

TEMPLATE OF RESOLUTION PLAN
UNDER THE INSOLVENCY AND BANKRUPTCY
CODE, 2016

DATED: _____

SUBMITTED BY

[RESOLUTION APPLICANT / CONSORTIUM OF RESOLUTION APPLICANTS]

A [public/ private] limited company under the (Indian) Companies Act, 1956, and existing under the ((Indian) Companies Act, 2013, having its registered office at []

IN THE MATTER OF

CORPORATE INSOLVENCY RESOLUTION PROCESS OF

[Corporate Debtor]
CIN - _____

A [public/ private] limited company incorporated under the (Indian) Companies Act, 1956, and existing under the ((Indian) Companies Act, 2013, having its registered office at [TBI]

NCLT _____Bench, Case No: _____

Submitted By:

[insert name of authorized signatory]
Authorized Signatory
[insert email of authorized signatory]
[Resolution Applicant]

Submitted To:

[Resolution Professional]

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I. DEFINITIONS

As used in the resolution plan, the following capitalized terms shall have the following meanings:

[Definitions of terms used in the resolution plan to be inserted in this section, as applicable]

The words not defined herein shall be as defined under the IBC Code and IBC Regulations.

Abbreviation/ Definition	Full form/ reference
Adjudicating Authority	The bench of the National Company Law Tribunal, [State]
Applicable Laws	All applicable laws as may be applicable from time to time
CIRP	Corporate Insolvency Resolution Process
CIRP Regulations	The Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as amended
CoC or COC	Committee of Creditors
Effective Date	The date on which the Resolution Plan is approved by the Adjudicating Authority i.e. NCLT or some other date as per the Resolution Applicant. (In case it varies from RFRP -reasoning for adopting such date should be given)
Governmental Authority	Any nation or government or any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of India as applicable, or any political subdivision thereof or any other applicable jurisdiction; any court, tribunal or arbitrator or other adjudicatory authority, and any securities exchange or body or authority regulating such securities exchange
IBC or Code	Insolvency and Bankruptcy Code, 2016
RA	Resolution Applicant
RP	Resolution Plan
Transfer Date	The date on which the effective control and management of the CD is transferred in favour of the RA or when entire consideration amount as per plan is paid.

II. EXECUTIVE SUMMARY OF THE RESOLUTION PLAN

[Placeholder for presenting an executive summary of the resolution plan, which may include identified synergies, value addition and other benefits from the proposed resolution plan.]

Illustration: The Resolution Applicant believes that its unique combination of financial strength, management depth, significant turnaround experience and broad technological expertise would enable it to successfully implement its Resolution Plan for the Corporate Debtor.

[Summary may include proposed financial proposal, transaction structure, term and implementation schedule, desired reliefs and concessions, etc.]

In case of a consortium plan: we agree and declare that we being members of the consortium will be jointly and severally liable for performance of the terms of this resolution plan submitted to the resolution professional for submitting the resolution plan.

[An indicative format for summary is as below:

S.NO.	Particulars	Key terms/Amounts
1	Amount of upfront payment to Creditors (Upfront cash recovery)	
2	Balance repayment obligation to creditors (other than 1 above)	
3	Proposed instruments for repayment	
4	Interest rate/coupon and frequency of payment	
5	Repayment schedule	
6	Security	
7	Conversion terms for quasi equity instruments, if any	
8	Terms of equity being offered to lenders, if any	
9	Amount of fresh equity proposed to be infused for improving operations of the Company	
10	Corporate Guarantee or additional collateral/security being offered by the Resolution Applicant	
11	Details of key management personnel of the Resolution Applicant with a brief description of experience in the relevant industry/business	
12	Details of prior experience of the Resolution Applicant in managing similar business	
13	Brief description of successful turnaround case studies in India or abroad	

14	Credit Rating of the Resolution Applicant	
15	<p>Brief of proposed business plan for the Company including the following:</p> <p>Proposed improvement in capacity utilization</p> <p>Proposed improvement in sales realization</p> <p>Proposed improvement in EBITDA margin and absolute EBITDA</p> <p>Technology adapted</p> <p>Any synergies with existing business/operations of the Resolution Applicant</p> <p>Plan for addressing interests of all stakeholders</p>	

III. PROFILE OF THE RESOLUTION APPLICANT

[Brief profile of the Resolution Applicant ("RA"), including the following illustrative points:

- a) Business and background of the RA, its history, geography of operations, financial overview etc.
- b) Details of RA's group companies and corporate structure, composition and shareholding etc.
- c) **Asset classification of the companies under the control of the RA with lenders [whether defaulter / NPA (including promoters / directors)]**
- d) Details of the Directors / Partners of the RA along with their contact details
- e) RA's experience in the relevant industry/ sector
- f) Brief overview of the management personnel of the RA
- g) Summary of competitive advantages of the RA
- h) List of cases under IBC wherein the RA has given its Expression of Interest and the outcome of those EOIs as on the date of submission of this Resolution Plan
- i) List of pending litigations by / against the RA under IBC.
- j) Business rationale of the proposed resolution plan
- k) Any other point, as applicable]

