends and impact, including sectoral patterns and judicial *attitudes. The study concludes that while the legislative framework provides a narrow but viable path for revival from liquidation, its success is contingent upon timely intervention, judicial flexibility, and creditor cooperation. A proactive, innovation-driven, and legally sound approach to post-liquidation revival can not only salvage distressed assets but also contribute significantly to economic regeneration and job preservation in India's corporate landscape.*

KEYWORDS

Revival, Liquidation, Resurgence, Insolvency, Restructuring

INTRODUCTION

Corporate insolvency is no longer a rare event in India's dynamic and risk-intensive economy. A surge in non-performing assets post-2014 and inefficient legacy mechanisms led to the enactment of the Insolvency and Bankruptcy Code, 2016 (IBC). This legislation consolidated fragmented laws under a time-bound and creditor-driven regime. The IBC focused on resolution over liquidation. However, once liquidation is triggered under Section 33, revival appears unlikely. Even then, many companies show operational viability but are pushed into liquidation due to procedural delays or failed resolution processes. Several judicial decisions have reopened the debate can a company be revived post-liquidation commencement if stakeholders agree and commercial viability exists?[1]

India's insolvency framework, though modern, still lacks express provisions for structured revival post-liquidation commencement. The Companies Act, 2013 under Section 230 read with the Liquidation Regulations provides an escape route. Yet, it is discretionary and underutilized. In landmark cases like *S.C. Sekaran v. Amit Gupta* and *Y. Shivram Prasad v. S. Dhanapal*, the National Company Law Appellate Tribunal (NCLAT) permitted revival of companies under liquidation through schemes of arrangement. These rulings show an interpretive shift toward giving second chances to otherwise revivable companies.[2]

Global models such as Chapter 11 of the U.S. Bankruptcy Code and the UK's pre-pack administration model prioritise business continuity even during insolvency. India's insolvency

[1] Insolvency and Bankruptcy Code, No. 31 of 2016, § 33, India Code (2016).
[2] *S.C. Sekaran v. Amit Gupta*, Company Appeal (AT) (Insolvency) No. 495 & 496 of 2018 (NCLAT); *Y. Shivram Prasad v. S. Dhanapal*, Company Appeal (AT) (Insolvency) No. 224 of 2018 (NCLAT).

jurisprudence is gradually acknowledging that liquidation isn't always the end. In *Swiss Ribbons Pvt. Ltd. v. Union of India*, the Supreme Court emphasised that "resolution is preferable to liquidation".[3] In practice, however, over 60% of CIRPs in India end in liquidation, often due to lack of buyers or incomplete information raising concern about the finality of liquidation and the loss of value it entails.[4]

Revival possibilities are intricately linked with commercial feasibility, creditor confidence, legal certainty, and investor safeguards. Special situation funds and distressed asset platforms are slowly gaining traction in India. However, regulatory clarity and procedural harmonization are still lacking. The SEBI ICDR Regulations, SARFAESI Act, and the Banking Regulation Act play a peripheral yet significant role in shaping outcomes. A uniform and strategic approach toward liquidation exit, combined with institutional readiness, could convert liquidation into a bridge not a dead-end.[5]

LEGAL FRAMEWORK GOVERNING LIQUIDATION AND REVIVAL IN INDIA

Overview of the Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 was enacted to fill a major legislative gap in India's financial and corporate legal landscape. Before this Code, the insolvency framework was fragmented and dispersed across multiple statutes, including the Companies Act, 1956, Sick Industrial Companies (Special Provisions) Act, 1985, Recovery of Debts Due to Banks and Financial Institutions Act, 1993, and the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. The multiplicity led to judicial delays and lack of accountability. The Code consolidated these scattered provisions into a unified mechanism for insolvency resolution, liquidation, and bankruptcy of corporate persons, partnerships, and individuals.[6]

The IBC was passed with three clear goals maximize value of assets, ensure timely resolution, and balance interests of stakeholders. Chapter II of Part II provides for the Corporate Insolvency Resolution Process (CIRP) and Chapter III deals with

