

ANNEXURE I - RESOLUTION PLAN EVALUATION CRITERIA

Particulars	Criteria I	
Parameter	Upfront Cash Recovery for financial creditors	
Weightage and Max Score	Weightage : 300%	
	Max Score – 30	
Proposed Score Matrix	Scoring Matrix	
	Particulars	Score
	>= 25% – <=100% of the Financial Debt Amount	8-10
	(>=20% – < 25%) of the Financial Debt Amount	6-8
	(>=15% – < 20%) of the Financial Debt Amount	4-6
	(>=10% – < 15%) of the Financial Debt Amount	2-4
	(>=5% – < 10%) of the Financial Debt Amount	1-2
	Less than 5% of the Financial Debt Amount	0-1
	No upfront cash recovery	0
Remarks	<ol style="list-style-type: none"> 1. Resolution Plan involving upfront cash recovery should be backed by unconditional Letter of Commitment from a Bank or Cheque, supported by account statement showing balance. If Upfront Cash infusion is by way of Equity, the source should be laid out in the plan. Upfront payment shall be done within 5 days from the date of obtaining all approvals 2. If upfront cash infusion is by way of Equity the source should be laid out in the plan 3. For Up-front cash recovery, the proposed payments should be made within 30 days of regulatory approvals required as conditions precedent in the resolution plan or 90 days from the date of approval of the resolution plan by the Adjudicating Authority, whichever is earlier. 	

Particulars	Criteria II	
Parameter	NPV factoring including upfront cash recovery	
Weightage and Max Score	Weightage : 250%	
	Max Score – 25	
Proposed Score Matrix	Scoring Matrix	
	Particulars	Score
	(>=65% – <=100%) of the Financial Debt Amount	9-10

	($\geq 55\%$ – $< 65\%$) of the Financial Debt Amount	8-9
	($\geq 45\%$ – $< 55\%$) of the Financial Debt Amount	7-8
	($\geq 40\%$ – $< 45\%$) of the Financial Debt Amount	5-7
	($\geq 35\%$ – $< 40\%$) of the Financial Debt Amount	3-5
	($\geq 30\%$ – $< 35\%$) of the Financial Debt Amount	1-3
	($\geq 25\%$ – $< 30\%$) of the Financial Debt Amount	0-1
	Less than 25% of the Financial Debt Amount	0
Remarks	1. Period of 0-3 years – Rate of discount 8%	
	2. Period of 3-7 years – Rate of discount 10%	
	3. Period of 7-12 years – Rate of discount 15%	
	4. More Than 12 years – Rate of discount 30%	

Particulars	Criteria III	
Parameter	Equity Stake Offered to Lenders	
Weightage and Max Score	Weightage : 50%	
	Max Score – 5	
Proposed Score Matrix	Scoring Matrix	
	Particulars	Score
	($\geq 25\%$ – $\leq 100\%$) of the Equity Share Capital	8-10
	($\geq 20\%$ – $< 25\%$) of the Equity Share Capital	6-8
	($\geq 15\%$ – $< 20\%$) of the Equity Share Capital	4-6
	($\geq 10\%$ – $< 15\%$) of the Equity Share Capital	2-4
	($\geq 5\%$ – $< 10\%$) of the Equity Share Capital	0-2
	Less than 5% Equity Share Capital	0
Remarks	Equity Share Capital shall mean the resultant equity shareholding of the Company on implementation of the Resolution Plan. Value of Equity Share Capital = (Percentage of equity holding in the Company being offered to Lenders by the Resolution Applicant x Amount being infused in the Company by the Resolution Applicant for the equity stake it proposes to hold in the Company) / Percentage of equity holding in the Company proposed to be held by the Resolution Applicant	

