

SHREE VINAYAK FOODS AND FABRICS PRIVATE LIMITED (In CIRP)

Request for Proposals  
**R.F.P**

*CA Vikash Gautamchand Jain*  
*Resolution Professional*  
*IP Reg. No: IBBI/IPA-001/IP-P00354/2017-18/10612*

***SHREE VINAYAK FOODS AND FABRICS PRIVATE LIMITED (In CIRP)***

**REQUEST FOR PROPOSAL**

Pursuant to our Newspaper Advertisement dated 18/07/2018 inviting EOIs from prospective Resolution Applicant this Request for Proposal (RFP) document is made giving clarity to various issues related to the Resolution Applicants / Resolution Plans.

The information provided herewith is categorized into the following headings:

- A. DETAILS OF CORPORATE DEBTOR AND RESOLUTION PROFESSIONAL**
- B. DETAILS OF ONGOING CIRP**
- C. THE BID PROCESS**
- D. COMPLIANCE REQUIREMENTS**

**ENCLOSURES TO THE RFP**

<b>ENCLOSURE – 1</b>	<b>MINIMUM CRITERIA</b>
<b>ENCLOSURE – 2</b>	<b>EVALUATION MATRIX</b>
<b>ENCLOSURE – 3</b>	<b>THIS DOCUMENT (RFP)</b>
<b>ENCLOSURE – 4</b>	<b>MANDATORY CRITERIA – RESOLUTION APPLICANT</b>
<b>ENCLOSURE – 5</b>	<b>MANDATORY CRITERIA – RESOLUTION PLANS</b>

**Note: ENCLOSURE 1, 2, 4 & 5 are attached at the end of this document.**

## ***SHREE VINAYAK FOODS AND FABRICS PRIVATE LIMITED (In CIRP)***

### **A. DETAILS OF THE CORPORATE DEBTOR**

*The brief particulars of the Company are as under:*

✚ Name of the Company:	Shree Vinayak Foods and Fabrics Pvt. Ltd.
✚ Date of Incorporation:	28/12/1988
✚ CIN No.:	U51101GJ1988PTC011688
✚ Registered & Corporate Office:	3043 3044 Phase III G I D C Estate Chhatral Gandhinagar 382729
✚ Listing Status:	Unlisted Company
✚ Authorised Equity Share Capital:	Rs.5,40,00,000/-
✚ Paid up Equity Share Capital:	Rs. 2,75,00,000/-
✚ Directors of the company:	Mr. Rajivratna Babubhai Joshi Mr. Shreeraj Rajivratna Joshi

### **B. DETAILS OF ONGOING CIRP**

*The Chart of Activities till the date of this RFP is given below:*

<b>SR. NO</b>	<b>EVENTS</b>	<b>SECTION/ REGULATION</b>	<b>DATE OF EVENT</b>
	<b><i>CIRP APPLICATION</i></b>		
1	CIRP – ADMISSION	Section 7	21-02-2018
2	APPOINTMENT OF IRP	Section 16	21-02-2018
3	TAKING CUSTODY & CONTROL	-	23-02-2018
4	NOTICE TO AUTHORITIES	-	22-03-2018
5	PUBLIC ANNOUNCEMENT	Regulation 6 (1)	23-02-2018
6	APPOINTMENT OF VALUERS	Regulation 27	30-03-2018
7	LAST DATE OF SUBMISSION OF CLAIMS	Regulation 6 (2)	07-03-2018
8	VERIFICATION OF CLAIMS	Regulation 13 (1)	14-03-2018
9	CONSTITUTION OF COMMITTEE	Section 21	15-03-2018
10	FILING CONSTITUTION OF COC	Section 21	15-03-2018
11	FILING LIST OF CREDITORS	-	15-03-2018
12	NOTICE TO 1ST COC	Regulation 19 (1)	13-03-2018
13	FIRST MEETING OF COC	Section 22	23-03-2018
14	RP APPOINTMENT by COC	Section 22	23-03-2018
15	NOTICE OF 2ND COC	-	17-04-2018
16	2ND COC	-	25-04-2018
17	NOTICE OF 3RD COC	-	07-05-2018
18	3RD MEETING OF COC	-	10-05-2018
19	PUBLISHING 1ST EOI	-	30-05-2018

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20	NOTICE OF 4 <sup>TH</sup> COC	-	11-07-2018
21	4 <sup>TH</sup> COC	-	17-07-2018
22	PUBLISHING 2 <sup>ND</sup> EOI	-	18-07-2018

