

**VIKRAM HOSPITAL PRIVATE LIMITED  
(IN CIRP)**

**DETAILED INVITATION FOR  
EXPRESSION OF INTEREST**

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**IN CONNECTION WITH FORM G  
DATED 06-08-2019 ISSUED IN  
CONNECTION WITH  
VIKRAM HOSPITAL PRIVATE LIMITED  
(IN CIRP)**

**CA RAMCHANDRA DALLARAM  
CHOUHARY  
RESOLUTION PROFESSIONAL**

**Pursuant to the Form G issued in connection with the CIRP in the case of Vikram Hospital Private Limited this Detailed Invitation for EOI is issued to enable participation by the Prospective Resolution Applicants. Eligible persons desirous to participate may provide their EOI on or before 21-08-2019.**

## **DETAILED INVITATION FOR EOI**

Pursuant to our Newspaper Advertisement dated 06-08-2019 inviting Resolution Plans from prospective Resolution Applicants, this Detailed Invitation for EOI document is made to provide details / clarity to various criteria / eligibility related to the Resolution Applicants / Resolution Plans.

The information provided herewith is categorized into the following headings:

- A. BRIEF PARTICULARS OF CORPORATE DEBTOR**
- B. ABOUT THE ONGOING CIRP**
- C. THE EOI PROCESS**
- D. CRITERIA AS PER SECTION 25 (2) (h) of IBC, 2016**
- E. INELIGIBILITY CRITERIA OF PROSPECTIVE RESOLUTION APPLICANTS UNDER SECTION 29 A TO THE EXTENT APPLICABLE**
- F. MANDATORY CRITERIA OF RESOLUTION APPLICANTS**

All prospective resolution applicants who meet the requirements of the invitation for expression of interest shall submit expression of interest latest by 6 PM on 21<sup>st</sup> of August, 2019. Please be informed that the expression of interest received after the time specified here shall be rejected.

Please also be informed that the expression of interest shall be unconditional and shall be accompanied by the documents specified in (C) THE EOI PROCESS.

The details / mandatory provisions thought as might be required to enable prospective resolution applicants to submit the EOI are provided in this document. However, the same shall not be construed as inclusive of all the mandatory requirements; all the provisions contained in the IBC, 2016 and Regulations thereto will be applicable to the extent relevant in this EOI process. The words and expressions used in this document shall have meaning as per the IBC, 2016 and Regulations thereto.

CA Ramchandra Dallaram Choudhary  
Resolution Professional of Vikram Hospital Private Limited  
IP Reg. No: IBBI/IPA-001/IP-P00157/2017-18/10326

## CHAPTER – A

### BRIEF PARTICULARS OF CORPORATE DEBTOR

#### A-1: PARTICULARS AS PER MCA SITE:

The identity of the Company is provided herein below in brief; these information are as taken from the MCA site.

✚ Name of the Company:	VIKRAM HOSPITAL PVT. LTD.
✚ Date of Incorporation:	26/05/2000
✚ CIN No :	U85110KA2000PTC027149
✚ Registered & Corporate Office:	No.46,Vivekananda Road, Yadavagiri, Mysore Karnataka (India)-570020
✚ Listing Status:	Unlisted
✚ Authorised Equity Share Capital:	20,00,00,000/-
✚ Paid up Equity Share Capital:	16,40,53,000/-
✚ Directors of the company:	Dr. Srikakulam Bhaskar Vikram Dr. Srikakulam Bhaskar Mr. HonnavalliNanjundaiahSanatKumar

#### A-2 NATURE AND SCALE OF OPERATION OF THE CORPORATE DEBTOR:

Vikram Hospital Pvt. Ltd. was known as the leader in the diagnosis and treatment of cardiovascular disease and is among one of the top heart centers in India. The Hospital also provided high-quality care in all clinical disciplines and had outstanding specialized treatment facility for the following:

- Cardiology, Cardiac Surgery
- Cosmetology& Dermatology
- Critical Care
- Endocrinology, ENT
- Pulmonology
- Gastroenterology & Hepatobiliary
- Medical & Surgical Oncology
- Nephrology & Urology
- Neurology & Neuro Surgery
- Orthopaedic & Trauma Care
- Plastic Surgery & Spine Surgery
- Maxilofacial

Vikram Hospitals is a Group of three (two pertaining to own and one, Vikram Jeev pertaining to the wholly owned subsidiary company, Prime Lifeline Healthcare Pvt. Ltd.) fine tertiary care hospitals in Mysore:

- ✚ VIKRAMJESHTA –which is in closed down condition since last 1 year due to working capital crunch.
- ✚ VIKRAM JEEV –The Hospital is a wholly owned subsidiary of Prime Lifeline Healthcare Pvt. Ltd. and managed presently by another Company namely, Advika Hospital LLP under an agreement of Operation and Management since the last one year. The agreement dated 27<sup>th</sup> July, 2017 that contains terms of reference, including the conditions as to the termination, renewal, payables etc. can be provided along with the IM.
- ✚ VIKRAM PERFECT –The Hospital is managed by VHPL and having dermatology department and dentistry department. This unit is run on leasehold premises. Recently both the activities in the hospital are discontinued.

A-3: WHOLLY OWNED SUBSIDIARY COMPANY OF C.D:

The entity PRIME LIFELINE HEALTHCARE PRIVATE LIMITED was running the Unit Vikram JEEV. Presently the Unit is being run under an Operations and Management agreement dated 27<sup>th</sup> July, 2017, entered into with Advika Hospital LLP, by Vikram Hospital Private Limited, Prime Lifeline Healthcare Private Limited and another Party.

A-4 THE NAME, REG. NO., ADDRESS, EMAIL ID, ETC. OF THE RESOLUTION PROFESSIONAL ARE AS FOLLOWS:

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

Name of Resolution Professional:	CA Ramchandra Dallram Choudhary
Name of Resolution Professional:	CA Ramchandra Dallaram Choudhary
IP Reg. No:	IBBI/IPA-001/IP-P00157/2017-18/10326
Address:	9 B, Vardan Tower, Near Vimal House, Lakhudi Circle, Navrangpura, Ahmedabad – 380 014. Telephone: (079) 26566577
Email Id:	rdc_rca@yahoo.com

**VIKRAM HOSPITAL PRIVATE LIMITED – JESTHA**



**CHAPTER – B**  
**ABOUT THE ONGOING CIRP (CORPORATE INSOLVENCY RESOLUTION PROCESS)**

The activity chart of the major events in relation to the CIRP of the corporate debtor is chronologically stated below:

Sr. No.	Event	Date of Event	Count of Days
1	CIRP-Admission&Appointment as IRP	19-06-2018	1
2	Public Announcement	23-06-2018	2
3	Intimation of Initiation of Corporate Insolvency Resolution Process to Regulatory and other Authorities like ROC, ESIC, PF, Etc.	26-06-2018	8
4	Physical Custody And Control of The Property of Vikram Hospital Private Limited	27-06-2018	9
5	Letter sent to Banks to direct not to allow any debit transaction from all the accounts of Vikram Hospital Private Limited.	28-06-2018	10
6	Provisional Admission of claims of Creditors	09-07-2018	21
7	Notice of 1 <sup>st</sup> meeting of COC	11-07-2018	23
8	Certifying the Constitution of the COC	16-07-2018	28
9	Certifying the List of Creditors	16-07-2018	28
10	First Meeting of COC	18-07-2018	30
11	Second Meeting of COC	03-09-2018	77
12	Public Announcement – Form G	07-09-2018	81
13	EOI received till date (i.e. till 24 <sup>th</sup> September, 2018)	24-09-2018	98
14	Provisional List of Eligible Prospective Resolution Applicants	25-09-2018	99
15	Issue of Information Memorandum, Evaluation Matrix& Request for Resolution Plan	30-09-2018	104
16	Pre-Bid Meeting	10-10-2018	114
17	Information Memorandum Update 15.10.2018	15-10-2018	119
18	Last date of receipt of Resolution Plans	31-10-2018	135
19	Second Progress Report filed to Hon'ble NCLT, Bengaluru Bench	24-10-2018	127
20	Extension of last date for receipt of Resolution Plan till 30.11.2018	24-10-2018	127
21	Issuance of Information Memorandum Update-2 dated 12.11.2018	12-11-2018	146

