

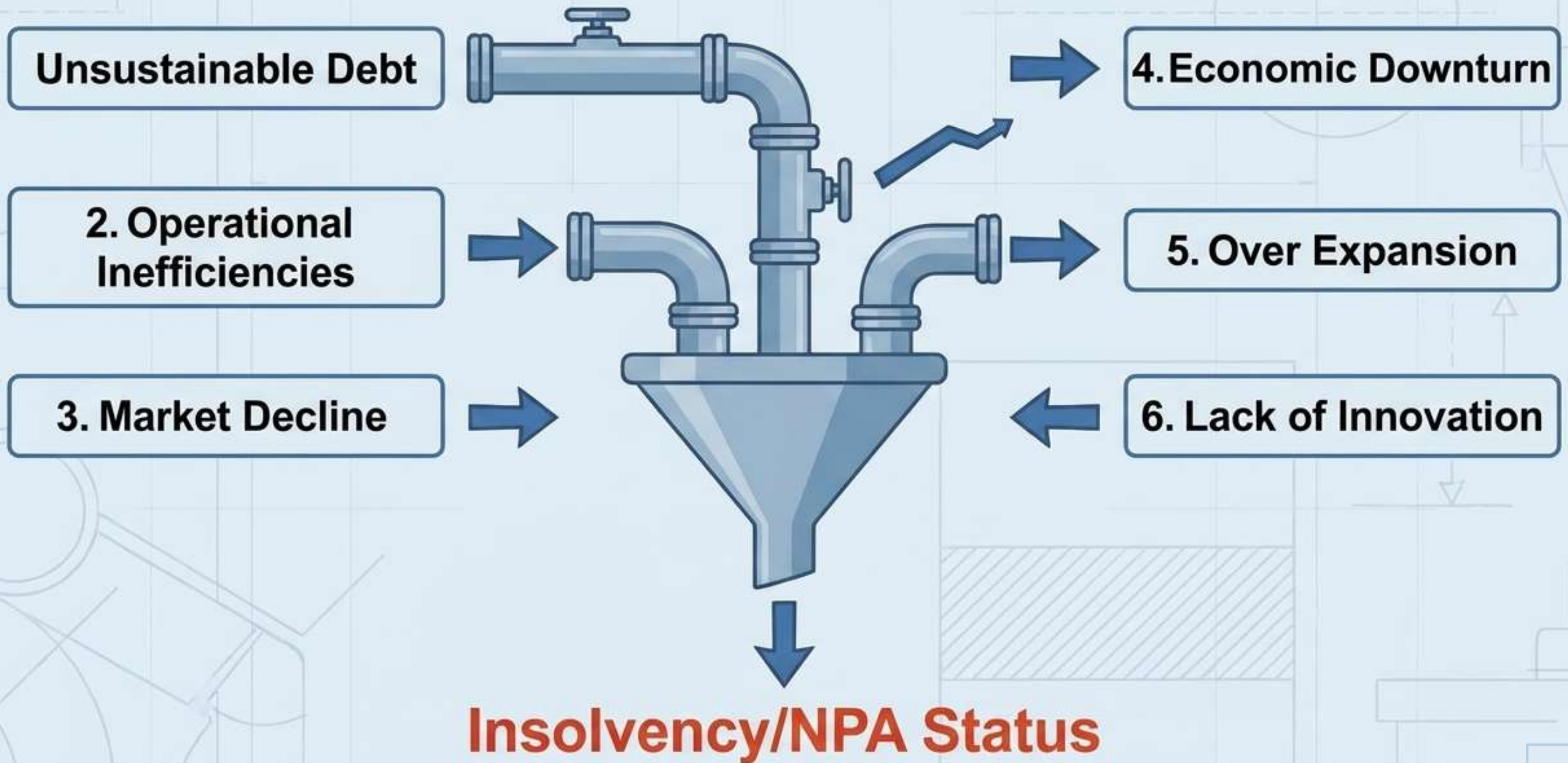


The Corporate Phoenix Blueprint

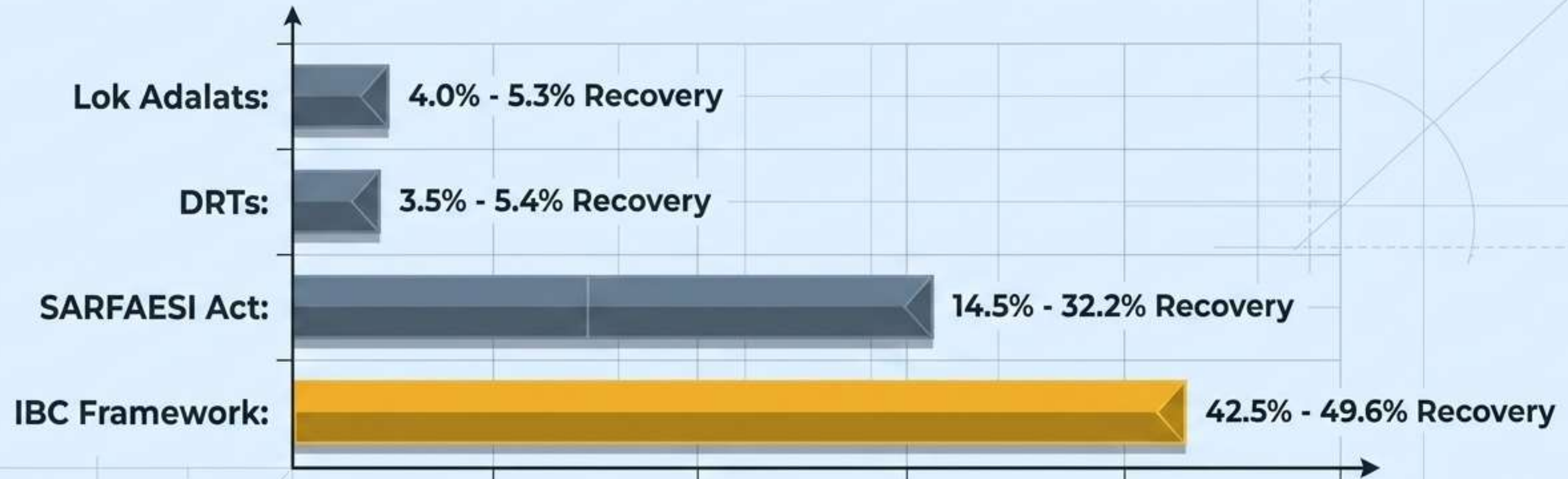
Turnaround Strategies and Strategic Acquisitions under
the Insolvency and Bankruptcy Code (IBC)

A dual-purpose playbook for distressed survival and strategic asset acquisition.

