

ROUND TABLE INTERACTION

***TOPIC: Draft Specimen of Evaluation matrix and
Information Memorandum***

DATE: 11th December, 2018

TIME: 4:00 – 7:00 P.M.

**VENUE: 4th Floor, CMA Bhawan 3, Institutional Area,
Lodhi Road, New Delhi – 110003**

Contact IPA ICAI

Email id: ipa@icmai.in

Tel. No. 011-24666128 / 154

PRESS RELEASE

IBBI invites Suggestions and Comments on Draft Specimen:

- a. Information Memorandum**
- b. Evaluation Matrix**
- c. Request for Resolution Plans, and**
- d. Resolution Plan.**

The Insolvency and Bankruptcy Code, 2016 (Code) read with the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (Regulations) envisage *inter alia* preparation and issue / submission of (a) Information Memorandum, (b) Evaluation Matrix, (c) Request for Resolution Plans, and (d) Resolution Plan. These documents form the basis for various decisions by the stakeholders and hence the outcome of a corporate insolvency resolution process depends on quality of these documents.

2. The Code read with the Regulations indicate the content and purpose of the aforesaid documents. Market has developed best practices about detailed content of these documents from the perspective of adequacy and relevance for stakeholders. It, however, requires considerable skill and expertise and due diligence to prepare these documents which are complete, correct, relevant and user friendly, while confirming to the requirements of the Code and Regulations and meeting the need and expectations of the stakeholders.

3. A few stakeholders have prepared draft specimen of the aforesaid documents (placed as Annexures). The IBBI intends to refine these documents, with inputs from stakeholders, and release them as specimen for guidance of the stakeholders. It invites suggestions and comments from stakeholders as under:

Sl. No.	Document	Annexures	Suggestions and Comments may be mailed to:
1	2	3	4
1.	Draft Specimen of Information Memorandum along with a. Draft Specimen of Information Memorandum for a Corporate Debtor in Manufacturing Sector, and b. Draft Specimen of Information Memorandum for a Corporate Debtor in Power Sector.	A A1 A2	feedback@ibbi.gov.in
2.	Draft Specimen of Evaluation Matrix	B	
3.	Draft Specimen of Request for Resolution Plans	C	
4.	Draft Specimen of Resolution Plan	D	

4. The suggestions and comments may be mailed at the email address as indicated in column 4 of the above table, latest by 15th December, 2018. In the subject line of the email, please state: “Comments on Information Memorandum (A, A1 and A2)/ Comments on Evaluation Matrix(B) / Comments on Request for Resolution Plans (C) / Comments on Resolution Plan (D).

**Sd/-
(Methil Unnikrishnan)
General Manager**

Annexure-A

**Specimen
Information Memorandum
Table of Contents**

Abbreviations

ACQ	Annual Contracted Quantity
B.Tech	Bachelor of Technology
BoP	Balance of Plant
BPTA	Bulk Power Transmission Agreement
BTG	Boiler Turbine Generator
CAGR	Compound Annual Growth Rate
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CoD	Commercial Operation Date
Cr	Crores
EPC	Engineering, procurement and construction
FDI	Foreign direct investment
FSA	Fuel Supply Agreement
GCV	Gross Calorific Value
INR	Indian National Rupee
IPP	Independent Power Producer
KCal	Kilo Calories
Kg	kilogram
Kms	Kilometers
kV	Kilovolt
kWh	Kilowatt-hour
M.S.	Masters of Science
M.Tech	Master of Technology

Mn	Million
MOC	Ministry of Coal
MOD	Merit order dispatch
MTPA	Million Tons Per Annum
MW	Mega Watt
O&M	Operation and Maintenance
PLF	Plant Load Factor
PPA	Power Purchase Agreement
REC	Rural Electrification Corporation Limited
ROM	Run of Mine
Rs	Rupees (Indian)
SERC	State Electricity Regulatory Commission
SHR	Station Heat Rate
St.	Station
tn	Tonne
TN	Tamil Nadu
TPP	Thermal Power Plant
UP	Uttar Pradesh
WPI	Wholesale Price Index

Disclaimer

This information memorandum is formulated by ABC (Name of Resolution Professional) in consultation with XYZ Ltd (Name of Professional Advisor, if any) which has been appointed as a professional advisor to the Resolution Professional (RP). The purpose of this document is to assist the recipient in deciding whether they wish to proceed with a further investigation of the Company, and in putting forward resolution plan for the Company in accordance with the Insolvency and Bankruptcy Code, 2016 (hereinafter as "IBC" or "Code") and the Regulations made thereunder, as amended from time to time. This Information memorandum has been prepared in furtherance of Section 29 of the Code. The information memorandum contains specific information of the corporate debtor including but not limited to the details as prescribed under sub-regulation 2 of Regulation 36 of the Insolvency and Bankruptcy Board of India (Resolution process for Corporate Persons) Regulations, 2016 (hereinafter as "CIRP Regulations").