22	Issuance of IM Update: 20.11.2018 Clarification to Queries	20-11-2018	154
23	Receipt of two Resolution Plan (both incomplete and invalid)	30-11-2018	164
24	Fourth Meeting of CoC	04-12-2018	168
25	Re-issue of Request for Resolution Plan to all prospective resolution applicant	05-12-2018	169
26	Filing of Application for Extension of CIRP Period for 90 days with Hon'ble NCLT, Bengaluru Bench	07-12-2018	171
27	Extension order of CIRP period passed by Hon'ble NCLT	12-12-2018	176
28	Last date for receipt of Resolution Plan; Non-receipt of any Resolution Plan	21-12-2018	185
29	Refund of EMD amount submitted along with EOI	07-01-2019	202
30	Fifth Meeting of CoC	24-01-2019	219
31	Sixth Meeting of CoC	07-02-2019	233
32	Publication of Form G (Extended Date) in Economic Times (All India Edition) and Prajavani (All Karnataka Edition)	11-02-2019	237
33	Progress Report 003 filed with Hon'ble NCLT, Bengaluru Bench	25-02-2019	251
34	Application u/s 60 filed with Hon'ble NCLT, Bengaluru Bench	25-02-2019	251
35	Last date for submission of Resolution Plan	28-02-2019	254
36	Receipt of one Resolution Plan from Nazarbad Medical Services Private Limited	28-02-2019	254
37	Mail along with letter sent to Resolution Applicant regarding defects in Resolution Plan	04-03-2019	258
38	Rectified Resolution Plan dated 06.03.2019 received from Nazarbad Medical Services Private Limited	07-03-2019	261
39	Resolution Plan sent to all the members of the CoC	07-03-2019	261
40	Notice for seventh meeting of CoC and Confidential Report on compliance of Resolution Plan sent to all the members of the CoC	09-03-2019	263
41	Seventh Meeting of CoC	11-03-2019	265
42	Notice for eighth meeting of CoC sent to all the members of the CoC	12-03-2019	266
43	Eighth Meeting of CoC	14-03-2019	268
44	Application for Liquidation filed with Hon'ble NCLT, Bengaluru Bench	15-03-2019	269
45	Return of Demand Draft to Resolution Applicant	17-03-2019	270

46	Final Progress Report filed with Hon'ble NCLT, Bengaluru Bench	20-03-2019	Period beyond 270 Days
47	Application for exclusion of 114 days from CIRP period (180+90 Days) filed with the Hon'ble NCLT, Bengaluru Bench	08-04-2019	Period beyond 270 Days
<b>PERIOD OF 114 DAYS IN LITIGATION ALLOWED FOR EXTENSION OF CIRP BY THE HON'BLE NCLT, BENGALURU</b>			
48	Order for exclusion of 114 days from CIRP period (180+90 Days) passed by the Hon'ble NCLT, Bengaluru Bench	13-06-2019	0
49	Ninth meeting of the Committee of Creditors	20-06-2019	7
50	Letter to Dr. S B Vikram authorising him to communicate to the prospective resolution applicant/s to submit their Expression of Interest	21-06-2019	8
51	Receipt of EOI from one prospective resolution applicant namely, Mr. R Balaji Singh	06-07-2019	23
52	Request for Resolution Plan sent to Mr. R Balaji Singh and EOI forwarded to all the members of the Committee of Creditors	08-07-2019	25
53	Last Date of receipt of Resolution Plan	23-07-2019	40
54	Tenth meeting of the Committee of Creditors	02-08-2019	50
55	Form G Publication	06-08-2019	54
56	Revised Last Date of CIRP (180+90 Days and 114 Days from 13-06-2019)	05-10-2019	114
57	Initiation of CIRP	19-06-2018	
58	Last Date of CIRP (180+90 Days)	16-03-2019	
59	Revised Last Date of CIRP (180+90 Days and 114 Days from 13-06-2019)	05-10-2019	

Note: The Hon'ble NCLT, Bengaluru Bench vide order dated 13-06-2019 has granted exclusion of period of some litigation during the CIRP period of 114 days from CIRP Period (180+90 Days). Therefore the counting of CIRP Days from Sr. No. 48 is started from "0".



## CHAPTER – C

### THE EXPRESSION OF INTEREST (EOI) PROCESS

#### C-1 THE FORM – G PUBLISHED IN NEWSPAPERS

This document is in conformity with the Form G dated 06-08-2019 published in newspapers to provide the details of the invitation to the EOI from prospective resolution applicants for Vikram Hospital Private Limited.