PERIOD OF CIRP (180 DAYS)

21-02-2018 TO 19-08-2018

The Category wise claims received till the RFP are as under

**Summary Report of Claims**

Sr. No	Category of the Creditors	Amount Claimed	Amount Provisionally Admitted
1	Financial Creditors	151,418,030/-	151,418,030/-
2	Operational Creditors	NIL	NIL
	<b>Total</b>	<b>151,418,030/-</b>	<b>151,418,030/-</b>

The statement of Financial Claims is as under:

**Statement of Claims - Financial Creditors**

Sr. No.	Name of the Creditor	Amount		Percentage
		Claimed	Provisionally admitted	
1	Punjab National Bank	131,795,104/-	131,795,104/-	87.04%
2	Biren Parikh	19,622,926/-	19,622,926/-	12.96%
	<b>Total</b>	<b>151,418,030/-</b>	<b>151,418,030/-</b>	<b>100</b>

The Name of RP, Address and Email of RP

The particulars with respect to the Resolution Professional are appended below:

Name of Resolution Professional	Vikash Gautamchand Jain
IP Reg. No:	<b>IBBI/IPA-001/IP-P00354/2017-18/10612</b>
Address	204, Wall Street 1, Opp. Orient Club, Ellisbridge, Nr. Gujarat College, Ahmedabad – 380 006.

E Mail Id: ca.vikasjain1@icai.org

The Resolution Professional may be contacted for any query related to the above corporate insolvency resolution process at the above address / Email ID.

The Members of the Committee of Creditors

Based on the claims received and admitted till the date of this report, and also based on the provisions of the Code and Regulations, the Committee of Creditors consists of all the Bankers as mentioned in the list of Financial Creditors.

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### **C. THE BID PROCESS**

#### **Mode of communication of EOI / Resolution Plan process**

- Invitation for Expression of Interests – Invitation is made / will be made through Newspaper Advertisement in “**Form G**”.
- Request for Proposal (RFP) to the prospective Resolution Applicants – The RFP will be made available to each of the prospective Resolution Applicant, if consequent to the newspaper advertisement, the prospective Resolution Applicant makes a request, introducing themselves with basic credentials, to the Resolution Professional to his email id provided herein above. A copy of the NDA (Non-disclosure Agreement) towards confidentiality undertaking can also be provided to the prospective Resolution Applicants on request through email. The NDA may be executed along with the EOI submission or thereafter, after the confirmation of eligibility of the Resolution Applicant by the Resolution Professional.
- Briefing Session – Pre-EOI submission session – Prospective Resolution Applicant may seek from the Resolution Professional requisite details necessary for making EOI. Communication to the Resolution Professional may be made by email or by post to the communication address provided in Form G. If desired by any prospective Resolution Applicant, a briefing session can also be arranged on request being made to the Resolution Professional.
- Changes, if any effectuated, in bidding process including changes in timelines will be communicated to the Resolution Applicants who have submitted EOIs to their email ids. Prospective Resolution Applicants may before submission of EOIs contact the Resolution Professional to confirm about the process. Changes, if any, will also be made available in the website of the IPE, M/s. Sun Resolution Professional Pvt. Ltd., URL: [www.sunresolution.in](http://www.sunresolution.in).
- Eligibility of the Resolution Applicant will be communicated to the Resolution Applicant once an EOI is received and verified by the Resolution Professional to the email address of the Applicant.
- Providing the Resolution Applicant with a copy of the Information Memorandum: All Resolution Applicants will be provided a copy of an Information Memorandum once a request to the Resolution Professional, either to his email id or office address, is made and the NDA as stated earlier is executed. The NDA format can either be downloaded from the website of IPE [www.sunresolution.in](http://www.sunresolution.in). Else, the same can be forwarded, on request, to the Resolution Applicant’s email id.
- Briefing Session – Post EOI submission session- A briefing session will be arranged before submission of Resolution Plans and after communicating the eligibility of the Resolution Applicant. The date, time and venue of the briefing section is as per the timeline provided in this RFP; if any changes are necessitated, the changed timing will be communicated in advance. The Resolution Applicants, if so desires, may present themselves to seek clarification during the briefing session. During this briefing session, convenient dates for plant visits, inspection of books of accounts, premises, etc. can also be arranged for the Resolution Applicants.
- Communication on Approval / Rejection of Resolution Plans: All Resolution Applicants will be informed by the Resolution Professional on the decision of the Committee of Creditors. The communication will be made to the email id of the Resolution Applicant available with the Resolution Professional.