[3] *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 SCC 17 (India).
[4] Insolvency and Bankruptcy Board of India, "Insolvency and Bankruptcy News – Quarterly Newsletter," Oct–Dec 2023.
[5] Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002; Banking Regulation Act, 1949.
[6] Insolvency and Bankruptcy Code, No. 31 of 2016, Preamble, India Code (2016).

the liquidation process. If no resolution plan is approved within 330 days under Section 12(3), the corporate debtor is pushed into liquidation under Section 33. Yet, the Code was not designed to treat liquidation as the default end. Its architecture intends that every attempt must first be made to rescue a viable company, and liquidation must only be a last resort.[7]

Section 230 of the Companies Act, 2013 continues to apply by virtue of Regulation 2B of the IBBI (Liquidation Process) Regulations, 2016, allowing revival through compromise or arrangement during liquidation. Section 12A, inserted in 2018, also allows withdrawal of insolvency proceedings on 90% approval of the Committee of Creditors (CoC), offering a potential exit route from insolvency even after admission. These provisions reflect the legislative intent to encourage resolution over liquidation, even if the company has reached advanced stages of the insolvency process.[8]

The Code is implemented by a network of institutions the Insolvency and Bankruptcy Board of India (IBBI), the National Company Law Tribunal (NCLT), the National Company Law Appellate Tribunal (NCLAT), and Insolvency Professionals (IPs). They function as a regulatory and adjudicatory ecosystem to handle insolvency proceedings. The IBC also introduced the concept of “information utilities” to maintain financial records, and streamlined the claims process under Section 38 and Section 39. This digital-first approach was aimed at reducing disputes and delays.[9]

A pivotal innovation was the prioritisation of “creditor-in-control” over the erstwhile “debtor-in-possession” model. This shifted power from promoters to financial creditors. In *Innoventive Industries Ltd. v. ICICI Bank*, the Supreme Court upheld this design, stating that once default is established, the adjudicating authority must admit the application unless it is incomplete.[10] Although this accelerated creditor rights, it created a harsh outcome in some cases where companies had prospects of revival but were forced into liquidation due to procedural lapses or non-serious resolution applicants.

To remedy this, Regulation 32A was introduced in 2019 to allow sale of the corporate debtor as a going concern during liquidation. This provision is promising but underutilized. Buyers often remain wary of latent liabilities and complex compliance requirements. Despite judicial endorsement in cases like *Siva*

[7] Ibid., § 33.
[8] Companies Act, No. 18 of 2013, § 230; IBC, § 12A.
[9] Id at 4.
[10] *Innoventive Industries Ltd. v. ICICI Bank*, (2018) 1 SCC 407 (India).

Industries and Holdings Ltd., many resolution applicants fail to submit credible revival plans.[11]

ROLE OF THE NATIONAL COMPANY LAW TRIBUNAL (NCLT)

The NCLT is the cornerstone of India's insolvency adjudication process. Constituted under Section 408 of the Companies Act, 2013, it exercises original jurisdiction over corporate insolvency cases under IBC. It decides on admission of CIRP applications under Section 7, 9, and 10; approves resolution plans under Section 31; and passes liquidation orders under Section 33. The NCLT has also been pivotal in interpreting grey areas of the law concerning revival of companies during liquidation.[12]

The landmark case *Y. Shivram Prasad v. S. Dhanapal* is a foundational judgment. Here, NCLAT held that a liquidator can explore the option of revival through a scheme under Section 230 of the Companies Act during liquidation. The Tribunal acknowledged that liquidation does not preclude efforts at revival, provided such attempts are genuine and not aimed at defeating the insolvency process. This opened a jurisprudential gateway for companies to seek restructuring even after a liquidation order.[13]

Similarly, in *S.C. Sekaran v. Amit Gupta*, the NCLAT held that liquidation is not an irreversible stage and revival is legally tenable if stakeholders are in favour and statutory compliance is met. The NCLT in several other cases has directed liquidators to examine resolution proposals or arrange meetings under Section 230, thereby recognizing its residual jurisdiction even post-liquidation. This creative use of the tribunal's powers has widened the scope of corporate recovery in India's insolvency ecosystem.[14]

