



APAC & ASSOCIATES LLP
Company Secretaries

ONE CONCEPT ONE SLIDE

Web Series – Feb. 2020/23

Topic: Insolvency and Bankruptcy Code - An overview

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Insolvency and Bankruptcy Code ('Code')- An overview

IMPORTANT DEFINITIONS

Default
non payment of whole or any part or instalment of the amount of debt which is due and payable

Corporate Debtor (DC)
A Corporate person who owes debt to any person

Operational creditor (OC)
owed, transferred or assigned debt w.r.t. Goods and services including employment, or Statutory dues

Financial creditor (FC)
Owed, transferred or assigned debt with interest, disbursed against consideration for time value of money (Bonds, debentures, credit facilities, Lease, Receivables etc.)

Case Law: *M/s Innoventive Industries Limited v ICICI Bank and Another*

APPLICABILITY



Company incorporated under Companies Act or any other Special Act



Limited Liability Partnership



Personal guarantors of Corporate debtors

Adjudicating Authorities

National Company Law Tribunal (NCLT)

Minimum default
Rs. 1,00,000

Debt Recovery Tribunal (DRT)

Minimum default
Rs. 1,000

A. Corporate Insolvency Resolution Process (CIRP)

Initiation

- Demand Notice (only FC)
- Application by OC, FC, or CD itself

Resolution Plan

- Formation of Committee of Creditors (CoC) & appointment of Resolution Professional (RP)
- Resolution Plan approved by CoC & NCLT

Liquidation / Revival

- Revival; OR
- Liquidation - Formation of liquidation estate & distribution of assets

B. Voluntary Liquidation Process*

*Refer Video 20 for details



Voluntary Winding Up

Fast track Insolvency Process (Within 90 days)
(subject to fulfillment of certain conditions)

A. Fresh Start Process

Application to DRT

Appointment of resolution professional

Discharge order for qualifying debts

B. Insolvency Resolution Process

Initiation

- Application by debtor/ creditor
- Appointment of RP

Discharge / Bankruptcy Order

- Admission/Rejection of application
- Approval / Rejection of repayment plan by CoC & DRT
- Discharge order/ Distribution of estate



OTHER VIDEOS - APAC



1. IEPF (Aug'19)



2. Board Governance (Sep'19)



3. SBO (Sep'19)



4. #startup (Sep'19)



5. Secretarial Standard – 1 (Sep'19)



6. Secretarial Standard – 2 (Sep'19)



7. Board's Report (Oct'19)



8. TReDS (Oct'19)



9. Corporate Social Responsibility (Oct'19)



10. Related Party Transactions (RPT) (Oct'19)



11. Statutory Registers (Nov'19)



12. Incorporation of Companies (Nov.' 19)



13. Secretarial Audit (Nov.'19)



14. Labour Code (Dec.'19)



15. LEI (Dec.'19)



16. Independent Directors' Proficiency Test (Dec.'19)



17. Conversion of LLP/Partnership Firm to Company (Jan.' 20)



18. Methodology-Secretarial Audit for Private Companies (Jan.' 20)



19. One Person Company (OPC) (Jan.' 20)



20. Voluntary liquidation of Company/LLP (Feb.'20)



21. Single Master Form-Companies (Direct Investment) (Feb.' 20)



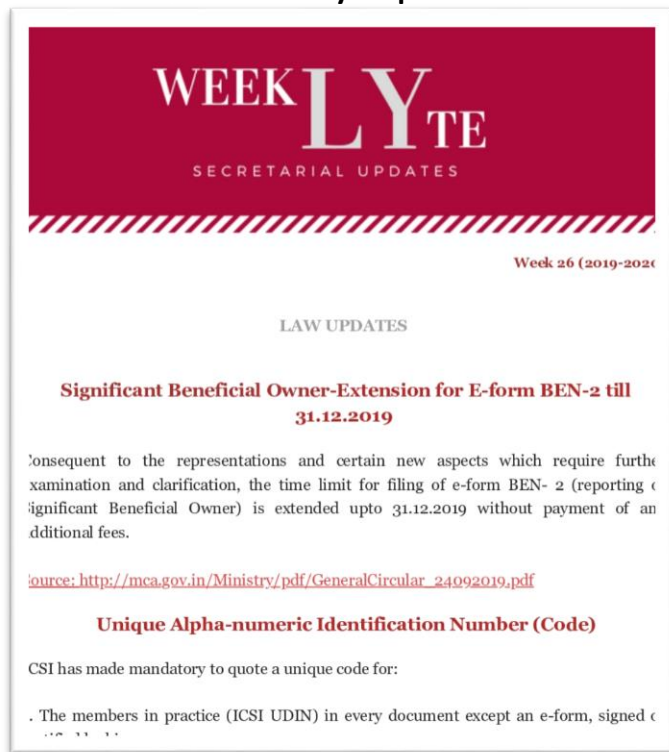
22. Insider Trading Regulations (Feb.'20)



