

Non Corporate Insolvency ¹

CONTENTS

-BASED ON ARRANGEMENT OF SECTIONS

(How May Have Read Bare Act / Have Study?)

- General
- Fresh Start
- Individual Insolvency (Normal) & Resolution
- Individual Insolvency – Bankruptcy
- Individual Insolvency – Adjudicating Authority
- Recap Questions & Tips on Non Corporate Insolvency (Only)

Non Corporate Insolvency ²

<u>CIPR</u>	<u>Non Corporate Insolvency</u>
<u>FAST TRACK</u>	<u>FRESH START</u>
<u>NORMAL CIPR</u>	<u>INDIVIDUAL INSOLVENCY RESOLUTION (NORMAL)</u>
<u>LIQUIDATION</u>	<u>BANKRUPTCY</u>
<u>VOLUNTARY LIQUIDIATON</u>	

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Major Points for Application

1. Individuals and partnership firms
2. Default above one thousand rupees
3. Excluded Assets
4. Excluded Debt
5. Associate
6. Fresh Start
7. Repayment Plan
8. Bankruptcy
9. Discharge

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Excluded Assets

1. Unencumbered Tools of Trade
2. Unencumbered Household Furniture etc.
3. Unencumbered Personal Ornaments
4. Unencumbered Personal life insurance policy
5. Unencumbered single dwelling unit

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Excluded Debt

1. Fines of Court / Tribunal
2. Damages
3. Maintenance
4. Student loan
5. As Prescribed
6. Note

Debt incurred 3 months prior to date of Application

Doesn't Qualify

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Qualifying Debt

1. Interest
2. Contracted Liquidated Sum
3. Doesn't include Excluded debt, secured debt.

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Repayment Plan

1. Repayment Plan vs Resolution Plan
2. Repayment plan prepared by Debtor in consultation with Resolution professional.

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Fresh Start

1. Income < Rs, 60k
2. Assets < Rs. 20 k
3. Qualifying Debt < Rs. 35k
4. No Dwelling Unit
5. Interim Moratorium
6. Resolution Professional Report
7. Acceptance/ Rejection / Discharge

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Fresh Start

1. Application with affidavit
2. List of Debts
3. Security
4. Debtor & Family member information

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Individual Insolvency (Normal) & Resolution

1. Direct Application or thru Resolution Professional
2. Partnership Majority / All partners
3. Interim Moratorium
4. Resolution Professional Report
5. Acceptance / Rejection

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Individual Insolvency (Normal) & Resolution (Continued)

6. Application Rejection - Fraud
7. RP – Negotiation Between Dr & Cr
8. Notice
9. Claims
10. Repayment Plan
11. Report on Repayment Plan
12. Meeting of Creditors
13. Voting – 3/4th For Approval

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Individual Insolvency (Normal) & Resolution (Continued)

14. Rights of Secured Creditor in relation to voting
15. Adjudicating Authority Approves/ Rejects
16. Resolution Professional to Report Completion of plan.
17. Discharge

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Individual Insolvency (Normal) & Resolution (Continued) REPAYMENT PLAN

1. Debtor Shall Prepare (Consult RP)
2. Plan may Authorise RP to carry business & Provide RP fees
3. Realise Assets & Distribute.
4. Repayment Plan must justify itself.

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Individual Insolvency - Bankruptcy

When Apply

1. Application Rejected Condition
2. Plan Rejected
3. Plan Failed

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Individual Insolvency - Bankruptcy

1. Application - Nature & Contents
2. Interim Moratorium
3. Bankruptcy Trustee
4. Bankruptcy order.
5. Effects of the Order
6. Public Notice
7. Claim
8. Meeting of Creditors (Quorum, Adjourn, Voting)

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Individual Insolvency - Bankruptcy

1. Administration of Estate
2. Distribution of Estate
3. Discharge order
 - 1 Year
 - CoC Approval

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Individual Insolvency – Adjudicating Authority

1. Debt Recovery Tribunal.
2. Moratorium excluded from Limitation
3. Civil Court have no Jurisdictions
4. Appeals to DRAT.
5. Final Appeal to Supreme Court.

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RECAP

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QUESTIONS

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TIPS (Non Corporate Insolvency ONLY)

BARE ACT ARRANGEMENT OF

SECTIONS DEFINATIONS

DAYS OTHER

ACTS

COMPARISION CHART

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Thanks