Despite its proactive role, NCLT has often been criticised for delays and inefficiencies. Case backlogs, adjournments, and shortage of judicial members plague the system. According to the Parliamentary Standing Committee on Finance (2022), the average time taken to admit insolvency cases is well beyond the 14-day statutory limit under Section 9. This delay disproportionately affects small creditors and MSMEs, often leading to premature liquidation due to procedural exhaustion.[15]

The NCLT's role in balancing commercial wisdom and legal compliance has been central to revivals. It cannot substitute the

[11] *Siva Industries and Holdings Ltd.*, Company Appeal (AT) (Insolvency) No. 316 of 2018 (NCLAT).
[12] Companies Act, 2013, § 408.
[13] *Y. Shivram Prasad v. S. Dhanapal*, Company Appeal (AT) (Insolvency) No. 224 of 2018 (NCLAT).
[14] *S.C. Sekaran v. Amit Gupta*, Company Appeal (AT) (Insolvency) No. 495 & 496 of 2018 (NCLAT).
[15] Parliamentary Standing Committee on Finance, 32nd Report on IBC (2022).

decision of the CoC, but it does ensure that resolution plans are fair, non-discriminatory, and compliant with the law. In *K. Sashidhar v. Indian Overseas Bank*, the Supreme Court clarified that NCLT cannot interfere with commercial wisdom, but can check legal validity.[16] Thus, its role is supervisory, not substitutive.

DISTINCTION BETWEEN LIQUIDATION AND RESOLUTION UNDER IBC

Resolution and liquidation are conceptually distinct under the IBC. Resolution aims to revive the corporate debtor as a going concern. Liquidation is the final step when revival fails. Resolution is guided by the principle of "value maximisation" while liquidation is meant to "realise value." The distinction is not merely procedural it is deeply rooted in commercial policy and judicial philosophy.[17]

Under Section 5(26) of IBC, a resolution plan means a proposal by a resolution applicant for insolvency resolution of the corporate debtor. It involves debt restructuring, change in management, asset sales, or capital infusion. Liquidation, under Section 33, means winding up of the company, cessation of operations, and sale of assets. A liquidator replaces the resolution professional and prepares an asset memorandum. During resolution, the company is preserved; during liquidation, it is dissolved.[18]

The NCLT's approach in *ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta* further clarified the objective of IBC. The Supreme Court held that resolution must be prioritised over liquidation as it protects employment, ensures value maximisation, and preserves enterprise. Liquidation, on the other hand, results in value erosion, job losses, and piecemeal sales. The Court emphasised that liquidation must be the last resort and not the default solution.[19] Still, in practice, resolution is not the default outcome. The IBBI's data indicates that nearly 60% of CIRPs end in liquidation, and less than 10% of those result in going-concern sales. A large number of companies simply get dissolved without any effort to revive or sell their business units. This is often due to lack of interested applicants, legal complexities, and rigid regulatory timelines.[20]

REVIVAL FROM LIQUIDATION: CONCEPT AND JUDICIAL TRENDS

[16] *K. Sashidhar v. Indian Overseas Bank*, (2019) 12 SCC 150 (India).
[17] IBC, § 5(26).
[18] IBC, § 33.
[19] *ArcelorMittal India Pvt. Ltd. v. Satish Kumar Gupta*, (2019) 2 SCC 1 (India).
[20] IBBI Annual Performance Report (2023).

STATUTORY PROVISIONS FOR WITHDRAWAL FROM LIQUIDATION

Liquidation under the Insolvency and Bankruptcy Code, 2016 is initiated under Section 33 when the Corporate Insolvency Resolution Process (CIRP) fails or when the CoC resolves to liquidate the company. Yet, neither the Code nor its legislative history intended liquidation to be a rigid and irreversible outcome. Revival, even post-liquidation, finds legislative recognition through a hybrid reading of the IBC and Companies Act, 2013. The core provision enabling revival during liquidation is Section 230 of the Companies Act, 2013. This provision allows a scheme of compromise or arrangement between the corporate debtor and its creditors or members, even during liquidation. When read with Regulation 2B of the IBBI (Liquidation Process) Regulations, 2016, it permits the liquidator to explore revival schemes that can result in the company's return to business life, avoiding eventual dissolution.[21]

