



**From the perspective of a financial creditor,  
Steps involved to proceed against a defaulting corporate debtor**

**In a nutshell**

Stage	Activities	Timelines / Remarks
Prior to admission of application by NCLT	a. A notice demanding the overdue amount, giving a specified time for repayment	For a financial creditor, this notice is not mandatory (unlike an operational creditor)
	b. The threshold debt due amount for filing an application under IBC is Rs.1,00,000/= (Sec.4 of IBC)	Records from Information Utility can be provided to prove the amount of default. Otherwise, confirmation of debt by the borrower can be attached. The Form 1 specified captures all these details.
	c. Prepare "Form 1" of Application to Insolvency and Bankruptcy (Adjudicating Authority) Rules, 2016	Copy of Form 1 attached for your perusal. This is an application under Sec.7 of IBC and Rule 4 of the said Rules. Fee of Rs.25,000 to be remitted.
	d. Along with the abovesaid application, "Form 2" has to be attached which is a Consent from a registered insolvency professional to act as Interim Resolution Professional	Copy of Form 2 attached. Rule 9 requires a certification confirming eligibility of the insolvency professional. This certification is captured in the Form 1 itself part of Form 2.
	e. A copy of the application (Form 1 & Form 2) has to be served on the defaulting company (corporate debtor) by registered post or speed post to the registered office of the corporate debtor and proof of such service should be attached to the application by the financial creditor	This is very important requirement as the NCLT will first check if a copy has been served on the corporate debtor.
	f. A financial creditor by himself or jointly with other financial creditors may file the application.	If the financial creditor is an assignee, he has to attach the assignment documents to the application.



Stage	Activities	Timelines / Remarks
	<p>g. Engage an advocate (legal counsel) other than the proposed IRP for filing the application with the jurisdictional NCLT Bench. The application would be verified by the registry before acceptance and numbering. Upon acceptance, the registry would list in the cause list which is generally uploaded in the NCLT website and also pasted in the NCLT premises.</p>	<p>The jurisdictional bench would be determined by the registered office of the corporate debtor. For example, Cochin Bench would be the jurisdictional bench to file an application in respect of a corporate debtor having registered office in Kozhikode.</p>
<p>Admission of application by NCLT</p>	<p>Prior to admission of the application, the NCLT Bench will issue notice to the parties upon listing of the application. After hearing both the parties, the adjudicating authority will issue an order either admitting or rejecting the application.</p>	<p>Though a timeline of 14 days is specified in IBC, normally it takes much longer time, mostly in weeks and some times even in months, for listing and then admission.</p> <p>Continuous follow up with the registry is essential to get the application listed.</p>



**Detailed activities and timelines**

**As per Regulation 40A of IBBI(IRPCP) Regulations, 2016**

Latest Timeline	Events	Remarks
	Application to be filed with Adjudicating Authority (AA) for initiation of CIRP	
T	AA passing Order for initiation of CIRP against the Corporate Debtor	Appointment of IRP will be stated in the Order
T+3	Public Announcement to be made by the IRP	In One English newspaper and one vernacular language newspaper having wide circulation in the place of registered office of the Corporate Debtor
T+14	Last date for submission of claims	Claims received till T+14 only to be considered for constitution of the Committee of Creditors
T+21	IRP to verify the claims received	IRP to collate and verify the claims received
T+23	IRP to file the Report certifying constitution of CoC & List of Creditors with the AA	CoC is constituted after filing of reports with AA
T+30	<b>1<sup>st</sup> CoC Meeting to be convened by the IRP</b>	Matters like appointment of RP, Registered Valuers, etc will be considered
T+40	IRP continues as RP till new RP is appointed	In case of any delay to appoint RP, the IRP will act as RP till a new RP is appointed by the CoC.
T+47	Appointment of IBBI Regd. Valuers	Two registered valuers are required to be appointed for valuation of each class of assets like Land & Building, Plant & Machinery, etc.



Latest Timeline	Events	Remarks
T+54	Submission of Information Memorandum (IM) to CoC	RP to prepare IM for approval by CoC before circulation to prospective bidders
W (T+55)	Application under Sec. 12 to Applicant Financial Creditor	
W+7 (T+62)	CoC to dispose of the application	
W+10(T+65)	Application to be filed with NCLT	
T+75	Publishing of Form G & invitation of EOI	Form G to be published in one English and one vernacular newspaper having wide circulation in the place of registered office of the Corporate Debtor
T+75	RP to form an opinion on preferential transactions	RP after scrutiny of the financial statements of the CD has to form an opinion on existence of preferential, undervalues, fraudulent, extortionate transactions, if any
T+90	Last date for submission of filled in EOIs	
T+100	Provisional List of Resolution Applicants to be circulated	
T+105	Submission of objections, if any, to Provisional List	
T+105	Issue of Request for Resolution Plan (RPRP) including Evaluation Matrix (EM) and IM	
T+115	Final List of Resolution Applicants to be circulated	
T+115	RP to make determination of PUFET transactions	Preferential, Undervalued, Fraudulent and Extortionate transactions
T+135	Receipt of Resolution Plans	



Latest Timeline	Events	Remarks
T+135	RP to file application with NCLT for PUFE transactions	
T+160	CoC to shortlist and approve the Resolution plan of the bidder after due considerations	
T+165	Submission of CoC-approved Resolution Plan to AA	AA may approve/reject the resolution plan after giving an opportunity of being heard to the parties concerned
T+180	Last date of CIRP	CoC may on or before 180 <sup>th</sup> day of CIRP file an application seeking one time extension of 90 days, approved by not less than 66% voting share
T+270	Maximum time-line for a CIRP (Sec.12(3) 2 <sup>nd</sup> proviso)	The maximum days a CIRP can run would generally be 270 days including the one-time extension of 90 days.
T+330	Maximum time-line for a CIRP (Sec.12(3) 2 <sup>nd</sup> proviso)	In several cases CIRP was running endlessly without any time-line in sight. The time lost due to litigation was carved out and exempted from the CIRP period. To curb this endless proceedings, IBC was amended with effect from 16 <sup>th</sup> Aug. 2019 that the maximum period of CIRP in any case shall not be more than 330 days. Effectively this means another 60 days which would be additional time line for the litigation process. However, Supreme Court, in Essar Steel India Ltd. matter has made it clear that in exceptional cases, the timeline of 330 days could be further extended in order to find a resolution.

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