
Unimark Remedies Limited

Evaluation Criteria | For Resolution Applicants

10 July 2018



Redefining Healthcare



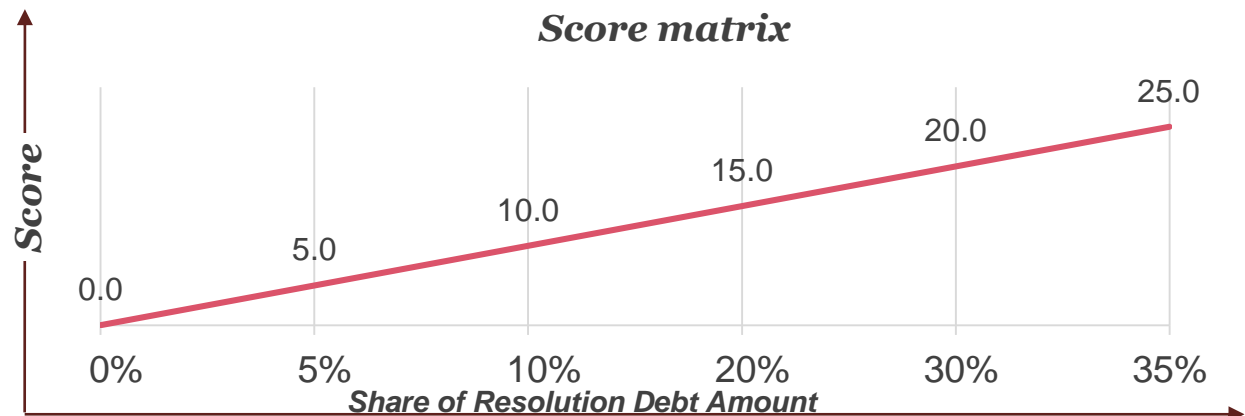
Please note that this document shall replace Annexure I (Resolution Plan Evaluation Criteria) of the Request for Resolution Plan Submission (RFRP) and hence forms a part of the RFRP v1.0 and any amended RFRP thereafter.

Evaluation Criteria | Quantitative (1 of 2)

1 Upfront cash recovery as per resolution plan*

Maximum 25 marks

- This shall refer to the upfront amount being paid to the financial creditors within 45 days of NCLT approval (i.e. receipt of certified copy of the order).
- Resolution Plan involving upfront cash recovery should be backed by letter of commitment from a bank or cheque.
- If upfront cash infusion by way of equity, the sources should be laid out in the plan.



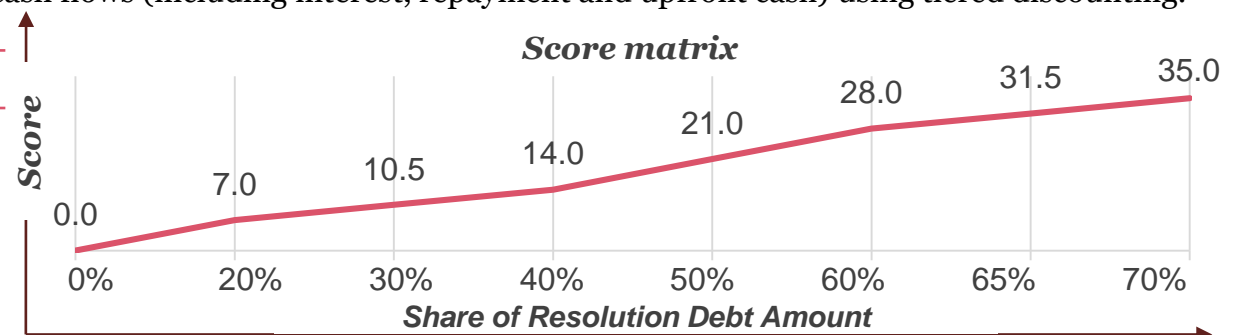
2 NPV factoring in upfront cash recovery (tiered rate of discount)*

Maximum 35 marks

- This shall refer to the discounted value of all cash flows (including interest, repayment and upfront cash) using tiered discounting.

Annual discount rate

<=3 years	8%
>3 & <=5 years	10%
>5 years & <=7 years	15%
>7 years	30%



*"Resolution Debt Amount" to equal the amount of claims in relation to financial creditors admitted by the resolution professional as on the resolution plan submission date (or any value revised after that date if so deemed necessary by the RP).