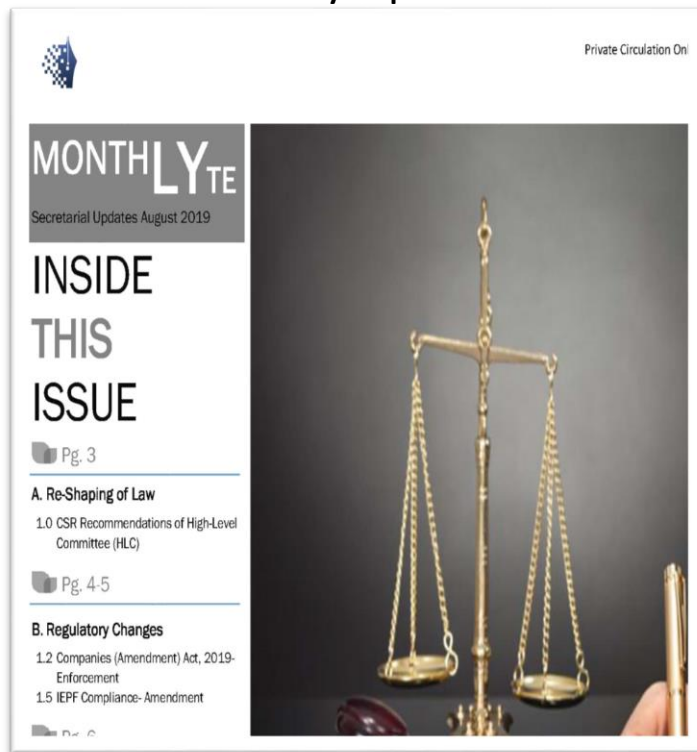
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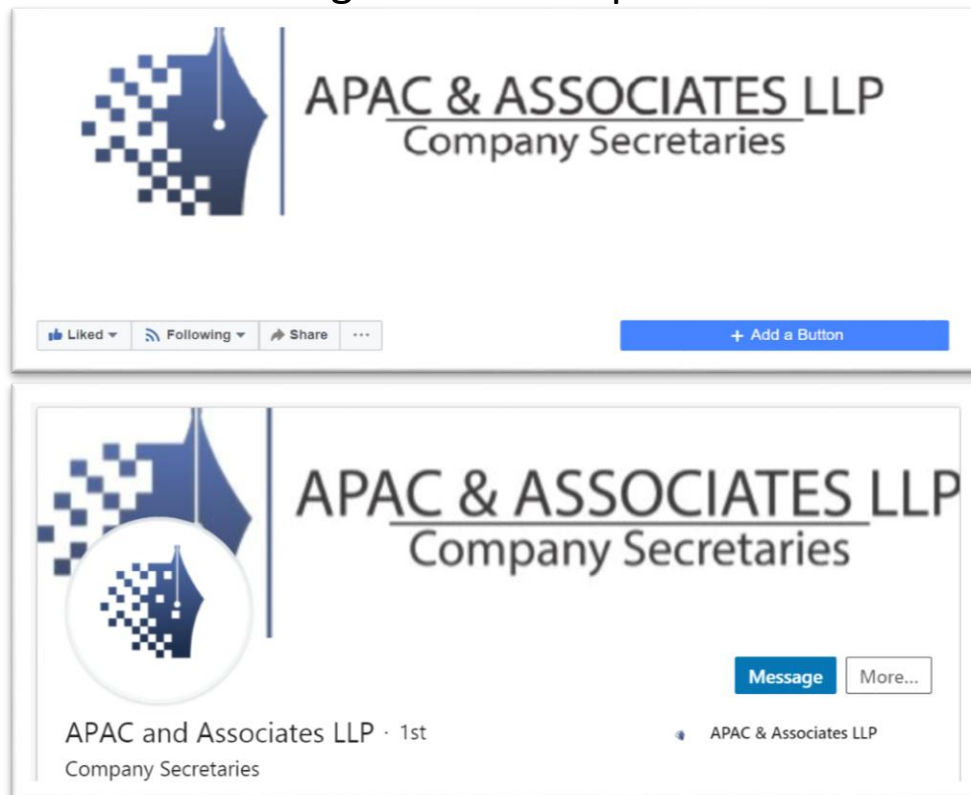
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