This information memorandum and the information contained herein is not intended to form the basis of any investment decision by a prospective resolution applicants. Interested parties should carry out their own investigations and analysis of the Corporate Debtor and of the data referred to in this Information Memorandum and should consult their own advisers before submitting a resolution plan. Neither this document, nor anything contained herein, should form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment or investment decision whatsoever.

The information contained/disclosed in the information memorandum is as provided by the Corporate Debtor and the creditors of the Corporate Debtor. No representation or warranty, express or implied, is given by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) as to the accuracy, authenticity or completeness of the contents of this Memorandum or any other document or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the Memorandum or correct any inaccuracies or omissions in it which may exist or become apparent. This Memorandum should not be considered as a recommendation by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) to invest in the Corporate Debtor and each prospective applicant must make its own independent assessment of the merits or otherwise of investing in the corporate debtor.

This information memorandum contains the forecasts, projected financial information and other predictive statements that represent the Resolution Professionals and its Professional Advisors assumptions in light of information available in public domain, about circumstances and events that have not yet taken place. The said forecasts, projected financial information and other predictive statements are based on market/industry trends/predictions/estimates and other factors. Accordingly, there can be no assurance or guarantee that the projected results will be attained. The projected results are not definitive and are subject to change without notice. The future projections enclosed in this information memorandum involve risks and uncertainties, based on various factors and variables, which may cause actual performance to differ materially from any projections of future performance. The Resolution Professional and its Professional Advisors at no time guarantees the accuracy/authenticity of the future projections. In particular, but without prejudice to the generality of the foregoing, no representation or warranty whatsoever is given in relation to the reasonableness or achievability of the projections contained in this Information Memorandum or in relation to the bases and assumptions underlying such projections and you must satisfy yourself in relation to the reasonableness, achievability and accuracy thereof. The recipient acknowledges that it will be solely responsible for its own assessment of the market projections and future prospects/performance of the corporate debtor.

Disclaimer Cont.

Memorandum and the information contained therein is confidential and subject to the undertaking executed between the corporate debtor and the recipient in pursuance of Section 29 (2) of the Code. The recipient by way of the undertaking, unconditionally acknowledges to undertake to (a) comply with the provisions of the law for the time being in force relating to confidentiality and insider trading (b) protect the intellectual property of the corporate debtor it may have access to and (c) is statutorily obligated not to share the information memorandum or its contents with third parties unless (a) and (b) above have been complied with. The recipient further also acknowledges that the information contained in the information memorandum shall not be used to cause undue gain or undue loss to itself or to any other persons and that the recipient shall comply with the requirements under Section 29(2) of the Code.

No responsibility or liability is accepted for any loss or damage arising whatsoever that you may suffer as a result of this Information memorandum or the information contained herein and any and all responsibility and liability is expressly disclaimed by the Resolution Professional and its Professional Advisor and its respective partners, directors, officers, affiliates, employees, advisors or agents.

Should this Information memorandum (through the act or default of the recipient) reach other persons without the resolution professional's written consent, the recipient shall indemnify the resolution professional and its professional advisor including its respective partners, directors, officers, affiliates, employees, advisors or agents against any loss or damage or other liabilities (including all costs), which they may suffer as a result.

By accepting a copy of this information memorandum, the recipient is deemed to have acknowledged and accepted that the terms and conditions of the disclaimer notice and that it formed an integral/material part of this information memorandum. The recipient further is deemed to have unconditionally acknowledged that the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) do not accept any liability for any and all information contained in this information memorandum. The recipient is deemed to have acknowledged that the information contained in the information memorandum shall not be utilised/used for any other purpose other than for the preparation of the Resolution Plan as defined in the Code.

The information memorandum and the information contained herein may not be inclusive or contain all information which the recipient considers material. While the Resolution Professional shall endeavour to furnish further relevant information/details/ clarifications, the resolution professional is under no obligation to provide the recipient with any further relevant information/details/clarifications. In the event any additional information/clarifications are so provided they shall be unconditionally subject to this disclaimer notice irrespective of whether it has been specifically provided for or not.