Section 230 mandates a majority in number and three-fourths in value of creditors or shareholders to approve the scheme, followed by NCLT's sanction. The liquidator is obligated to invite and evaluate such schemes before resorting to asset sales under Regulation 32A. The Regulation also allows for sale of the corporate debtor as a 'going concern' a key route that retains employment, licenses, and operations, allowing the business to be transferred intact. The legal fiction that liquidation implies death of the company is diluted here. These provisions demonstrate that liquidation can act as a springboard for restructuring and resurgence.[22]

Section 12A of IBC also enables withdrawal of insolvency proceedings before resolution plans are approved, with 90% approval from the CoC. Though Section 12A applies before liquidation, courts have creatively used its principles to justify revival during liquidation, especially where the stakeholders are unanimous. However, the absence of a direct provision for withdrawal of liquidation once ordered continues to create practical ambiguity. Some courts rely on inherent powers under Rule 11 of the NCLT Rules, 2016 to permit revival in exceptional cases. This indicates that while the framework does not outrightly bar revival post-liquidation, it does not expressly facilitate it either, leaving much to judicial discretion.[23]

KEY JUDICIAL PRONOUNCEMENTS ENABLING REVIVAL

[21] Companies Act, No. 18 of 2013, § 230; Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, reg. 2B.
[22] IBBI, Discussion Paper on Sale as a Going Concern, 2022.
[23] NCLT Rules, 2016, Rule 11; IBC, § 12A.

The Indian judiciary has played a transformative role in sculpting revival jurisprudence during liquidation. The jurisprudential pivot began with *Y. Shivram Prasad v. S. Dhanapal*, where the NCLAT ruled that a liquidator is empowered to explore schemes under Section 230 even after liquidation commencement. The court held that liquidation is not antithetical to revival. It directed the liquidator to take steps for such a scheme if stakeholders propose one and found it commercially viable. This judgment gave statutory legitimacy to revival schemes post-liquidation and encouraged liquidators to act as facilitators of restructuring rather than mere executors of dissolution.[24]

In *S.C. Sekaran v. Amit Gupta*, NCLAT again permitted revival even after liquidation proceedings had begun. It observed that the mere commencement of liquidation did not preclude the stakeholders from presenting a viable scheme. The court held that NCLT retains its residual jurisdiction to revive companies through arrangements if statutory requirements under Section 230 are satisfied. This decision reinforced the principle that liquidation must not foreclose restructuring if viable proposals exist and stakeholders consent.[25]

Jindal Steel and Power Ltd. v. Arun Kumar Jagatramka marked another milestone. Here, the promoters offered a revival scheme under Section 230 after the company entered liquidation. NCLT initially allowed it, but the decision was challenged on grounds that Section 29A of the IBC, which bars defaulting promoters from submitting resolution plans, should also apply during liquidation. The Supreme Court in its final ruling held that Section 29A applies even to schemes under Section 230 during liquidation, reaffirming that promoters disqualified under IBC cannot re-enter through the backdoor. However, the Court still upheld the possibility of revival through other eligible applicants and emphasized due process and non-discrimination.[26]

In *Swiss Ribbons Pvt. Ltd. v. Union of India*, the Supreme Court recognized the primacy of resolution over liquidation and upheld the constitutional validity of IBC. The Court observed that the objective of the Code is not liquidation but revival of viable businesses. This overarching principle has influenced subsequent judicial interpretations, encouraging tribunals to adopt a pro-revival approach wherever viable and legally permissible. The court acknowledged that liquidation causes loss of employment,

[24] *Y. Shivram Prasad v. S. Dhanapal*, Company Appeal (AT) (Insolvency) No. 224 of 2018 (NCLAT).
[25] *S.C. Sekaran v. Amit Gupta*, Company Appeal (AT) (Insolvency) No. 495 & 496 of 2018 (NCLAT).
[26] *Jindal Steel and Power Ltd. v. Arun Kumar Jagatramka*, Company Appeal (AT) (Insolvency) No. 221 of 2018.

destruction of asset value, and systemic instability, hence should be a last resort.[27]

The Bombay High Court in *Mehul Choksi v. Union of India* dealt with the procedural limits of revival during liquidation. It held that any revival scheme under Section 230 must meet strict statutory compliance, and promoters under criminal investigation or fraud cannot benefit from such schemes. This judgment stressed the importance of balancing revival with public interest and financial discipline. It clarified that judicial discretion must be tempered with transparency, accountability, and statutory conformity.[28]