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### **Mode of Sending EOI**

The EOIs shall be submitted in person or by post or electronically. The EOIs and all documents sent by post shall be addressed to the Resolution Professional at the address given above. The Resolution Professional will not be responsible for any delay in postal transmission and the prospective Resolution Applicants themselves shall ensure that the EOIs are delivered to the office of the Resolution Professional before the specified date and time. If the EOI documents are sent electronically, the Resolution Applicant may remit the amount to be paid along with the EOI by electronic transfer to the Bank Account (if any mentioned in the RFP) or the amount be separately paid by Demand Draft / Pay Order which shall be delivered to the office of the Resolution Professional before the last date and time of submission of EOI.

The EOI and DDs will be received at the office of the Resolution Professional on all working days, between 11 AM to 5 PM. The EOI received after the last date and time of receiving the EOI shall not be accepted for any reason. However, if the last day happens to be a holiday for the office of the Resolution Professional, the next working day shall be considered as the last date of receiving the EOI.

### **Mode of Sending Resolution Plans**

The Resolution Plans shall be submitted in person or by post only and by no other means. The cover / envelope containing the Resolution Plan and documents shall be addressed to the Resolution Professional at the address given above. At the top of the cover shall be written in capital letters "RESOLUTION PLAN OF – SHREE VINAYAK FOODS & FABRICS PRIVATE LIMITED (In CIRP)". The Resolution Professional will not be responsible for any delay in postal transmission and the prospective Resolution Applicants themselves shall ensure that the Resolutions Plans are delivered to the office of the Resolution Professional in time.

The Resolution Plans will be received at the office of the Resolution Professional on all working days, between 11 AM to 5 PM. The Resolution Plans received after the last date and time for receiving the Resolution Plans will not be accepted for any reason. However, if the last day happens to be a holiday for the office of the Resolution Professional, the next working day shall be considered as the last date of receiving the Resolution Plan.

All Resolution Plans shall be sent only by the mode mentioned above; if the Resolution Plan is sent by any other mode, the Resolution Plan may not be considered as eligible.

### **Resolution Plans: Opening Process**

Resolution Plans received at the Office of the Resolution Professional will be opened at the office of the Resolution Professional on the date and time provided in the "timeline of various processes / events" given in this RFP.

The Resolution Plans will be opened by the Resolution Professional in the presence of one or more of the officers of the Resolution Professional and / or financial creditor's representative. The Resolution Applicant or its' authorized representative may present themselves at the venue, date and time. Due documentation will be made of the Resolution Plan envelope opening process.

### **Comparison & Approval of Resolution Plans**

A Comparative Statement of bids received will be made as per the Evaluation Matrix approved by the Committee of Creditors. The Comparative Statements shall be for financial and other criteria, evaluated in accordance with the Evaluation Matrix. All the Resolution Plans that meet the Minimum

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Criteria will be placed before the Committee of Creditors. The Resolution Professional will inform all the Resolution Applicants who submitted Resolution Plans and they will be given a tentative time to make a presentation before the members of the Committee of Creditors in their meeting where Resolution Plans will be discussed and approved or rejected for reasons to be stated and recorded in the minutes of the Committee of Creditors.

Notwithstanding what has been stated above or elsewhere, the Committee of Creditors, reserves its' rights to reject a Resolution Plan, without assigning any reasons thereof, even if the same meets the Minimum Criteria and that the Bid Price Points of an Applicant is the highest among all the Resolution Applicants.

### **Timeline of various processes / events**

The Corporate Insolvency Resolution Process is a time bound process and therefore the importance of observance of time schedules assumes great importance. The following are the time schedules fixed and shall be adhered to by all concerned.

- Newspaper advertisement will be made in Form G on 18-07-2018, in one Gujarati and One English News paper.
- Pre-EOI Briefing Session: 09-06-2018 at 3 PM at the Office of the Resolution Professional.
- Last date of downloading Request for Proposal (RFP) or writing to Resolution Professional requesting for a copy of the RFP – till 5 PM of 17-08-2018
- Last date of receipt of EOI – Till 5 PM of 17-08-2018.
- Intimation to the Resolution Applicant of their eligibility – till 17-08-2018
- Issue of Information Memorandum – From 18-07-2018 till 5 PM of 17-08-2018.
- Briefing Session – before submission of Resolution Plans – On 23-07-2018 at 3 PM at the Office of the Resolution Professional.
- Last date of receipt of Resolution Plans – till 5 PM of 17-08-2018
- Bid Opening of Resolution Plans received- At 6.00 PM of 17-08-2018

### **Changes / Modifications in the EOI / Resolution Plan Process**

If due to any reasons, changes in the bid process including the time fixed for each process / event are necessitated, the Resolution Professional the approval of the Members of the Committee of Creditor(s) reserves the right to change / modify the timelines, process, conditions specified in the RFP documents without assigning any reasons thereto. If changes are made necessary corrigendum will be issued.