#### C-2 REQUISITES OF EOI

The EOI (Expression of Interest) shall be unconditional and be accompanied by the following documents:

- (a) an undertaking by the prospective resolution applicant that it meets the criteria specified by the committee under clause (h) of sub-section (2) of section 25;
- (b) relevant records in evidence of meeting the criteria under clause (a);
- (c) an undertaking by the prospective resolution applicant that it does not suffer from any ineligibility under section 29A to the extent applicable;
- (d) relevant information and records to enable an assessment of ineligibility under clause (c);
- (e) an undertaking by the prospective resolution applicant that it shall intimate the resolution professional forthwith if it becomes ineligible at any time during the corporate insolvency resolution process;
- (f) an undertaking by the prospective resolution applicant that every information and records provided in expression of interest is true and correct and discovery of any false information or record at any time will render the applicant ineligible to submit resolution plan, forfeit any refundable deposit, and attract penal action under the Code; and
- (g) an undertaking by the prospective resolution applicant to the effect that it shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under sub-section (2) of section 29.

### C-3GENERAL GUIDELINES W.R.T EXPRESSION OF INTEREST

- a. The last date and time of submission of expression of interest is 21<sup>st</sup> of August, 2019 till 6 PM. Please be informed that the expression of interest received after the time specified here shall be rejected.
- b. The EOI and documents shall be sent to the resolution professional through person / registered post / speed post / courier / e-mail; the resolution professional shall not be held responsible for non-delivery of EOI and all documents for any reason. To strengthen the process the EOI applicants are requested to send an email confirmation of the sending of EOI by post or other means with details of docket number etc. for tracking.
- c. Briefing Session – Pre-EOI submission session – If some more details are required by any of the prospective resolution applicants or clarifications are required, the details can be sought from the resolution professional whose contact details are already provided.
- d. On or before 22<sup>nd</sup> August, 2019 a Provisional list of eligible prospective resolution applicants will be prepared by the Resolution Professional and the same will be communicated to all the EOI applicants and to the Committee of Creditors. Any objection to the inclusion or exclusion of an Applicant in the provisional list may be made to the resolution professional with supporting documents within five days from the date of issue of the provisional list. That is, all the objections shall be received by the resolution professional on or before the 27<sup>th</sup> August, 2019. The objections may be sent to the email id of the resolution professional.
- e. On receiving the objections received on the inclusion or exclusion specified above the resolution professional shall be issuing the final list of prospective resolution applicants within 28<sup>th</sup> August, 2019.
- f. The EOI shall state clearly the name of the person to be contacted, the communication address, E-mail and telephone number for contact in case of need. The communication of the Provisional List of eligible prospective Resolution Applicants will be made only to the email id provided by the prospective applicants. The communications to the resolution professional (other than the EOI document) shall be made to his email id only and shall be made strictly from the communication email id of the prospective resolution applicant provided for communication in the EOI.
- g. The prospective 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.

- h. The prospective 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.
- i. This document specified different dates as last dates for various activities in the resolution process period; these dates shall be adhere to by all concerned. If the last date of receipt of a document happens to be a holiday for the office of the Resolution Professional, the next working day of the Resolution Professional shall be considered for the receipt of that specified document. The office of the resolution professional follows the bank holidays followed in Gujarat State (except the second and fourth Saturday holidays of banks) as its holiday.

#### C-4 MODE OF SENDING EOI& DOCUMENTS

As earlier specified, the EOIs shall be submitted in person or by registered post or speed post or courier or E-mail to the office of the resolution professional. All Prospective Resolution Applicants who meet the requirements of the invitation for expression of interest and wishes to submit expression of interest, shall submit the same latest by 6 PM on 21-08-2019.

The EOIs and all documents sent by post shall be addressed to the Resolution Professional at the address provided in this document. 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.

The EOIs will be received at the office of the Resolution Professional on all working days, between 11 AM to 6 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.

#### C-5 ILLUSTRATIVE LIST OF DOCUMENTS IN SUPPORT OF ELIGIBILITY

All prospective resolution applicants who wish to submit EOI shall submit relevant records in evidence of meeting the criteria under section 25 (2) (h) of IBC, 2016 r/w

Regulations thereto; an illustrative list of documents in support of eligibility is provided below; the list need not be construed as inclusive of all relevant records.

