

**EVALUATION MATRIX FOR RESOLUTION PLANS**

Resolution Plans from the prospective 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 a maximum of 80 Points, NBPP, based on other features, will have a maximum of 20 Points. The method of assigning points to eligible bids is further explained below:

**A. BID PRICE POINTS (BPP) – MAXIMUM POINTS: 80**

The eligible Resolution Applicant (RA) with the Maximum “Effective Bid Price” (which shall mean the aggregate of NPV of all the future offer amounts) will be given 80 points which shall be considered as 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 the EBP of RA having the maximum EBP. For example, the maximum EBP is INR 100 Cr. and the next lower EBP is INR 50 Cr.; the BPP of the two Resolution Applicants will be:

- The Bid Price Point for the Maximum EBP of INR 100 Cr. 80 Points
- The Bid Price Point for EBP of INR 50 Cr. =  $50 \times 80 / 100 = 40$  Points

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

The BPC will again be equated to the time value of money. That is, all future cash payments will be discounted to arrive at the NPV (Net Present Value). The total BPC points so identified with future cash flows will be equated to the current time, Year 0, discounting the same at a rate of 10% per annum to find the Net Present Value of the future cash flows. The period of 90 days from the date of approval of the Resolution Plan by the Adjudicating Authority shall be considered Year 0. 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 and/or relax 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.

## **B. NON BID PRICE POINTS (NBPP) – MAXIMUM POINTS - 20 POINTS**

The following shall consist of the Non-Bid Price Point categories/items; the basis of allotment of Points to each NBPP item is also stated therein. The Maximum Points under this category shall be 20 Points.

### **I. 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 **3 points** will be assigned to a structure that COC considers as optimally leveraged.

### **II. 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 **2 Points**. Where Joint application is involved, the Resolution Professional and subsequently the COC shall assign points as is considered most appropriate by them, subject to the Maximum of 2 Points.

### **III. NETWORTH OF THE RESOLUTION APPLICANT**

The Prospective Resolution Applicant(s) with the higher net worth will be assigned the points equivalent to **3 NBPP**.

### **IV. UPFRONT PAYMENT:**

The Resolution Applicant who makes the upfront payment, a preference equivalent to **6 Points** will be given.

### **V. ALL STAKEHOLDER APPROACH:**

Resolution Plans that have a 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 **3 points**. If such a substantial approach is not observed or observed less, the points given will be between 0 and 3.

### **VI. OTHER FACTORS OF THE PLAN:**

All resolution plans shall demonstrate the following aspect. The resolution plan, if in the opinion of the Committee of Creditors, demonstrates to the maximum extent, the

following aspects will be provided a maximum of **3 points**. Other resolution plans which demonstrate to a lesser degree will be given Points from 0 to 3. The aspects so considered will be:

- Whether the Resolution Plan addresses the cause of default;
- The feasibility and viability of the Plan;
- The Plan has provisions for effective implementation;
- The Plan has provisions for approvals required and the timeline for the same; and
- The resolution applicant has the capability to implement the resolution plan.

GENERAL POINTS:

The awarding of NBPP under one or other of the above categories will be the sole power/discretion of the COC (Committee of Creditors) and shall not be questioned by any of the Resolution Applicants / others.