IV. OVERVIEW OF THE CORPORATE DEBTOR

[Brief description of the Corporate Debtor, including the following illustrative points:

1. Brief overview of the business and history of the Corporate Debtor
2. Details of the group companies and the corporate structure, shareholding etc.
3. Understanding of reasons for the current financial distress of the Corporate Debtor
4. Declaration/ undertaking regarding the due-diligence undertaken by the RA w.r.t. the Corporate Debtor
5. Any other point as applicable]

V. BRIEF OVERVIEW OF THE INDUSTRY

[Brief write up on the trends and Opportunities in the industry (in which the Corporate Debtor operates or is dependent on) that may have led to the ongoing distress faced by the Corporate Debtor.

Brief rationale of the proposed resolution plan/ transaction structure and how it is expected to resolve the distress faced by the Corporate Debtor.]

[If the RA intends to change the existing line of business of the Corporate Debtor or pursue other business, the reasons thereof with assumptions and projections.]

VI. SUMMARY OF FINANCIAL PROPOSALS OF THE RESOLUTION PLAN

[Placeholder for summarizing the financial proposal of the resolution plan]

Illustration: An overview of the amounts proposed to be paid towards the corporate insolvency resolution of the Corporate Debtor pursuant to the implementation of the proposed resolution plan is set out below:

- a) Payment towards CIRP costs – []
- b) Operational creditors settlement amount – []
- c) Upfront cash payment to financial creditors – []
- d) Upfront payment towards outstanding employee dues – []
- e) Balance payment to the Creditors []
- f) Equity upside to financial creditors (If any) – []
- g) Distribution in kind to the stakeholders (if any)
- h) Fresh capital infusion – []

Details of settlement plan to various creditors:

Sl. No.	Parameters	Amounts Payable (INR Crore)	Source of Funds	Description of Proposal
1	Upfront Cash Recovery for Financial Creditors	[]	[]	[Reference to relevant section wherein details of the payout including timing, breakup / basis of payout to various financial creditors are provided]
2	NPV based on evaluation matrix, as provided in the RFP	[]	[]	[Reference to relevant section wherein details of the deferred payout including timing, quantum are provided]
3	Equity allotment to Financial Creditors (If any)	[]	[]	[Reference to relevant section wherein details of the equity allotment, as applicable, are provided]
4	Treatment of other stakeholders (other than Financial Creditors)			
Sl. No.	Parameters	Amounts Payable (INR Crore)	Source of Funds	Description of Proposal
4(a)	<i>Operational creditors, excluding employees and workmen</i>	[]	[]	[Reference to relevant section wherein details of the payout including timing, breakup / basis of payout to various creditors are provided]

4(b)	<i>Employees and workmen</i>	[]	[]	[Reference to relevant section wherein details of the payout including timing, breakup / basis of payout to various creditors are provided]
4(c)	<i>Other creditors</i>	[]	[]	[Reference to relevant section wherein details of the payout including timing, breakup / basis of payout to various creditors are provided]

Details of fresh capital infusion:

Sl. No.	Parameters	Amounts Payable (INR Crore)	Source of Funds	Description of Proposal
1	Upfront fresh capital infusion for improving operations and enhancing revival prospects of the Corporate Debtor	[]	[]	[Reference to relevant section wherein details of fresh capital infusion, including quantum and timing are provided]

Other relevant details for the purpose of evaluation, as per the RFP document provided by RP/ COC of the Corporate Debtor:

Sl. No.	Parameters	Description of Proposal
1	Reasonableness of Financial Projections	[Reference to relevant sections of the resolution plan]
2	Ability to turnaround distressed companies	[Reference to relevant sections of the resolution plan]
3	Assessment of credibility of applicant and connected persons (to the extent that connected persons are proposed to be participants in the implementation of the Resolution Plan)	[Reference to relevant sections of the resolution plan]

[Relevant inputs providing details / basis of the payout / infusion (including timing, quantum etc.) to various stakeholders to be laid out – as referred in the aforementioned tables]

VII. DETAILS OF THE PROPOSED RESOLUTION / TRANSACTION STRUCTURE

[This section should provide details of the proposed transactional changes as required under **Regulation 37** of IBBI (CIRP) Regulations . This may include the following as applicable:

- (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) Delisting of shares/ Continuation of Listing (minority shareholders interest should be dealt separately).....
- (d) Mergers or Consolidations
- (e)

VIII. BUSINESS REVIVAL PLAN

[A write up on the business plan including assumptions and financial projections basis which the financial proposal has been drafted. The financial projections shall include the projected cash flows, the projected profitability of the CD and the Projected Balance Sheet which should be for a minimum period of the term of the resolution Plan plus one year.