The Anatomy of Corporate Distress



The IBC Advantage: Unmatched Recovery Capabilities

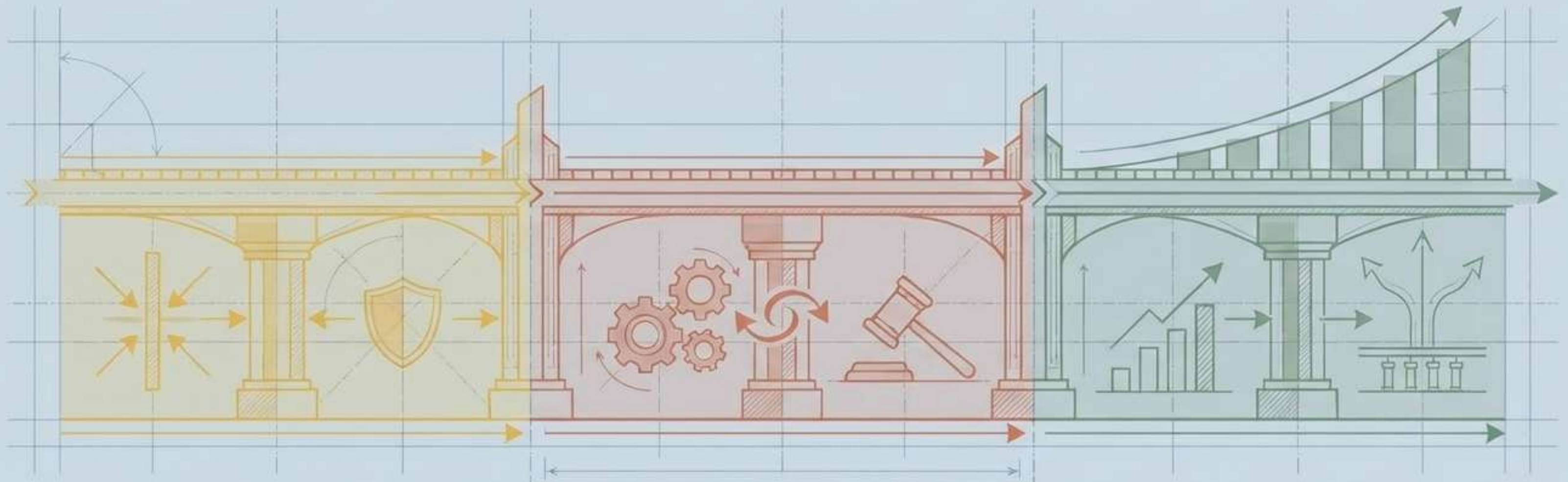


The IBC represents a **paradigm shift** to a **creditor-in-control approach**, achieving up to **10x the recovery rate** of legacy debt recovery tribunals.

