

FINANCIAL ELIGIBILITY CRITERION

Section 25(2)(h) was amended and provides that the resolution professional shall invite prospective resolution applicants, who fulfil 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 approved by Committee of Creditors, to submit a resolution plan.

The eligibility criterion as approved by the Committee of Creditors is as under: –

1. No turnover and Networth criteria for the prospective resolution applicant is required.
2. Each of the Resolution Applicant would provide an **Earnest Money Deposit (EMD-1) of Rs. 25 Lakhs (Rupees Twenty Five Lakhs only)** at the time of submitting their Expression of Interest with the Resolution Professional in the form of Demand Draft of any nationalized / scheduled bank drawn in favour of the Corporate Debtor.
3. Once the Resolution Plan of H1 bidder is approved by the members of Committee of Creditors, the H1 bidder is required to submit an **Earnest Money Deposit (EMD-2) of 25% of the Resolution Plan (including the EMD- 1)** to be paid as upfront by the Resolution Applicant in the form of Demand Draft of any nationalized/ scheduled bank drawn in favour of the Corporate Debtor, **within 7 days of the letter of intent from members of CoC and** before the Resolution Plan is submitted before NCLT Kolkata for final orders to be passed on the Resolution Plan.