- Letter stating Expression of Interest of the Resolution Applicant(s) signed by the person(s) authorized to make the EOI on behalf of the Applicant;
- Copy of PAN Card of the Resolution Applicant(s);
- Copy of Incorporation document of the Resolution Applicant(s);
- Copy of Memorandum and Articles of Association, in case the Resolution Applicant is a Company, constitutional document in case of LLP, registered copy of Partnership Deed in case of Partnership firms;
- Copy of KYC including Address Proof of the Resolution Applicant(s);
- Copy of KYC of the person(s) authorized to represent the Resolution Applicant(s);
- Copy of appropriate Board Resolutions, wherever applicable, (separate resolution of all the 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, in case of Companies, for the previous 3 Financial Years;
- Certificate of net worth issued by a Chartered Accountant in case of Individual resolution applicant(s);
- Undertakings / Documents as stated in C-2(BASIC REQUISITES / DOCUMENTS TO BE PROVIDED WITH EOI) above; AND
- Other Documents evidencing that the Resolution Applicant(s) meet the Minimum Criteria approved by the Committee of Creditors, if the same is not revealed from the items listed above;

#### C-6 TENTATIVE 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.

The important dates in the Resolution Plan process are as under:

- 06-08-2019: Newspaper advertisement in Form G
- 06-08-2019: Detailed Invitation for EOI will be made available in the website of IPE: [www.sunresolution.in](http://www.sunresolution.in)
- 21-08-2019: Last date of receiving EOI at the office of the Resolution Professional i.e. within 6 PM of 21-08-2019
- 22-08-2019: Preparation of Provisional list of eligible prospective resolution applicants
- 27-08-2019: Last date of receipt of Objection, if any, to the Provisional list of prospective resolution applicants
- 28-08-2019: Preparation of Final list of eligible prospective resolution applicants
- 22-08-2019: Issuance of RFRP (Request for Resolution Plans)
- 22-08-2019: Issue of Information Memorandum, Evaluation Matrix
- 21-09-2019: Last date of receipt of Resolution Plans

**C-7 BANK ACCOUNT DETAILS OF THE CORPORATE DEBTOR:**

The bank account details of Vikram Hospital Private Limited are as under:

Name of the Account:	Vikram Hospital Private Limited (In CIRP)
Account Number:	0566201001853
Name of the Bank:	Canara Bank
Branch:	Jayalaxmipuram (Mysore)
IFSC Code:	CNRB0000566

**CHAPTER – D**  
**MINIMUM CRITERIA AS PER SECTION 25 (2) (h) of IBC, 2016AS**  
**APPROVED BY THE COC – DATED: 20-06-2019**

The Minimum Criteria for the prospective Resolution Applicants of the corporate debtor Vikram Hospital Private Limited, as approved by Committee of Creditors in their Meeting dated 20-06-2019 is provided in **ANNEXURE – D-1**.

**CHAPTER – E**  
**ELIGIBILITY CRITERIA OF PROSPECTIVE RESOLUTION**  
**APPLICANTS UNDER SECTION 29 A TO THE EXTENT**  
**APPLICABLE / OTHER PROVISIONS**

**E-1 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 and applicable.

**E-2 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 fulfil such criteria as may belaid down by him with the approval of committee of creditors, having regard to thecomplexity and scale of operations of the business of the corporate debtor and suchother conditions as may be specified by the Board, to submit a resolution plan orplans.

**E-3 SECTION 29 (A) OF THE CODE:**

**[PERSONS NOT ELIGIBLE TO BE RESOLUTION APPLICANT]**

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 undischarged 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) at the time of submission of the resolution plan 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) or the guidelines of a financial sector regulator issued under any other law for the time being in force, 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;

**Provided further** that nothing in this clause shall apply to a resolution applicant where such applicant is a financial entity and is not a related party to the corporate debtor;

**Explanation 1** – For the purpose of this proviso, the expression “related party” shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date.

**Explanation II** – For the purposes of this clause, where a resolution applicant 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 and such account was acquired pursuant to a prior resolution plan approved under this Code, then the provisions of this clause shall not apply to such resolution applicant for a period of three years from the date of approval of such resolution plan by the Adjudicating Authority under this Code;

(d) has been convicted for any offence punishable with imprisonment –

- i. of two years or more under any Act specified under the Twelfth Schedule; or
- ii. for seven years or more under any other law for the time being in force;

**Provided** that this clause shall not apply to a person after the expiry of a period of two years from the date of his release from imprisonment;

**Provided further** that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

(e) is disqualified to act as a director under the Companies Act, 2013 (18 of 2013);

**Provided further** that this clause shall not apply in relation to a connected person referred to in clause (iii) of Explanation I;