COMPARATIVE POSITION: REVIVAL UNDER GLOBAL INSOLVENCY REGIMES

Global insolvency frameworks offer structured models for post-liquidation revival, unlike the piecemeal and discretionary model prevalent in India. The U.S. Bankruptcy Code under Chapter 11 is perhaps the most revival-centric model in the world. It allows companies to reorganize under court supervision without ceasing operations. The debtor continues in possession, management is retained, and the court oversees restructuring. Liquidation is triggered only when restructuring is infeasible or failed. Even in liquidation under Chapter 7, courts entertain revival proposals if they maximize creditor returns. The *General Motors* and *Delta Airlines* restructurings under Chapter 11 demonstrated how distressed but fundamentally viable businesses can return to profitability with legal and creditor support.[29]

The UK insolvency regime provides for administration and pre-pack administration. The Enterprise Act, 2002 and the Insolvency Act, 1986 allow companies to enter administration as a protective mechanism from creditor enforcement. The administrator, acting under court supervision, restructures the business or sells it as a going concern. Pre-pack sales allow business continuity, protection of jobs, and preservation of value. The UK also permits schemes of arrangement and Company Voluntary Arrangements (CVAs) as revival mechanisms, even during insolvency or liquidation. These measures provide statutory space for revival, unlike the Indian model that depends heavily on tribunal discretion.[30]

Singapore's Insolvency, Restructuring and Dissolution Act, 2018 is a hybrid regime. It incorporates features from both the U.S. and UK models and emphasizes debtor-in-possession, court-

[27] *Swiss Ribbons Pvt. Ltd. v. Union of India*, (2019) 4 SCC 17 (India).
[28] *Mehul Choksi v. Union of India*, 2018 SCC OnLine Bom 11812.
[29] 11 U.S.C. § 1101–1174; General Motors Corp. Bankruptcy Case, U.S. Bankruptcy Court for the Southern District of New York (2009).
[30] Insolvency Act, 1986, c. 45 (UK); Enterprise Act, 2002.

monitored revival, and cross-border cooperation. Section 211B allows a moratorium on creditor action and encourages mediation, arbitration, or restructuring through schemes. The framework permits companies under liquidation to be sold as going concerns or revived if proposals are approved by majority creditors and court sanction is obtained. The emphasis is on early intervention and pre-negotiated rescue. The *Hyflux Ltd.* restructuring attempt, though unsuccessful, showed Singapore's robust statutory structure for revival even during financial distress.[31]

Australia's insolvency law under the Corporations Act, 2001 offers a regime for voluntary administration. A company may appoint an administrator to explore revival within a statutory window. If successful, the company enters a Deed of Company Arrangement (DOCA); if not, it proceeds to liquidation. The law mandates administrators to explore revival seriously and not rush into winding-up. There is legal accountability if such opportunities are ignored. Australia also encourages creditors to approve continuation of business operations during the administration period. This legal culture supports second chances and discourages mechanical liquidation.[32]

South Africa's business rescue provisions under Chapter 6 of the Companies Act, 2008, offer a similar framework. The objective is to rehabilitate financially distressed companies, retain employment, and maximize return to creditors. Liquidation is treated as a failure, not a solution. Business rescue practitioners are appointed, who act as court officers. The company continues operations while the rescue plan is formulated. The courts supervise but do not micro-manage. This regime fosters accountability, timelines, and fairness. The *Oakbay Investments* and *Comair* rescue attempts illustrate the growing maturity of South Africa's revival law.[33]

CHALLENGES IN REVIVING COMPANIES FROM LIQUIDATION

Legal ambiguities and rigid procedural frameworks significantly deter attempts to revive companies once liquidation proceedings begin. The IBC, 2016, while comprehensive in governing insolvency, is silent on a structured framework for revival post-liquidation commencement. Although Regulation 2B of the Liquidation Process Regulations, 2016, permits a scheme under Section 230 of the Companies Act, 2013, this remedy is not