The Universal Turnaround Engine



The Chronological Survival Journey



Phase 1: Pre-IBC (The Twilight Phase)

Recognizing distress when directors know there is no reasonable prospect of avoiding insolvency.

Focus: Defense, strengthening, and avoidance.

Phase 2: During IBC (The Arena)

The formal legal process initiated under Sections 7, 9, or 10.

Focus: Predator acquisition vs. Prey settlement.

Phase 3: Post-IBC (The Rebirth)

Implementation of the approved resolution plan or liquidation asset sale.

Focus: Execution, governance, and long-term sustainability.

Phase 1: Pre-IBC and 'The Twilight Zone'

Operational & Financial Defense

Asset Monetization: Divestment of non-core/distressed assets to inject liquidity.

Cost Optimization: Streamlining workforce and divesting weak units.

Competitor Engagement: Strategic JVs to share resources during struggle.

Leadership Shifts: Fostering new governance to combat management-led decline.

Pre-emptive Legal Remedies

High Court Action: Questioning the NPA status directly.

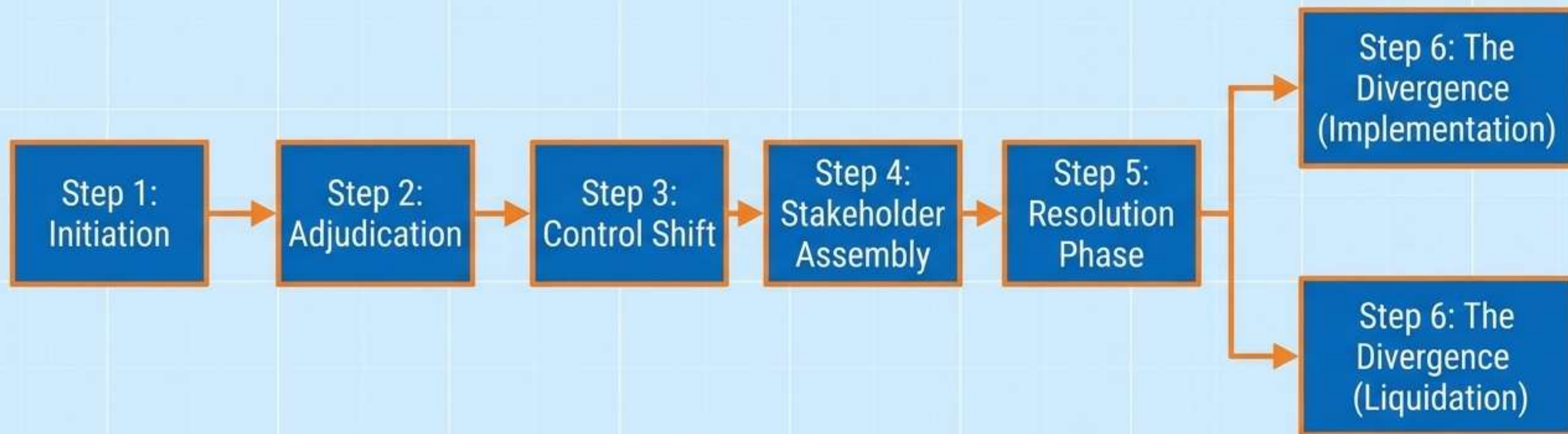
Commercial Courts: Filing for arbitration to establish pre-existing debt disputes (blocks IBC initiation).

Alternative Dispute: Approaching the MSME mediation cell.

The Pre-IBC Arsenal: Strategic Registrations

Registration Type	Pre-IBC Benefits	During-IBC Advantages
MSME	Priority lending, collateral-free loans.	Exemption from Sec 29A disqualifications for resolution plan submission.
NeSL (Info Utility)	Enhanced credibility, faster disputes.	Irrefutable digital proof for claims; streamlines resolution.
NSIC	Govt tenders, financial assistance.	Prioritized dues, protection against coercive actions.
IPR	Market exclusivity, collateral assets.	Intangible asset valuation, maximizes sale/acquisition value.
SIDBI	Lower interest, tech upgrades.	Evidentiary documentation before NCLT/NCLAT.