The business plan may provide details of proposed management team, fund infusion and its sources to meet capital expenditure/ working capital requirement, operational and marketing plan, etc.]

IX. TERM, IMPLEMENTATION SCHEDULE AND MONITORING OF THE RESOLUTION PLAN

[Steps envisaged for implementation of the proposed resolution plan to be elaborated, along with corresponding timelines (illustration provided below)

- a) Step by step approach with timelines for implementing the proposed resolution plan
- b) Required approvals and timelines for obtaining the same :
 - These may include:
 - RBI approval
 - SEBI approval
 - Ministry of Corporate Affairs / RoC approvals
 - Competition Commission of India approval
 - Sector Regulatory Approval
- c) Infusion of capital, as envisaged in the proposed resolution plan
- d) Settlement of creditors, as per details of the financial proposal
- e) Other relevant steps and timelines, as applicable

Further, the mechanism for monitoring, reporting, along with provision for associated costs, for the implementation of the resolution plan is required to be elaborated. Commonly proposed mechanisms include formation of a monitoring committee, comprising of members of the CoC, RP, RA etc., with defined roles and responsibilities.]

X. TREATMENT OF VARIOUS STAKEHOLDERS

[A write up on the treatment of various stakeholders, as proposed in the resolution plan in accordance with **Regulation 38(1A)**. An illustration is provided below, for reference:

Illustration:

The Resolution Applicant has, to the extent possible, taken into account the interests of all Stakeholders of the Corporate Debtor. A synopsis of how the Resolution Applicant proposes to deal with the interest of Stakeholders is stated below.

Priority ranking payments : For example PF, Gratuity etc.

Insolvency Resolution Process Costs

Insolvency Resolution Process Costs will be paid in priority over payments to all Creditors. The Insolvency Resolution Process Costs, to the extent that it remains outstanding, shall be first duly paid by the Corporate Debtor from its accruals and distributable cash.

[Additional details may be added, as relevant]

Workmen and Employees

The Resolution Applicant is desirous of paying []% of the Workmen and Employees' Claims.

[Additional details such as retention of employees etc. may be added, as relevant]

Financial Creditors

The Resolution Applicant is proposing to pay the Financial Creditors the amounts stated under Section [], which is higher than the recoveries that the Financial Creditors are likely to make in case of liquidation. [Basis of distribution may be elaborated]

Treatment of Dissenting Financial Creditors.

The Resolution Applicant is desirous of paying []% of the Dissenting Financial Creditors' Claims.

Operational Creditors (other than Workmen, Employees)

The Resolution Applicant is proposing to pay the Operational Creditors the amounts stated under Section []. [Basis of distribution may be elaborated]

Shareholders

As a part of the Resolution Plan, the Resolution Applicant is desirous of [proposed treatment of shares may be elaborated]

Other Creditors

The Resolution Applicant is proposing to pay the Other Creditors the amounts stated under Section []. [Basis of distribution may be elaborated]

Treatment of Contingent Liabilities including Bank Guarantees

The Resolution Applicant is proposing to settle/ meet the Contingent Liabilities in the following manner [Basis of distribution may be elaborated]

[Proposal for any other / specific stakeholder, as desired by the RA, may be included]

XI. MANDATORY CONTENTS OF THE RESOLUTION PLAN

[References to sections covering the mandatory contents of the resolution plan, as per the provisions of the Code, the CIRP Regulations and the RFP (if any issued by RP/COC) to be provided. Any pending content not covered in the resolution plan elsewhere may be laid out here.

Illustration (as per the provisions of the Code and CIRP regulations amended up to)

Provision	Requirement	Relevant Clause in this Resolution Plan
Section 30 (1) of IBC	Affidavit under Section 29A	
Section 30 (2)(a) of IBC	Payment of CIRP cost in priority to payment of other debts	
Section 30 (2)(b) of IBC	<p>Provides for the payments of debt of operational creditors in such a manner as may be prescribed by the Board which shall not be less than –</p> <p>(i) The amount to be paid to such creditor in the event of liquidation of the CD under section 53; or</p> <p>(ii) The amount that would have been paid to such creditors, if the amount to be distributed in accordance with the order of priority in sub-section (1) of Section 53,</p> <p>whichever is higher, and provides for the payment of debts of financial creditors, who do not vote in favour of resolution plan, in such a manner as may be specified by the board, which shall not be less than the amount to be paid to such creditors in accordance with sub-section (1) of section 53 in the event of liquidation of the C.D.</p>	
Section 30 (2)(c) of IBC	Management of affairs of the Corporate Debtor after approval of Resolution plan	
Section 30 (2)(d) of IBC	Implementation and supervision of Resolution Plan	
Section 30 (2) (e) of IBC	The Resolution Plan does not contravene with any of the provisions of law for the time being in force	
Section 30(2) (f) of IBC	Confirms to such other requirement as may be specified by the Board	