Particulars	Criteria IV	
Parameter	Initial Fresh Equity infusion for improving operations (If lenders continue with the company)	
Weightage and Max Score	Weightage : 125%	
	Max Score – 10	
Proposed Score Matrix	Scoring Matrix	
	Particulars	Score
	[>=15% < =100%] of the Financial Debt Amount	6-8
	[>=10% < 15%] of the Financial Debt Amount	4-6
	[>=5% < 10%] of the Financial Debt Amount	2-4
	[>=1% < 5%] of the Financial Debt Amount	0-2
	No Infusion	0
Remarks	<ol style="list-style-type: none"> 1. Committed infusion of funds shall be within 90 days from the date of obtaining all approvals 2. The source of funds for the same should be laid out in the plan 	

Particulars	Criteria V	
Parameter	Treatment of interest of Operational Creditors	
Weightage and Max Score	Weightage : 50%	
	Max Score – 5	
Proposed Score Matrix	Scoring Matrix	
	Particulars	Score
	(>= 80% – =< 100%) of the admitted operational claims	8-10
	(>=60% – < 80%) of the admitted operational claims	6-8
	(>=40% – < 60%) of the admitted operational claims	4-6
	(>=20% – < 40%) of the admitted operational claims	2-4
	(>=0% – < 20%) of the admitted operational claims	0-2
No recovery	0	
Remarks	If deferred payment plan is given for OC, the same to be discounted as per the following matrix	
	Period of 0-2 years – Rate of discount 8% Period of 2-4 years – Rate of discount 10% More than 4 years – Rate of discount 30%	

Particulars	Criteria VI
Parameter	Reasonableness of Financial Projections i.e. Sales, EBIDTA, EBIT, etc./Certainty/Likelihood/Feasibility/ Eventuality of honouring proposed commitments
Weightage and Max Score	Weightage : 100%
	Max Score – 5
Proposed Score Matrix	Range 0-5
Remark	Based on evaluation by the CoC and its advisors

Particulars	Criteria VII
Parameter	Ability to turnaround distressed companies - Managerial competence and technical abilities, Key managerial personnel, track record in implementing turnaround of stressed assets, etc.
Weightage and Max Score	Weightage : 100%
	Max Score – 10
Proposed Score Matrix	Range 0-10
Remark	Based on evaluation by the CoC and its advisors

Particulars	Criteria VIII
Parameter	Standing of the Bidder/Group in sector/External Rating/ Adherence to financial discipline/record of regulatory compliance/Whether NPA, including group companies, <12 months
Weightage and Max Score	Weightage : 100%
	Max Score – 5
Proposed Score Matrix	Range 0-5
Remarks	Based on evaluation by the CoC and its advisors
	If NPA, including group companies <12 months, will fetch a score of “0”

Particulars	Criteria IX
Parameter	Any additional comforts being offered to lenders in the form of Corporate Guarantee, Collateral, etc.
Weightage and Max Score	Weightage : 100%
	Max Score – 5
Proposed Score Matrix	Range 0-5
Remarks	Based on evaluation by the CoC and its advisors
	If NPA, including group companies <12 months, will fetch a score of “0”

Notes:

A. Quantitative Criteria:

- a. For evaluation criteria set out under Clauses 1, 2, 3, 4 and 5, pro-rata score will be given for value lying within the band and any fractional percentage would be rounded down to one decimal points for the purpose of evaluation.
- b. A Resolution Plan with NPV (computed under Evaluation Criteria (2 and 5)) less than the liquidation value is liable to be rejected

B. Qualitative Criteria:

- a. In case of qualitative parameters, CoC to give the final score based on the evaluation of the bids by Resolution Professional/ advisors/ evaluators which would be presented in CoC meeting.
- b. The assessment and scoring of the Resolution Plan with reference to criteria set out in qualitative parameters by the CoC shall be final and binding on the Compliant Resolution Applicant(s).
- c. The reasonability of financial projections / viability / feasibility may be assessed by the CoC with the help of technical experts

C. Other Conditions:

- a. Any Resolution Plan, factoring in any condition that is not explicitly mentioned in the above mentioned criteria such as One Time Settlement shall be considered at the time of evaluation by the CoC/Lenders
- b. The Resolution Plan of the Resolution Applicants should specify the treatment of the interest accrued on the debts of the Company until a Resolution Plan becomes an Approved Resolution Plan.