### **Other Terms and Conditions of EOI / Resolution Plans:**

1. Lodgment of an EOI is evidence of a Resolution Applicant's consent to comply with the terms and conditions of RFP. If the Applicant fails to comply with any of the terms, the EOI may be summarily rejected.

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2. Willful misrepresentation of any fact in the EOI will lead to the disqualification of the applicant without prejudice to other actions that the Resolution Professional, with the consent of the Committee of Creditors, may take. The Resolution Professional reserves the right to verify the validity of the information provided in the EOIs / Resolution Plans and to reject any EOIs / Resolution Plans, with the consent of the Committee of Creditors, where the contents appear to be incorrect, inaccurate, or inappropriate at any time during the process of EOI / Resolution Plans.
3. The Resolution Professional, with the approval of the Committee of Creditors, reserves the right to reject any EOI and / or Resolution Plans received without assigning any reasons thereof and the decision thus taken shall be final. No contractual obligations whatsoever shall arise from the EOI and / or Resolution Plan submitted.
4. The eligible Resolution Plans received from eligible Resolution Applicants will be subjected to evaluation as per the Evaluation Matrix approved by the Committee of Creditors. The Committee of Creditors reserves its' right to reject the highest bid or all bids, if the bids do not meet the viability and other criteria, as per the opinion of the Committee. The Committee of Creditors also reserves the right to re-fix the Minimum Criteria and Evaluation Matrix at their meeting without assigning any reasons thereof and the decision of the Committee of Creditors shall be final.
5. The Resolution Applicants shall bear all costs associated with the submission of EOI / Resolution Plans and the Resolution Professional or the Committee of Creditors, regardless of the conduct or outcome of the process, will not be responsible for any costs thereof.
6. The Resolution Applicants must intimate the Resolution Professional immediately in writing of any material change to the information contained in the EOI / Resolution Plan, including any substantial changes in their ownership or their financial or technical capability. Copies of the relevant documents substantiating any such changes must be submitted along with such intimation.
7. The Resolution Professional, with the approval of the Committee of Creditors, shall have the right to cancel the EOI / Resolution Plan processes at any time, without thereby incurring any liabilities to the affected Applicants.
8. All Resolution Applicants shall be deemed to have:
  - a. examined the RFP document and its subsequent changes, if any for the purpose of responding to it;
  - b. examined all circumstances and contingencies, having an effect on their EOI / Resolution Plans and which is obtainable by the making of reasonable enquiries;
  - c. satisfied themselves as to the correctness and sufficiency of their EOI / Resolution Plan applications and if any discrepancy, error or omission is noticed in the EOI / Resolution Plans the applicants shall notify the Resolution Professional immediately and in any case before the meeting of the Committee of Creditors convened to discuss the EOI / Resolution Plans.

### **D. COMPLIANCE REQUIREMENTS**

#### **Confidentiality undertakings for non-disclosure of information**

The Resolution Applicant shall execute a Non-Disclosure Agreement (NDA) as per the format provided by the Resolution Professional. Once the NDA is executed the Resolution Applicant will be provided a copy of Information Memorandum of the Corporate Debtor and also access to the documents / books of accounts of the corporate debtor.



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*The documents that shall form part of the EOI are stated herein below*

Along with the Expression of Interest the Resolution Applicants are required to submit the following documents, as applicable, to enable the Resolution Professional to verify whether, prima facie, the Resolution Applicant meets the Mandatory Criteria and the Minimum Criteria approved by the Committee of Creditors. The documents that shall form part of the EOI include the following, if these documents are relevant for the Resolution Applicant submitting EOI:

- Letter stating Expression of Interest by the Resolution Applicant signed by the person(s) authorized to make the EOI on behalf of the Applicant;
- Copy of PAN Card of the Resolution Applicant;
- Copy of Incorporation document of the Resolution Applicant;
- Copy of Memorandum and Articles of Association, in case the Resolution Applicant is a Company;
- Copy of KYC / Address Proof of the Resolution Applicant;
- Copy of KYC of the authorized person of the Resolution Applicant;
- Copy of appropriate Board Resolutions (by all participants, in case of joint applicants) authorizing the participation (either singly or jointly with others named in resolution), and also authorizing officials to represent the Resolution Applicant;
- Copies of Audited Annual Report of the Companies for the previous 3 Financial Years;
- Copy of solvency certificate issued by a Scheduled Bank in case the Resolution Applicant is an Individual; the solvency certificate shall not be more than 3 months old from the date of making the EOI;
- Demand Draft / Pay Order / Proof of On-line transfer, as the case may be, of the amount specified in RFP / Minimum Criteria / Other Conditions of EOI;
- Duly executed NDA, stamped for Rs.100/-, if the Resolution Applicant so desires to send the same along with the EOI documents;
- An Affidavit that the Resolution Applicant and all connected persons meets the Mandatory Criteria of eligibility as Resolution Applicants of the Corporate Debtor; and
- Documents evidencing the meeting of the Minimum Criteria for Resolution Applicants approved by the Committee of Creditors, if the same is not revealed from the items listed above.

### *Mandatory Criteria– Eligibility of Resolution Applicants*

For details as to what are the Mandatory Criteria of eligibility of the Resolution Applicants – the prospective Resolution Applicants may refer to the provisions contained in the Insolvency & Bankruptcy Code, 2016 and the Rules and Regulations thereto, as amended up to date. Few of the provisions contained in the Code and Regulations referred above are provided in **ENCLOSURE – 1** for the benefit of the prospective Resolution Applicants; the provisions are not intended to be an exclusive list to contain all the mandatory provisions / criteria.

### *Mandatory Criteria – Eligibility of Resolution Plans*

For details as to what are the Mandatory Criteria with respect to the Resolution Plans – the prospective Resolution Applicants may refer to the provisions contained in the Insolvency & Bankruptcy Code, 2016 and the Rules and Regulations thereto, as amended up to date. Few of the provisions contained in the Code and Regulations referred above are provided in **ENCLOSURE – 2** for the benefit of the prospective Resolution Applicants; the provisions are not intended to be an exclusive list to contain all the mandatory provisions / criteria.

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### **Criteria of Resolution Applicants**

The MINIMUM CRITERIA including the criteria with respect to the Earnest Money Deposit approved by the Committee of Creditors are annexed herewith as **ENCLOSURE – 3** to this RFP.

### **EVALUATION MATRIX of Resolution Plans approved by the Committee of Creditors**

The EVALUATION MATRIX approved by the Committee of Creditors is annexed herewith as **ENCLOSURE – 4** to this RFP.

### **EARNEST MONEY DEPOSITS:**

A two stage Earnest Money deposits are specified. The first stage Earnest Money deposit is along with the submission of EOI and the second stage Earnest Money Deposit is along with the submission of the Resolution Plan. Both the amounts will be paid back within 3 working days of the meeting of the Committee of Creditors if the Resolution Plan submitted by the Resolution Applicant is rejected by the Committee of Creditors. No interest will be payable against both the Earnest Money Deposits.

If a Resolution Plan is approved by the Committee of Creditors the Earnest Money Deposits of the Resolution Applicant will be retained till such time the Adjudicating Authority passes necessary order of approval of the Resolution Plan. When the Resolution Plan is approved by the Adjudicating Authority the Earnest Money Deposits of the Resolution Applicant will be adjusted towards the implementation of the Resolution Plan. On the other hand, if a Resolution Plan approved by the Committee of Creditors, for any reason, is rejected by the Adjudicating Authority, the Earnest Money Deposits received from the Resolution Applicant will be returned within 7 working days of the order of the Adjudicating Authority.

## **E. RESOLUTION PLANS**

### **Form and Contents of Resolution Plans**

The Resolution Plan shall be specific and clear as to the offer amount, source of funds, timing and mode of payment etc. If a Resolution Plan is ambiguous with respect to the amount of offer and the terms of implementation, the Committee of Creditors may reject such plans without any further process. It is therefore expected that the Resolution Plans are expressed in definite and unambiguous terms.

