

EVALUATION MATRIX APPLICABLE TO RESOLUTION APPLICANTS /
PLANS OF RAINBOW PAPERS LIMITED (In CIRP)

Bids from the Resolution Applicants will be evaluated based on Points assigned to each bid 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 maximum of 85 Points, NBPP, which are based on other features, will have maximum of 15 Points. The method of assigning points to eligible bids is further elucidated below:

A. BID PRICE POINTS (BPP) – MAXIMUM POINTS: 85

The eligible Resolution Applicant (RA) with the Maximum “Effective Bid Price” (EBP) worked out as under will be given 85 Points which is the maximum under this Heading. The points of Resolution Applicants, with EBP lesser than the maximum of 85 Points, will be worked out in proportion to EBP of RA having the maximum EBP Point of 85. For example, the maximum EBP is INR 900 Cr. and the next lower EBP is INR 870 Cr.; the BPP will be:

- The Bid Price Point for the Maximum EBP of INR 900 Cr. 85 Points
- The Bid Price Point for EBP of INR 870 Cr. = $85 \times 870 / 900 = 82.17$ Points

The Bid Price Components (BPC) shall comprise of the following which will be assigned different weights as shown against each of the BPC.

- a. Cash component of the Bid Price - 100% of the price will be considered.
- b. Issue of Share Capital - 50% at the fair market price.
- c. Debentures –
Converted into share: 50 % of the amount,
Debenture having interest bearing @ 9 or above: 90 % of the amount.
Debenture having non Interest bearing: 50 % of the amount.

If there are other components in the Bid Price the same will be placed under one of the above 3 categories that most appropriately suits, as per the opinion of the Resolution Professional and subsequently approved by the Committee of Creditors.

The BPC will again be equated for the time value of money. The BPC that are payable immediately or within 6 months’ time of approval of the Plan by the COC will be considered as being paid in Year 0. In general terms, the BPC that are payable in the later half-year of a year will be considered as payable at the end of that year and the BPC that are payable at the first half-year of a year will be considered as payable at the beginning of the year.

The total BPC amount so identified with all the future years of receipt will be equated to the current time, Year 0, discounting the same at a rate of 9% per annum to find the Net Present Value of the future receipts. Thus, the total NPV of all the components of BPC shall be taken as the EPB to assign Bid Price Points (BPP).

B. NON BID PRICE POINTS (NBPP) – MAXIMUM POINTS - 15 POINTS

The following shall consist of the Non-Bid Price Point categories / items; the basis of allotment of Points to each NBPP items is also stated therein. The Maximum Points under this category shall be 15 Points.

I. LISTING CATEGORY

Entity is an un-listed one as at 31-12-2017	0 Point
Entity is a listed one as at 31-12-2017	3 Points

II. ALL STAKE HOLDER APPROACH:

Resolution Plans that have substantial “All Stake Holder Approach” in resolution (in the opinion of the Resolution Professional and subsequently by the COC) will be given 3 points. If such substantial approach is not observed, the points given will be either 0 to 3.

III. SOURCE OF FUND CRITERIA:

The Resolution Applicant shall establish the Source of Funding, which when fund the capital structure must be optimally leveraged. A maximum of 4 points will be assigned to a structure which COC considers as optimally leveraged.

IV. 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 5 Points. Where Joint application is involved, the Resolution Professional and subsequently the COC shall assign points as is considered most appropriate by them. CARE AAA (or equivalent rating) will be assigned 5 Points, CARE AA (or equivalent rating) will be assigned 4 Point, CARE A (or equivalent rating) will be assigned 3 Points, CARE BBB (or equivalent rating) will be assigned 2 Points and CARE B, 1 Point.