Regulation 38(1)	The amount due to the operational creditors under a resolution plan shall be given priority in payment over financial creditors.	
Regulation 38(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	
Regulation 38(1B)	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	
Regulation 38(2)(a)	Term of the plan and implementation schedule	
Regulation 38(2)(b)	Management and control of the business of CD during its term	
Regulation 38(2)(c)	Adequate means for supervising its implementation	
Regulation 38(2)(d)	Manner in which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed	
Regulation 38(3)	A resolution plan shall demonstrate that: <ul style="list-style-type: none"> a. It addresses the cause of default; b. it is feasible and viable; c. It has provisions for 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. 	
Regulation 39 (1) (a) and 39 (1)(c)	An affidavit stating that it is eligible to submit Resolution Plan and; An undertaking by the Resolution Applicant that every information and records provided in connection with or in the Resolution Plan is true	

	and correct and discovery of any false information and record at any time will render the applicant ineligible, forfeit the earnest money deposit and attract penal action under the IBC.	
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XII. ELIGIBILITY DECLARATION BY RESOLUTION APPLICANT UNDER SECTION 29A

Declaration that the R.A. is not in contravention of section 29A of IBC2016.

XIII. SUBMISSION OF EMD AND PERFORMANCE SECURITY

[Provide details of submission of EMD and / or Performance Security and the treatment thereof in case of implementation as well as non-implementation of Resolution Plan].

XIV. SOURCE OF FUNDS

[The source of funds, as proposed to be settled in the financial proposal to be detailed.] Attachments as evidence to be provided.

Illustration:

Description of Source of Funds to meet the requirements given
Insolvency Resolution Process Costs
[]
Workmen and Employee settlement amount
[]
Upfront recovery to Financial Creditors and claims being paid to operational creditors
[]

XV. OTHER TERMS OF RESOLUTION PLAN

[Proposed treatment of any unclaimed / unpaid / pending / contingent / statutory dues may be elaborated including but not limited to the following:

- Treatment of all other liabilities not received / admitted by the RP
- Treatment of contingent liabilities
- Extinguishment and Waiver of other claims and liabilities
- Novation of debt
- Treatment of debts barred by limitation
- Treatment of employees/Workers
- Treatment of subsidiaries
- **Desired reliefs and concessions (dealt separately)**
- Treatment of specific contracts
- Treatment of auditors, corporate governance implementation in corporate debtor post acquisition
- Treatment of personal guarantees of existing promoters
- Change in company secretary/KMPs
- Condition of delays in stock exchange filing /AGM /finalization of audited balance sheet / other compliances
- Completion of formalities for registration of title deeds / lease deeds
- Taking control of assets of Corporate Debtor not in its possession
- Releasing assets owned by operational / other creditors
- Release of amounts / assets / documents held by financial creditors in escrow / Trust
- Treatment with regard to pending litigations

XVI. DECLARATION ON FAILURE TO IMPLEMENT RESOLUTION PLAN (Regulation 38(1B))

The Resolution Applicant declares that neither the Resolution Applicant, nor 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.

XVII. HOW THE PROCEEDINGS AND PROCEEDS IN RELATION TO AVOIDANCE AND FRAUDULENT TRANSACTIONS WILL BE DEALT.

The Resolution Applicant shall provide/deal with for the manner in which proceedings in respect of avoidance transactions, if any, under Chapter III or fraudulent or wrongful trading under Chapter VI of Part II of the Code, will be pursued after the approval of the resolution plan and the manner in which the proceeds, if any, from such proceedings shall be distributed.

XVIII. SPECIFIC RELIEFS AND WAIVERS SOUGHT FROM THE ADJUDICATING AUTHORITY.

Specific Reliefs and waivers may be categorized as follows:

- a) Reliefs under the purview of the Code
- b) Reliefs under the principle of Going concern
- c) Reliefs under the principle of 'Clean State'
- d) Reliefs imperative to maintain the CD as a going concern
- e) Reliefs under the purview of Companies Act
- f) Reliefs under the purview of Income tax/other tax laws
- g) Reliefs related to Licences/Approvals/Contractual rights/benefits
- h) Reliefs related to action to be taken by RP/Financial creditors post approval of Plan

XIX. SCHEDULES

[Relevant schedules required as part of the RFP document (if any issued by RP/COC), or referred elsewhere in the resolution plan may be provided.]