The Resolution Plan shall contain the mandatory provisioning of priorities of stakeholders of the corporate debtor. Besides, the Resolution Plan shall be sufficiently detailed as to show the generation, sources and uses of funds during the entire period of implementation of the Resolution Plan. The specific aspects to be considered in the Resolution Plan include the following:

### **Projection for Sources of Cash**

The projections on the sources of cash shall not be confined to the catering of the immediate requirements or only the mandatory requirements of the Plan. It shall span over an estimated comfortable period when the proposed plan leads to the revival of the corporate debtor. The Resolution Plan shall demonstrate with sufficient workings the projections of cash flow from different sources, including but not limited to the following:

- Internal business operations – cash generations from continuing business of resolved entity;
- Upfront cash infusion proposed by the prospective Resolution Applicant;

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- Future / periodic cash infusion proposed by the prospective Resolution Applicant;
- Asset Sale / Business divestment of the resolved entity envisaged as part of the resolution plan and amount of cash generated;

### **Projected payout Plans**

The Resolution Plan shall be specific as to the nature of payout, present and future payments, among others; the following shall be distinguished / disclosed:

- Distinguish upfront and deferred cash payments.
- Disclose Present Value of deferred cash payment with 9% discount factor.
- Present value of payouts as % of admitted claims across categories at 9% discounted rate.

### **Credentials of projections for business operations of the resolved entity**

The following are illustrative list of aspects that are relevant for the Resolution Plan being considered

- Drivers of Revenue and Cost for number of years of Plan;
- Projected Cash Flows and Balance Sheet for such number of relevant years;
- Projection of capital structure leading to target capital structure and sustainable debt; and
- Planned sources and usage of cash for number of relevant years.

## **F. MEANING OF DIFFERENT TERMS**

The meaning of different terms, given below, for the purpose of this RFP, Minimum Criteria and Evaluation Matrix shall be as provided herein below:

### **Resolution Applicant**

*Resolution Applicant means a person, eligible as per the provisions of the Insolvency and Bankruptcy Code, 2016 and Regulations thereto to be a Resolution Applicant and who individually or jointly with any other person, submits a resolution plan to the resolution professional pursuant to the invitation made under clause (h) of sub-section (2) of section 25 of the IBC, 2016.*

### **Offer Amount**

*Offer amount, for the purpose of clause (b) of Other Conditions, shall mean the entire consideration, present and future, whether by Cash or Cash equivalents whether payable immediately or in future.*

**MINIMUM CRITERIA, EARNEST MONEY DEPOSIT CRITERIA**

The following are the Minimum Criteria for the prospective Resolution Applicants of the corporate debtor Shree Vinayak Foods & Fabrics Private Limited, as proposed before committee of creditors for necessary approval.

**MINIMUM CRITERIA**

1. Along with the EOI, the Resolution Applicant shall deposit Rs.5 lakhs (refundable, if Resolution Plan is not accepted) towards Earnest Money Deposit by way of demand draft / pay order in favour of Corporate Debtor “SHREE VINAYAK FOODS & FABRICS PRIVATE LIMITED (In CIRP)” payable at Ahmedabad.
2. Along with the Resolution Plan, the Resolution Applicant shall remit a minimum outright payment equivalent to at least 5% of the Total Offer Amount (refundable, if Resolution Plan is not accepted) by way of demand draft / pay order in favour of Corporate Debtor “SHREE VINAYAK FOODS & FABRICS PRIVATE LIMITED (In CIRP)” payable at Ahmedabad.

As approved by the CoC members.

Date: 18-07-2018  
Place: Ahmedabad

CA Vikash G. Jain  
Resolution Professional  
Reg. No: IBBI/IPA-001/IP-P00354/2017-18/10612

**EVALUATION MATRIX**

**PROPOSED EVALUATION MATRIX APPLICABLE TO RESOLUTION PLANS**

Resolution Plans from the Resolution Applicants will be evaluated based on Points assigned to each Plan as per the scheme of assigning points stated herein below. The Matrix will have two broad categories of evaluation, namely, Bid Price Points (BPP) and Non-Bid Price Points (NBPP). While BPP, based on the bid price, will have maximum of 90 Points, NBPP, based on other features, will have maximum of 10 Points. The method of assigning points to eligible bids is further elucidated below:

**A. BID PRICE POINTS (BPP) – MAXIMUM POINTS: 90**

The eligible Resolution Applicant (RA) with the Maximum “Effective Bid Price” (EBP) will be given 90 Bid Price Points (BPP) which is the maximum under this Heading. The BPP of Resolution Applicants, with EBP lesser than the Maximum EBP, will be worked out in proportion to EBP of RA having the maximum EBP. For example, the maximum EBP is INR 10 Cr. and the next lower EBP is INR 5 Cr.; the BPP will be:-

- The Bid Price Point for the Maximum EBP of INR 10 Cr.      90 Points
- The Bid Price Point for EBP of INR 5 Cr. =  $90 \times 5 / 10 =$       45 Points

The Bid Price Components (BPC) shall comprise of only Cash Component (Cash equivalent) and no other components like shares, debentures will be accepted.