Phase 2: Navigating the IBC Arena



Phase 2 Strategies: Predator Offense vs. Prey Defense

Prey/Defense Strategies

Section 12A Withdrawals (GLAS Trust Co v. BYJU)

Stage 1:
Before NCLT
admission.

Stage 2:
Post-admission,
pre-CoC
constitution.

Stage 3:
Post-CoC, pre-
Expression of
Interest (EOI).

Stage 4:
Post-CoC and
post-EOI
issuance.

Predator/Offense Strategies

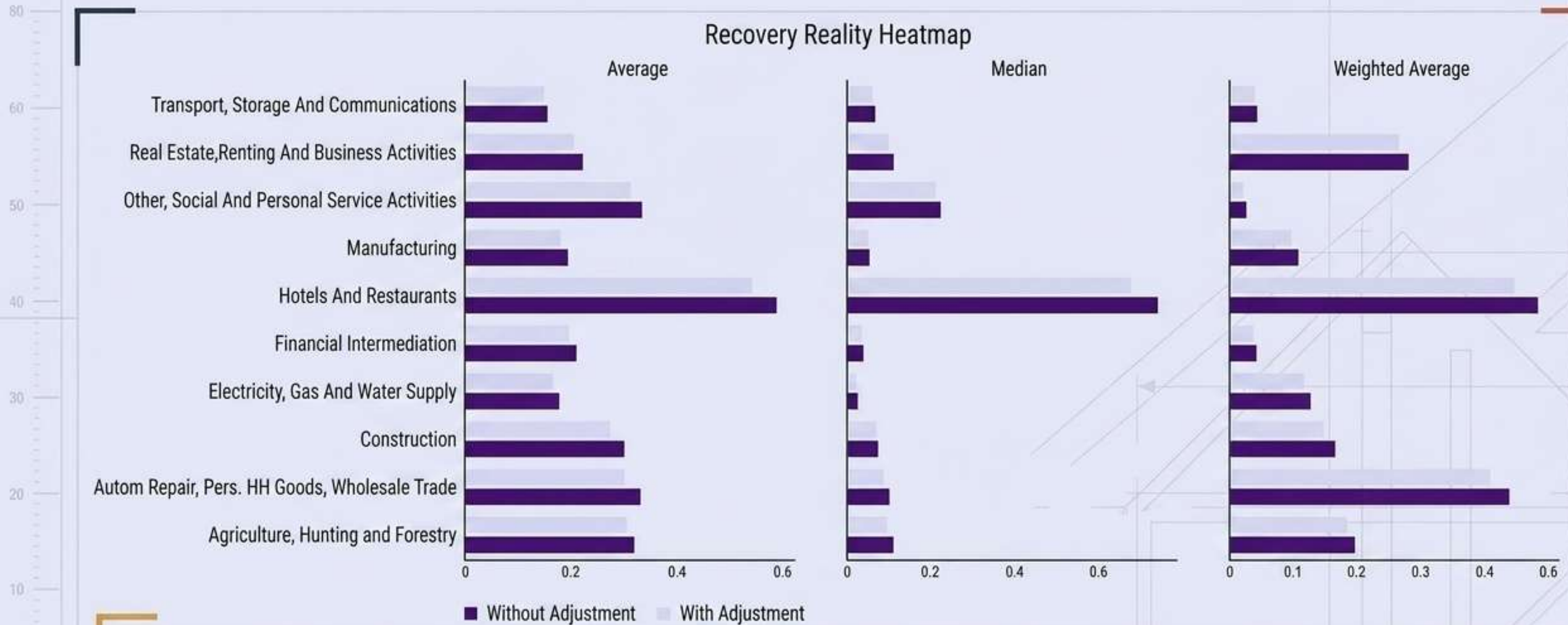
Asset Acquisition Tactics

Going Concern: Total takeover of assets/liabilities (beware lease terminations).

Piecemeal Liquidation: Stripping specific value (Plant machinery, land banks, IPR/streaming rights).

