



INDIALAW

Pre-Insolvency Advisory and Turnaround Planning

Pre-Insolvency Advisory and Turnaround Planning Law Firm in India, IBC and RBI

PRACTICE PROFILE • MAY 2026

Overview

We provide comprehensive legal support to companies, promoters, and individual guarantors during the pre-insolvency phase, helping them navigate financial distress and avoid involuntary insolvency proceedings. Our approach combines strategic foresight with deep legal insight to preserve value, protect rights, and facilitate business continuity.

We work closely with clients to assess legal exposure, evaluate alternatives, and implement remedial actions across operational, financial, and regulatory dimensions

Our Services

Legal and Financial Risk Assessment

- Assessment of financial stress indicators, default position, and legal consequences
- Review of events that may trigger insolvency proceedings under IBC
- Analysis of promoter and director liabilities, including under personal guarantees and fraudulent transactions
- Evaluation of ongoing and potential recovery actions under SARFAESI, DRT, and IBC

Corporate Turnaround Strategy

- Structuring turnaround plans including debt restructuring, bridge funding, equity infusion, and asset monetisation
- Business hive-off, divestment of non-core assets, and stakeholder-led recovery solutions
- Strategic change in management, promoter exit planning, and board reconstitution

Stakeholder Negotiation and Documentation

- Drafting and negotiation of standstill agreements, one-time settlements (OTS), and revised repayment terms
- Advisory on out-of-court restructurings and creditor consensus under RBI or contractual frameworks
- Coordination with financial institutions, ARC, private equity investors, and operational creditors

Pre-Pack and Alternate Resolution Mechanisms

- Structuring and documentation of pre-packaged insolvency solutions for eligible entities
- Legal support in designing and executing resolution plans outside formal CIRP
- Evaluation of MSME-specific restructuring options under RBI guidelines and IBC

Personal Insolvency and Guarantor Advisory

- Advisory to promoters and personal guarantors on liability, protection, and resolution under Part III of the IBC
- Legal strategy to respond to insolvency petitions filed against personal guarantors
- Representation before DRT for personal insolvency applications and interim moratorium
- Asset protection planning, settlement negotiation, and protection against coercive actions
- Coordination with resolution professionals and lenders for resolution and discharge of personal liability

Regulatory and Litigation Support

- Advisory on director's duties and corporate governance in distressed companies
- Litigation support to restrain coercive enforcement actions and protect enterprise value
- Interface with regulatory authorities (RBI, SEBI, ROC, Stock Exchanges) for disclosures, compliance, and approvals

Cross-functional Advisory

- Working closely with forensic auditors, resolution professionals, investment bankers, and tax advisors
- Assessment of related party transactions, potential avoidance claims, and valuation implications
- Coordinated execution of legal, financial, and operational aspects of turnaround plans

Our early-stage advisory is focused on enabling clients to proactively manage distress, reduce litigation risk, and restore financial and reputational stability. We ensure that both corporate and personal dimensions of insolvency risk are comprehensively addressed with discretion, urgency, and precision

Key Professionals



K.P. Sreejith
Founder



Shiju P V
Managing Partner



Vinod P.V.
Senior Partner



Abdullah Qureshi
Associate Partner



G.P. Yash Vardhan
Associate Partner



Pranava Charan MG
Associate Partner



Asav Rajan Arora
Associate Partner



Tannya Baranwal
Associate Partner



Nim Dem Dorjee
Associate Partner

Frequently Asked Questions

Q1 What does pre-insolvency advisory and turnaround planning involve?

It involves identifying financial distress early and advising on legal options to avoid formal insolvency. This includes assessing default triggers under IBC, restructuring debt, negotiating with creditors, planning asset sales, and exploring pre-packaged resolution or out-of-court settlements.

Q2 When should a company seek pre-insolvency advisory support?

Ideally, as soon as financial stress indicators appear, such as missed debt service payments, creditor recovery notices under SARFAESI or DRT, or covenant breaches. Early engagement preserves more options and bargaining leverage before a creditor files under Section 7 or 9 of IBC.

Q3 Which Indian laws and regulators govern pre-insolvency restructuring?

The Insolvency and Bankruptcy Code 2016 is the primary statute, administered through NCLT and IBBI. RBI frameworks govern out-of-court restructuring for banks and NBFCs. SARFAESI Act, DRT Act, and Companies Act 2013 also apply depending on the nature of debt and recovery action.

Q4 What does a typical pre-insolvency engagement timeline look like?

An initial risk assessment usually takes two to four weeks, covering default analysis, liability mapping, and creditor landscape review. Turnaround structuring and creditor negotiations may extend over three to six months. Timelines depend on debt complexity, number of lenders, and regulatory approvals required.

Q5 What documents are needed to begin a pre-insolvency assessment?

Key documents include loan and security agreements, corporate guarantee deeds, recent financial statements, creditor demand notices, board resolutions on borrowings, and details of pending litigation or recovery proceedings. A complete creditor and exposure matrix helps accelerate the initial review.

Q6 What common mistakes do companies make when facing financial distress?

Delaying action until a Section 7 or 9 application is filed at NCLT is the most frequent error. Others include disposing of assets without proper structuring, which risks avoidance or fraudulent preference claims, and failing to assess personal guarantee exposure of promoters under Part III of IBC.