

NOTICE

To Whomsoever It May Concern

RTIL Limited
Under Corporate Insolvency Resolution Process
NCLT Mumbai CP (IB) –382/I&BP/MB/2018

EVALUATION MATRIX FOR RESOLUTION APPLICANTS

In continuation to “Form G – Invitations for Resolution Plans” uploaded on July 21, 2018, the Resolution Professional hereby uploads the Evaluation Matrix, as approved by Committee of Creditors, on the Company’s website for all prospective Resolution Applicants.

The prospective Resolution Applicants are requested to contact the Resolution Professional vide email - **IP.RTIL18@GMAIL.COM** for obtaining a copy of Non-Disclosure Agreement (NDA). A Process Memorandum, Information Memorandum and other documents shall be shared with the prospective Resolution Applicants once the signed NDA is in place. This Evaluation Criteria is applicable for all prospective Resolution Applicants, who fulfil the Eligibility Criteria.

Mr. Venkatesan S,
Resolution Professional

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EVALUATION MATRIX

S. No	QUANTITATIVE PARAMETERS	DESCRIPTION	RATIONALE FOR SCORING	MAX. MARKS
1	<p>Upfront cash recovery</p> <p>Note: All Applicants shall be required to submit a firm Letter of Commitment from any Bank/financial institution of repute, for the amount committed by the Applicant as upfront cash component in the Resolution Plan.</p>	<p>Upfront cash recovery shall be defined as the payment proposed to be made to financial creditors, operational creditors and employee & workmen at the time of Closing of the Transaction or signing of the Agreements.</p> <p><u>NOTE: Resolution Plan should offer a minimum of 5% of Resolution Debt as upfront cash to the Lenders. This is a pre-qualifying criteria and bids offering less than 5% as upfront cash will not be considered as valid bid.</u></p>	<p>Upfront Cash \geq 10% of Resolution Debt - Full Marks Upfront Cash $<$ 5% of Resolution Debt = 0 Marks Intermediate values - marks will be based on interpolation</p> <p><i>(Bonus – 3 marks for every 1% over and above 10% of Resolution Debt as mentioned above)</i></p>	30
2	NPV of continuing portion of debt (inclusive of upfront cash)	<p>This shall be computed by discounting the future cash flows to be paid to lenders by following a tiered discounting rate. Upfront cash payment, if any, shall be considered as part of NPV without applying any discount.</p> <p>Discounting rate shall vary depending on the age bucket as follows: 1month - 1 year - 5% 1-3 years - 8% 3-5 years - 10%</p>	<p>NPV \geq 20% of Resolution Debt - Full Marks Intermediate values - marks will be based on interpolation</p> <p><i>(Bonus – 1.5 marks for every 1% over and above 20% of Resolution Debt as mentioned above)</i> Any deferred payment above 5 year period shall not be considered for the scoring.</p>	30
3	Equity upside for lenders	This shall be computed based on the extent of shareholding proposed to be offered to the lenders	<p>Scoring based on extent of Equity offered Equity in company \geq 25% - Full Marks No Equity – 0 Intermediate values - marks will be based on interpolation</p>	5

S. No	QUANTITATIVE PARAMETERS	DESCRIPTION	RATIONALE FOR SCORING	MAX. MARKS
4	<p>Fresh fund introduced (equity or debt) for the purpose of capital expenditure and working capital requirement</p> <p>NOTE: This point is applicable only to those bids which include deferred payments to the lenders.</p>	<p>This shall be computed as the actual cash proposed to be infused by the RA in the Corporate Debtor for improvement of business operations in the form of Equity or Debt within first 6 months from the date of signing of the Agreements plus discounted cash flows for infusion beyond 6 months, but up to 3 years, at a discount rate of 8% p.a. If the infusion is beyond 3 years, it will not be considered for scoring purposes.</p> <p><u>NOTE: Resolution Plan should include a minimum of 5% of Resolution Debt as fresh funds introduced for Capital Expenditure and Working Capital Requirements within the first six months from date of signing the agreement. This is a pre-qualifying criteria and bids offering less than 5% as upfront cash will not be considered as valid bid.</u></p>	<p>PV of fresh funds introduced \geq 5% of Resolution Debt - Full Marks No Equity – 0 Intermediate values - marks will be based on interpolation</p>	5
TOTAL SCORE FOR QUANTITATIVE PARAMENTERS (A)				70

S. No	QUALITATIVE PARAMETERS	DESCRIPTION	RATIONALE FOR SCORING	MAX. MARKS
1	Reasonableness of Financial Projections i.e. Sales, EBITDA, EBIT etc. / Certainty / Likelihood / Feasibility / Eventuality of honouring proposed commitments	This shall refer to reasonableness of assumptions in the business plan submitted by the RA and assessment of risks and mitigations related to implementation of the Resolution Plan including plan for other stakeholders, viz. Statutory Authorities, employees and operational creditors	Marks will be given on a scale of 10, depending on the assessment of reasonableness of assumptions and assessment of risks and mitigation factors related to the implementation of the proposed Resolution Plan. Higher the risk in assumptions, lower the score	10

S. No	QUALITATIVE PARAMETERS	DESCRIPTION	RATIONALE FOR SCORING	MAX. MARKS
2	Ability to turnaround distressed companies -Managerial competence and technical abilities, key managerial personnel, track record in implementing turnaround of stressed assets, etc. as per IBA approved criteria	A. Track Record/Experience of RA: This shall refer to the years of operating experience that the RA has in the Textile Industry In case of a RA who is financial investor, the assessment shall be made based on the entities in which RA has a management control	Marks will be given on a scale of 5 based upon experience of the RA	5
		B. Track record in M&A / taking over and turning around distressed assets: This shall refer to evaluating RA's track record in undertaking corporate M&A and acquiring and turning around distressed assets	Marks will be given on a scale of 5 based upon M&A / turnaround track record of the RA	5
3	Standing of Bidder / Group in sector / External Rating / adherence to financial Discipline / record of regulatory compliance [the score will be 0, if the RA, including any Group Company is NPA <12 months]	A. External Credit Rating: This shall refer to the credit rating assigned by an accredited credit rating agency, to the fund-based facilities availed by the RA. (should have been issued within the last 15 months)	Scoring based on rating: ECR equal to "AAA" – 4 marks ECR equal to "AA" – 3 marks ECR equal to "A" – 2 marks ECR equal to "BBB" – 1 marks "BB" and below or No ECR – No marks	4
		B. Turnover for strategic investors/ AUM of financial investors: This shall refer to consolidated turnover/ Assets Under Management as per RA's latest audited and consolidated Income Statement / Balance Sheet	The score shall be arrived at on the basis of relative scoring.	3
		C. Adherence to regulatory compliance/financial discipline: This shall refer to the CIBIL score and data available in the public domain pertaining to the RA.	The score shall be arrived at on the basis of relative scoring.	3
TOTAL OF QUALITATIVE PARAMETERS (B)				30
GRAND TOTAL (A+B)				100

NOTE: "Resolution Debt" for the evaluation purpose shall mean the total admitted claims in the Company as on Form G upload date (i.e. 21 July, 2018) which is INR 4,131 Cr (may undergo change based on admission/rejection of claims)