The BPC will again be equated for the time value of money. That is all future cash payments, if any, will be discounted to arrive at the NPV (Net Present Value). The total BPC points so identified with all the future years of receipt will be equated to the current time, Year 0, discounting the same at a rate of 9% per annum to find the Net Present Value of the future receipts. Thus, the total NPV of all the components of BPC shall be taken as the EPB to assign Bid Price Points (BPP).

The Committee of Creditors reserves its right to decide on any one or more of the following, namely:

- whether to accept a future payment of Cash Equivalent;
- what shall or shall not be included as Cash Equivalent;
- what shall constitute as a reasonable maximum future period;
- what shall be the cut-off date for Year 0;
- the discounting method to be used; and
- All other aspects not specifically stated herein.

For more details, terms and conditions, the RFP (Request for Proposal) document may be referred to.

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**B. NON BID PRICE POINTS (NBPP) – MAXIMUM POINTS - 10 POINTS**

The following shall consist of the Non-Bid Price Point categories / items; the basis of allotment of Points to each NBPP items is also stated therein. The Maximum Points under this category shall be 10 Points.

**I. LISTING CATEGORY**

Resolution Applicant is an un-listed one from 31-12-2017	0 Point
Resolution Applicant is a listed one from 31-12-2017	2 Points

**II. ALL STAKE HOLDER APPROACH:**

Resolution Plans that have substantial “All Stake Holder Approach” in resolution (in the opinion of the Resolution Professional and subsequently by the COC) will be given a maximum of 2 points. If such substantial approach is not observed or observed less, the points given will be between 0 and 2.

**III. SOURCE OF FUND CRITERIA**

The Resolution Applicant shall establish the Source of Funding, which when funded the capital structure must be optimally leveraged. A maximum of 2 points will be assigned to a structure which COC considers as optimally leveraged.

**IV. CREDIT RATING – LONG / MEDIUM LOANS**

The credit rating of the Resolution Applicants with CARE AAA Rating (or the equivalent rating symbol adopted by other rating agencies) will be assigned the Maximum of 4 Points. Where Joint application is involved, the Resolution Professional and subsequently the COC shall assign points as is considered most appropriate by them. CARE AAA (or equivalent rating) will be assigned 4 Points, CARE AA (or equivalent rating) will be assigned 3 Point, CARE A (or equivalent rating) will be assigned 2 Points, CARE BBB (or equivalent rating) will be assigned 1 Points and CARE B, 0 Point.

As approved by the CoC members.

Date: 18-07-2018  
Place: Ahmedabad

CA Vikash G. Jain  
Resolution Professional  
Reg. No: IBBI/IPA-001/IP-P00354/2017-18/10612

**MANDATORY CRITERIA OF RESOLUTION APPLICANTS**

**GENERAL**

In this document, the Code shall mean the Insolvency and Bankruptcy Code, 2016 and the Regulation shall mean the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, as amended up to date.

**Section 25 (2) (h) of the Code:**

For the purpose of sub-section (1) the resolution professional shall undertake the following actions, namely:- Invite prospective resolution applicants, who fulfill such criteria as may be laid down by him with the approval of committee of creditors, having regard to the complexity and scale of operations of the business of the corporate debtor and such other conditions as may be specified by the Board, to submit a resolution plan or plans.

**Section 29 (A) of the Code:**

A person shall not be eligible to submit a resolution plan if such person acting jointly or in concert with such person-

- (a) is an undercharged insolvent;
- (b) is a willful defaulter in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949);
- (c) has an account, or an account of a corporate debtor under the management or control of such person or of whom such person is a promoter, classified as non-performing asset in accordance with the guidelines of the Reserve Bank of India issued under the Banking Regulation Act, 1949 (10 of 1949) and at least a period of one year has lapsed from the date of such classification till the date of commencement of the corporate insolvency resolution process of the corporate debtor;  
**Provided** that the person shall be eligible to submit a resolution plan if such person makes payment of all overdue amounts with interest thereon and charges relating to non-performing asset accounts before submission of resolution plan;
- (d) has been convicted for any offence punishable with imprisonment of two years or more;
- (e) is disqualified to act as a director under the Companies Act, 2013 (18 of 2013);
- (f) is prohibited by the Securities and Exchange Board of India from trading in securities or accessing the securities markets;
- (g) has been a promoter or in the management or control of a corporate debtor in which a preferential transaction, undervalued transaction, extortionate credit transaction or