This information memorandum and the information contained herein should not be printed, reproduced, transmitted, sold, distributed, or published by the recipient without prior written approval of the Resolution Professional. The recipient further acknowledges to return and /or destroy this information memorandum at the written request of the resolution professional. The resolution professional shall act as the primary point of contact for the recipients and any and all correspondences/clarifications should only be addressed to the resolution professional. This Information memorandum is issued by the resolution professional of the corporate debtor without incurring any liability/commitment on the part of itself or the professional advisor (including but not limited to the professional advisors respective partners, directors, officers, affiliates, employees, advisors or agents) or the corporate debtor or any of its officers, employees or its agents

Contact Details:

For any further enquiries, please contact:

[Name]

Resolution Professional

Name of Corporate Debtors

Tel:

Mobile

Email

Contents

Part A	Statutory Information Memorandum under IBC
Part B	Business Transaction Information Memorandum

Model Information Memorandum

Table of Contents

Part A: Statutory Information Memorandum

1. Related Sections and Regulations
2. Contents as given in Regulation 36
3. Description of Assets & Liabilities and Financial Statements (Regulation 36(2)(a),(b) & (c))
4. List of Creditors (Financial, Operational, Employees and Others) including the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims (Regulation 36(2)(d))
5. Dues to/from Related parties (Regulation 36(2)(e))
6. Guarantor Details (Regulation 36(2)(f))
7. Members or partners having- 1% or more stake (Regulation 36(2)(g))
8. Details of all material litigation and an ongoing investigation (Regulation 36(2)(h))
9. No. of Workers & Employees and their dues (Regulation 36(2)(i))

Part B: Transaction Information Memorandum

10. Executive Summary, Key Investment Highlights and Indicative Project Timelines
11. Company Overview
 - 2.1 Corporate Debtor Profile
 - 2.2 Business Evolution (Timeline)
 - 2.3 Project Details
 - 2.4 Current Scenario, Snapshot of Financial Performance and Interim Finance
 - 2.5 Capital Structure of Corporate Debtor
 - 2.6 Shareholding Pattern of Corporate Debtor

Model Information Memorandum

Table of Contents

- 2.7 Financial & Operational Claims
- 2.8 Details of Preferential/Undervalued/Extortionate/Fraudulent Transactions
- 2.9 Facilities and Capability
- 2.10 Division Overview, Customer Overview and Summary of Contracts/Orders
- 2.11 Capex Requirement
- 2.12 Organisation Structure
- 2.13 Board of Directors & Key Management
- 2.14 Details of Statutory Approvals and Compliances
- 2.15 Investment Overview
- 3. Industry Overview
 - 3.1 Snapshot
 - 3.2 Sector Fundamentals
 - 3.3 Key Growth Drivers
 - 3.4 Competitor Analysis
 - 3.5 Key Trends & Outlook
- 4. Projected Business Plan
 - 4.1 Future Growth Strategy
 - 4.2 Assumptions
 - 4.3 Profit & Loss for the Forecast Period
 - 4.4 Company level EBITDA analysis over the Forecast Period

Model Information Memorandum

Table of Contents

Annexures to Business Transaction IM

- List of Annexures to be given
- Process Overview

Annexure-A1

**Specimen
of
Information Memorandum
For a Corporate Debtor in Manufacturing
Sector**

Abbreviations

Abbreviation	Full Form	Abbreviation	Full Form
IRP	Interim Resolution Professional	XXX	XXX
OC	Operational Creditor	XXX	XXX
FC	Financial Creditor	XXX	XXX
CAGR	Compounded Annual Growth Rate	XXX	XXX
NCLT	National Company Law Tribunal	XXX	XXX
RA	Resolution Applicant	XXX	XXX
IM	Information Memorandum	XXX	XXX
CFO	Chief Finance Officer	XXX	XXX
Cr	Crores	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX

Disclaimer

This information memorandum is formulated by ABC (Name of Resolution Professional) in consultation with XYZ Ltd (Name of Professional Advisor, if any) which has been appointed as a professional advisor to the Resolution Professional (RP). The purpose of this document is to assist the recipient in deciding whether they wish to proceed with a further investigation of the Company, and in putting forward resolution plan for the Company in accordance with the Insolvency and Bankruptcy Code, 2016 (hereinafter as "IBC" or "Code") and the Regulations made thereunder, as amended from time to time. This Information memorandum has been prepared in furtherance of Section 29 of the Code. The information memorandum contains specific information of the corporate debtor including but not limited to the details as prescribed under sub-regulation 2 of Regulation 36 of the Insolvency and Bankruptcy Board of India (Resolution process for Corporate Persons) Regulations, 2016 (hereinafter as "CIRP Regulations").