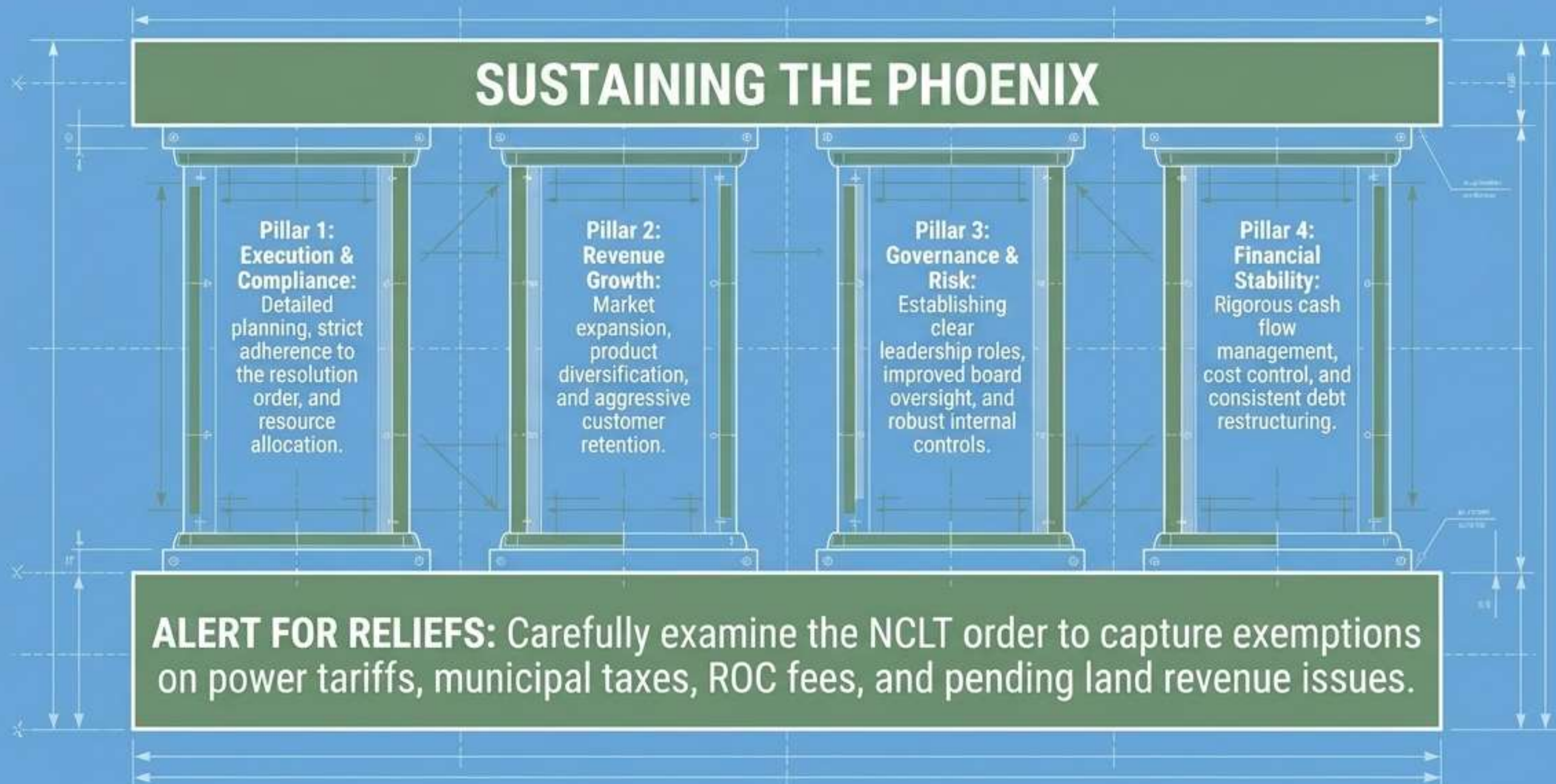
Shell Company Absorption: Acquiring purely for brand name, authorized capital, or track record.

The Industry Reality: Operational Creditor Recovery



Acquisition and resolution strategies must be calibrated to sector-specific recovery realities. Physical asset-heavy industries yield vastly different returns than service-based sectors.

Phase 3: Post-IBC Sustenance & Rebirth



Real-World Triumphs: The Phoenix in Action

Bhushan Steel Limited (The Heavyweight Restructure)



The Crisis: Rs 56,080 cr in financial debt; failure in project allocations and accidents.



The Intervention: 2017 CIRP initiation led by SBI consortium.



The Acquisition: Acquired by Tata Steel. Settlement made with creditors.



The Rebirth: Reached revenues exceeding INR 21,000 crore by 2021.

Ruchi Soya Industries (The FMCG Turnaround)



The Crisis: Rs 12,000 cr debt; global demand drop and underutilized plant capacity.



The Intervention: Admitted to NCLT after failed pre-CIRP restructuring. 28 EOIs received.



The Acquisition: Acquired by Patanjali Ayurveda using the unprecedented Swiss Challenge method.



The Rebirth: Emphasized liquidity securing and strict monitoring committee compliance post-approval.

The Master Blueprint: Aligning Strategy with Systemic Reality