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fraudulent transaction has taken place and in respect of which an order has been made by the Adjudicating Authority under this Code;

- (h) has executed an enforceable guarantee in favour of a creditor in respect of a corporate debtor against which an application for insolvency resolution made by such creditor has been admitted under this Code;
- (i) has been subject to any disability, corresponding to clauses (a) to (h), under any law in a jurisdiction outside India; or
- (j) has a connected person not eligible under clauses (a) to (i).

Explanation, - For the purposes of this clause, the expression “connected person” means-

- (i) any person who is the promoter or in the management or control of the resolution applicant; or
- (ii) any person who shall be the promoter or in the management or control of the business of the corporate debtor during the implementation of the resolution plan; or
- (iii) the holding company, subsidiary company, associate company or related party of a person referred to in clauses (i) and (ii)

**Provided** that nothing in clause (iii) of this Explanation shall apply to-

- (A) a scheduled bank; or
- (B) an asset reconstruction company registered with the Reserve Bank of India under Section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (54 of 2002); or
- (C) An Alternate Investment Fund registered with the Securities and Exchange Board of India.

Date: 18-07-2018  
Place: Ahmedabad

CA Vikash G. Jain  
Resolution Professional  
Reg. No: IBBI/IPA-001/IP-P00354/2017-18/10612



**MANDATORY CONTENTS – RESOLUTION PLANS**

**GENERAL**

In this document, the Code shall mean the Insolvency and Bankruptcy Code, 2016 and the Regulation shall mean the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Debtor) Regulations, 2016, as amended up to date.

**Section 30 of the Code:**

(1) A resolution applicant may submit a resolution plan to the resolution professional prepared on the basis of the information memorandum.

(2) The Resolution Professional shall examine each resolution plan received by him to confirm that each resolution plan:-

(a) Provides for the payment of the IRP Costs in the manner specified by the Board in priority to the repayment of other debts of the corporate debtor

(b) Provides for repayment of debts of operational creditor in such manner as specified by the Board which shall not be less than the amount to be paid to the operational creditors in the event of a liquidation of the corporate debtor under section 53

(c) Provides for management of the affairs of the CD after approval of the Resolution Plan

(d) The implementation and supervision of the resolution plan;

(e) Does not contravene any of the provisions of the law for the time being in force;

(f) Confirms to such other requirements as may be specified by the Board.

(3) RP shall present to COC for its approval such resolution plans which confirms the condition referred to in sub-section (2)

(4) The committee of creditors may approve a resolution plan by a vote of not less than seventy-five per cent of voting share of the financial creditors, after considering its feasibility and viability, and such other requirements as may be specified by the Board:

Provided that the committee of creditors shall not approve a resolution plan, submitted before the commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017, where the resolution applicant is ineligible under section 29A and may require the resolution

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professional to invite a fresh resolution plan where no other resolution plan is available with it:

Provided further that where the resolution applicant referred to in the first proviso is ineligible under clause (c) of section 29A, the resolution applicant shall be allowed by the committee of creditors such period, not exceeding thirty days, to make payment of overdue amounts in accordance with the proviso to clause (c) of section 29A:

Provided also that nothing in the second proviso shall be construed as extension of period for the purposes of the proviso to sub-section (3) of section 12, and the corporate insolvency resolution process shall be completed within the period specified in that sub-section.”.

(5) The resolution applicant may attend the meeting of the committee of creditors in which the resolution plan of the applicant is considered:

Provided that the resolution applicant shall not have a right to vote at the meeting of the committee of creditors unless such resolution applicant is also a financial creditor.

(6) The RP shall submit the resolution plan as approved by the committee of creditors to the Adjudicating Authority

**Regulations 37 of Regulation**

A resolution plan shall provide for the measures, as may be necessary, for insolvency resolution of the corporate debtor for maximization of value of its assets, 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;

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- (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;
- (j) change in portfolio of goods or services produced or rendered by the corporate debtor;
- (k) change in technology used by the corporate debtor; and
- (l) Obtaining necessary approvals from the Central and State Governments and other authorities.”

**Regulations 38 of Regulation**

- (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 AA;
  - (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 favor 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.

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(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) .