[31] Insolvency, Restructuring and Dissolution Act, 2018 (Singapore), § 211B.
[32] Corporations Act, 2001, § 435A–435W (Australia).
[33] Companies Act, No. 71 of 2008, ch. 6 (South Africa); *Oakbay Investments (Pty) Ltd.* case, High Court of South Africa, Gauteng Division (2020).

automatic. It requires compliance with dual procedural mechanisms one under IBC and another under company law. This dual compliance creates legal uncertainty and delays. The absence of a codified mechanism within the IBC to withdraw or suspend liquidation when revival becomes viable results in confusion over jurisdiction, timelines, and authority of the adjudicating tribunal.[34]

A significant challenge to revival post-liquidation is the erosion of commercial viability. By the time a company reaches liquidation, its physical, human, and brand capital has often deteriorated. Intangible assets like goodwill, contracts, and intellectual property rights become uncertain due to disuse and attrition. Buyers or investors are reluctant to engage in turnaround projects without clarity on existing liabilities, pending litigation, or unquantified risks. The Indian distressed asset market remains shallow, with limited participation from global special situation funds due to absence of flexible legal tools for risk mitigation.[35]

The liquidator plays a central role in determining whether revival efforts during liquidation will be seriously pursued. Yet, the IBC and Liquidation Regulations grant minimal proactive obligations on liquidators to explore revival. Their primary role remains liquidation of assets and distribution of proceeds. Regulation 32A provides for sale as going concern, but without binding obligation or accountability metrics. Unlike Resolution Professionals who work under active CoC supervision, liquidators operate with limited stakeholder oversight. Their inaction in pursuing revival routes often remains unchecked.[36]

CONCLUSION

The legal framework under the Insolvency and Bankruptcy Code, 2016 does not prohibit revival during liquidation, but it offers no clear blueprint either. The hybrid application of Section 230 of the Companies Act, 2013 through the Liquidation Process Regulations creates a legally permissible yet procedurally burdensome route. Tribunals and liquidators are often forced to operate in an interpretive vacuum. In many instances, procedural technicalities, lack of codified timelines, and judicial inconsistencies have overshadowed commercial merits. Even when promoters, creditors, and buyers are aligned on revival, statutory ambiguity or regulatory inertia hinders

[34] Companies Act, No. 18 of 2013, § 230; Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, reg. 2B.

[35] CRISIL Research, "Distressed Assets in India: Opportunities and Roadblocks," 2023.

[36] Insolvency and Bankruptcy Board of India, Liquidation Process Regulations, 2016, reg. 32A.

implementation.[37]

Judicial developments have certainly pushed the boundary. Decisions in *S.C. Sekaran*, *Y. Shivram Prasad*, and *Siva Industries* affirmed that revival during liquidation is lawful if stakeholder consensus exists and fraud is absent. Yet, judicial creativity cannot substitute for legislative certainty. Some benches apply Section 29A strictly to revival schemes, while others interpret it flexibly. This inconsistency exposes applicants to legal risks. The judiciary's message is clear revival is preferred, but only if done with full compliance and commercial prudence. A codified provision that allows structured withdrawal from liquidation, subject to safeguards, could stabilise the judicial approach and enhance predictability.[38]

Strategic reforms must include simplified Section 230 procedures, clarified eligibility under Section 29A, mandatory revival evaluation metrics for liquidators, and stakeholder coordination frameworks. Codified SOPs, revival scoring models, and regulator-backed facilitation platforms could radically improve outcomes. If India aims to transition toward a mature insolvency regime, it must nurture a culture that values second chances. Liquidation should not be treated as the closure of opportunity, but a legal corridor through which distressed enterprises may still resurge when economic logic permits.[39]

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[37] Companies Act, No. 18 of 2013, § 230; Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016, reg. 2B.
[38] *S.C. Sekaran v. Amit Gupta*, Company Appeal (AT) (Insolvency) No. 495 & 496 of 2018; *Y. Shivram Prasad v. S. Dhanapal*, Company Appeal (AT) (Insolvency) No. 224 of 2018; *Siva Industries and Holdings Ltd. v. Union of India*, Civil Appeal No. 4950 of 2021.
[39] Insolvency Law Committee Report, Ministry of Corporate Affairs (2021).