

Requirements of Resolution Plan

All the resolution applicants may note the following while preparing the resolution plan –

Regulation 37 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016 states –

37. Resolution Plan

(1) A resolution plan may provide for the measures required for implementing it, including but not limited to the following –

- (a) transfer of all or part of the assets of the corporate debtor to one or more persons;
- (b) sale of all or part of the assets whether subject to any security interest or not;
- (c) the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor with one or more persons;
- (d) satisfaction or modification of any security interest;
- (e) curing or waiving of any breach of the terms of any debt due from the corporate debtor;
- (f) reduction in the amount payable to the creditors;
- (g) extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor;
- (h) amendment of the constitutional documents of the corporate debtor;
- (i) issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests, or other appropriate purpose; and
- (j) obtaining necessary approvals from the Central and State Governments and other authorities.

Regulation 38 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016 states –

38. Mandatory contents of the resolution plan.

(1) A resolution plan shall identify specific sources of funds that will be used to pay the –

- (a) insolvency resolution process costs and provide that the insolvency resolution process costs will be paid in priority to any other creditor;
- (b) liquidation value due to operational creditors and provide for such payment in priority to any financial creditor which shall in any event be made before the expiry of thirty days after the approval of a resolution plan by the Adjudicating Authority; and
- (c) liquidation value due to dissenting financial creditors and provide that such payment is made before any recoveries are made by the financial creditors who voted in favour of the resolution plan.

(1A) A resolution plan shall include a statement as to how it has dealt with the interests of all stakeholders, including financial creditors and operational creditors, of the corporate debtor.

(2) A resolution plan shall provide:

- (a) the term of the plan and its implementation schedule;
- (b) the management and control of the business of the corporate debtor during its term; and
- (c) adequate means for supervising its implementation.

(3) A resolution plan shall contain details of the resolution applicant and other connected persons to enable the committee to assess the credibility of such applicant and other connected persons to take a prudent decision while considering the resolution plan for its approval.

Explanation : For the purposes of this sub-regulation,-

(i) 'details' shall include the following in respect of the resolution applicant and other connected person, namely:-

- (a) identity;
- (b) conviction for any offence , if any, during the preceding five years;
- (c) criminal proceedings pending, if any;
- (d) disqualification, if any, under Companies Act, 2013, to act as a director;
- (e) identification as a willful defaulter, if any, by any bank or financial institution or consortium thereof in accordance with the guidelines of the Reserve Bank of India;
- (f) debarment, if any, from accessing to, or trading in, securities markets under any order or directions of the Securities and Exchange Board of India,; and
- (g) transactions, if any, with the corporate debtor in the preceding two years.”;

(ii) the expression 'connected persons' means

- (a) persons who are promoters or in the management or control of the resolution applicant;
- (b) persons who will be promoters or in management or control of the business the corporate debtor during the implementation of the resolution plan;
- (c) holding company, subsidiary company, associate company and related party of the persons referred to in items (a) and (b).

Additional Requirement

Each resolution applicant must also give the following details:

1. Experience of the Group in this field
2. Group Track Record in honouring debt commitments including CIBIL score and if any group company is under the CIRP process
3. Promoter Group Track Record in turning around distressed entities
4. External Credit Rating (of flagship company)
5. Future business plan (only if loan continues with lenders) covering capacity enhancement, modernization/upgradation, forward/backward integration etc.
6. Contact Details- Each Resolution Applicant shall provide his/her contact details including Name, Address, Mobile Number and Email Id (Alternative Email ID may also be provided)

Other Terms and Conditions:

1. The Resolution Professional reserves the right to reject any bid received without assigning any reason whatsoever.
2. The Resolution Professional reserves the right to extend the last date of submission of resolution plan.
3. The Resolution Professional reserves the right to amend the eligibility criteria at any time during the process of invitation of Resolution Plan but is obliged to put the amended Eligibility Criteria on the Website of Corporate Debtor. The Potential Resolution Applicant are requested

to regularly visit the website of CD for updates.

4. The Resolution Professional reserves the right to amend or modify the invitation or specify additional requirements which every potential resolution applicant is required to comply with. The additional requirement would be uploaded on website of Corporate Debtor. The Potential Resolution Applicant are requested to regularly visit the website of CD for updates.
5. The Evaluation Matrix will be provided to each resolution applicant at least 15 days before the last date of submission of resolution plan. Evaluation Matrix will be uploaded on website of CD. The Potential Resolution Applicant are requested to regularly visit the website of CD for updates.