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

**Provided** that this clause shall not apply if a preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction has taken place prior to the acquisition of the corporate debtor by the resolution applicant pursuant to a resolution plan approved under this Code or pursuant to a scheme or plan approved by a financial sector regulator or a court, and such resolution applicant has not otherwise contributed to the preferential transaction, undervalued transaction, extortionate credit transaction or fraudulent transaction;

(h) has executed a 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 and such guarantee has been invoked by the creditor and remains unpaid in full or part;

(i) is 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 I - *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 Explanation I shall apply to a resolution applicant where such applicant is a financial entity and is not a related party of the corporate debtor:*

**Provided further** *that the expression "related party" shall not include a financial entity, regulated by a financial sector regulator, if it is a financial creditor of the corporate debtor and is a related party of the corporate debtor solely on account of conversion or substitution of debt into equity shares or instruments convertible into equity shares, prior to the insolvency commencement date;*

*Explanation II—For the purposes of this section, "financial entity" shall mean the following entities which meet such criteria or conditions as the Central Government may, in consultation with the financial sector regulator, notify in this behalf, namely:—*

*(a) a scheduled bank;*

*(b) any entity regulated by a foreign central bank or a securities market regulator or other financial sector regulator of a jurisdiction outside India which jurisdiction is compliant with the Financial Action Task Force Standards and is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding;*

*(c) any investment vehicle, registered foreign institutional investor, registered foreign portfolio investor or a foreign venture capital investor, where the terms shall have the meaning assigned to them in regulation 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 made under the Foreign Exchange Management Act, 1999 (42 of 1999);*

*(d) an asset reconstruction company register with the Reserve Bank of India under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);*

*(e) an Alternate Investment Fund registered with Securities and Exchange Board of India;*

*(f) such categories of persons as may be notified by the Central Government.*

## CHAPTER – F

### MANDATORY CRITERIA OF RESOLUTION PLANS

#### GENERAL

The Mandatory Contents of the Resolution Plan are provided in this document. Where the word Code is used, it 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 (SUBMISSION OF RESOLUTION PLAN)

(1) A resolution applicant may submit a resolution plan along with an affidavit stating that he is eligible under Section 29A to the resolution professional A 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 payment 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.

*Explanation.* — For the purposes of clause (e), if any approval of shareholders is required under the Companies Act, 2013(18 of 2013) or any other law for the time being in force for the implementation of actions under the resolution plan, such approval shall be deemed to have been given and it shall not be a contravention of that Act or law.

(3) The resolution professional 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 **sixty-six** 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 (Ord. 7 of 2017), where the resolution applicant is ineligible under section 29A and may require the resolution 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:

Provided also that the eligibility criteria in section 29A as amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 shall apply to the resolution applicant who has not submitted resolution plan as on the date of commencement of the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018.

(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

#### SUB-REGULATION 4A of REGULATION 36B PERFORMANCE SECURITY

The request for resolution plans shall require the resolution applicant, in case its resolution plan is approved under sub-section (4) of section 30, to provide a performance security within the time specified therein and such performance security shall stand forfeited if the resolution applicant of such plan, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of that plan in accordance with the terms of the plan and its implementation schedule.

Explanation I. – For the purposes of this sub-regulation, “performance security” shall mean security of such nature, value, duration and source, as may be specified in the request for resolution plans with the approval of the committee, having regard to the nature of resolution plan and business of the corporate debtor.

Explanation II. – A performance security may be specified in absolute terms such as guarantee from a bank for Rs. X for Y years or in relation to one or more variables such as the term of the resolution plan, amount payable to creditors under the resolution plan, etc.

### REGULATIONS 37 OF REGULATION (RESOLUTION PLAN)

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;
- (ca) cancellation or delisting of any shares of the corporate debtor, if applicable;
- (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;
- (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 (MANDATORY CONTENTS OF THE RESOLUTION PLAN)

(1) The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors.

(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

(IB) A resolution plan shall include a statement giving details if the resolution applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any other resolution plan approved by the Adjudicating Authority at any time in the past.

(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 demonstrate that –

(a) it addresses the cause of default;

(b) it is feasible and viable;

(c) it has provisions for its effective implementation;

(d) it has provisions for approvals required and the timeline for the same; and

(e) the resolution applicant has the capability to implement the resolution plan.

Date: 06-08-2019

Place: Ahmedabad

SD/-

CA Ramchandra Dallaram Choudhary

Resolution Professional

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