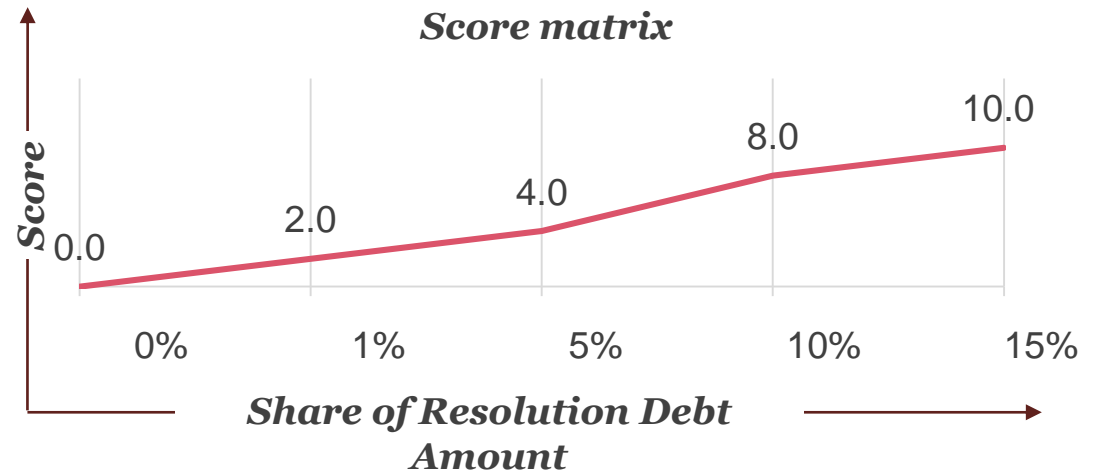
*Subject to re-scaling elaborated on a subsequent slide

Evaluation Criteria | Quantitative (2 of 2)

3 Fresh equity infusion for improving operations

Maximum 10 marks

- This shall refer fresh equity infusion within 6 months from NCLT approval.
- Sources of funds to be laid out in the plan, and to be unsecured i.e. no charge on assets to be created on account of these funds.
- It will include quasi-equity subject to:
 - Approval being required from existing lenders for redemption; and
 - Coupon payment to accrue, but be paid after continuing portion of Resolution Debt Amount is paid; and
 - It being subordinated in all respects to the continuing portion of Resolution Debt Amount.



Rescaling of select quantitative factors

Criterion 1 (upfront cash) and criterion 2 (NPV with upfront cash) will be re-scaled individually while maintaining the ratio of scores to ensure that the scores are close to the maximum score of 60. The re-scaled scores will be calculated as follows:

Step 1: Compute score without re-scaling (A)

Step 2: Compute conversion factor (C) by dividing the maximum score (B) with the actual score (A) for each RA, for both upfront cash and NPV (including upfront cash). There will therefore be two conversion factors per RA.

Step 3: Compute the final conversion factor (E) as the minimum of all conversion factors across all applicants (C).

Step 4: Compute the re-scaled score (D) by multiplying final conversion factor (E) with the actual score (A).

Please note that the below table is for illustration purposes only

Criterion	As a % of RD	Score (A)	Maximum Score (B)	Conversion Factor (C)	Re-scaled score (D)
RA1					
Upfront cash	20%	15.0	25.0	1.7	25.0
NPV including upfront cash	30%	10.5	35.0	3.3	17.5
Total for RA1		25.5	60.0		42.5
RA2					
Upfront cash	5%	5.0	25.0	5.0	8.3
NPV including upfront cash	20%	7.0	35.0	5.0	11.7
Total for RA2		12.0	60.0		20.0
<i>Final conversion factor (E)</i>				1.7	

Evaluation Criteria | Qualitative

4

Reasonableness of financial projections/ Certainty / Likelihood/ Feasibility / Eventuality of honouring proposed commitment

Maximum 10 marks

- This shall be assessed based on, but not limited to the assumptions in the financial projections (including but not limited to, revenue growth, profitability, market share and net working capital), treatment of other stakeholders (including payment made to operational creditors, statutory creditors, employee and workmen) and conditions precedent (if any submitted as a part of the plan).

5

Ability to turnaround distressed companies – Managerial competence and technical capabilities, key managerial personnel, track record in implementing turnaround of stressed assets

Maximum 10 marks

- This shall be assessed based on, but not limited to, the experience of the Resolution Applicant in turning around distressed assets, experience in acquiring companies/ businesses, technical experience and abilities in the pharma sector and the managerial team.

6

Standing of RA/ External Rating/adherence to financial discipline/ record of regulatory compliance/ whether NPA, including group companies <12 months

Maximum 10 marks

- This shall be assessed based on various financial metrics related to the Resolution Applicant and group, but not limited to, net-worth, assets under management, external credit ratings and quality of third party security interest offered (corporate guarantee or pledge of shares).