This information memorandum and the information contained herein is not intended to form the basis of any investment decision by a prospective resolution applicants. Interested parties should carry out their own investigations and analysis of the Corporate Debtor and of the data referred to in this Information Memorandum and should consult their own advisers before submitting a resolution plan. Neither this document, nor anything contained herein, should form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment or investment decision whatsoever.

The information contained/disclosed in the information memorandum is as provided by the Corporate Debtor and the creditors of the Corporate Debtor. No representation or warranty, express or implied, is given by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) as to the accuracy, authenticity or completeness of the contents of this Memorandum or any other document or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the Memorandum or correct any inaccuracies or omissions in it which may exist or become apparent. This Memorandum should not be considered as a recommendation by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) to invest in the Corporate Debtor and each prospective applicant must make its own independent assessment of the merits or otherwise of investing in the corporate debtor.

This information memorandum contains the forecasts, projected financial information and other predictive statements that represent the Resolution Professionals and its Professional Advisors assumptions in light of information available in public domain, about circumstances and events that have not yet taken place. The said forecasts, projected financial information and other predictive statements are based on market/industry trends/predictions/estimates and other factors. Accordingly, there can be no assurance or guarantee that the projected results will be attained. The projected results are not definitive and are subject to change without notice. The future projections enclosed in this information memorandum involve risks and uncertainties, based on various factors and variables, which may cause actual performance to differ materially from any projections of future performance. The Resolution Professional and its Professional Advisors at no time guarantees the accuracy/authenticity of the future projections. In particular, but without prejudice to the generality of the foregoing, no representation or warranty whatsoever is given in relation to the reasonableness or achievability of the projections contained in this Information Memorandum or in relation to the bases and assumptions underlying such projections and you must satisfy yourself in relation to the reasonableness, achievability and accuracy thereof. The recipient acknowledges that it will be solely responsible for its own assessment of the market projections and future prospects/performance of the corporate debtor.

Disclaimer Cont.

Memorandum and the information contained therein is confidential and subject to the undertaking executed between the corporate debtor and the recipient in pursuance of Section 29 (2) of the Code. The recipient by way of the undertaking, unconditionally acknowledges to undertake to (a) comply with the provisions of the law for the time being in force relating to confidentiality and insider trading (b) protect the intellectual property of the corporate debtor it may have access to and (c) is statutorily obligated not to share the information memorandum or its contents with third parties unless (a) and (b) above have been complied with. The recipient further also acknowledges that the information contained in the information memorandum shall not be used to cause undue gain or undue loss to itself or to any other persons and that the recipient shall comply with the requirements under Section 29(2) of the Code.

No responsibility or liability is accepted for any loss or damage arising whatsoever that you may suffer as a result of this Information memorandum or the information contained herein and any and all responsibility and liability is expressly disclaimed by the Resolution Professional and its Professional Advisor and its respective partners, directors, officers, affiliates, employees, advisors or agents.

Should this Information memorandum (through the act or default of the recipient) reach other persons without the resolution professional's written consent, the recipient shall indemnify the resolution professional and its professional advisor including its respective partners, directors, officers, affiliates, employees, advisors or agents against any loss or damage or other liabilities (including all costs), which they may suffer as a result.

By accepting a copy of this information memorandum, the recipient is deemed to have acknowledged and accepted that the terms and conditions of the disclaimer notice and that it formed an integral/material part of this information memorandum. The recipient further is deemed to have unconditionally acknowledged that the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) do not accept any liability for any and all information contained in this information memorandum. The recipient is deemed to have acknowledged that the information contained in the information memorandum shall not be utilised/used for any other purpose other than for the preparation of the Resolution Plan as defined in the Code.

The information memorandum and the information contained herein may not be inclusive or contain all information which the recipient considers material. While the Resolution Professional shall endeavour to furnish further relevant information/details/ clarifications, the resolution professional is under no obligation to provide the recipient with any further relevant information/details/clarifications. In the event any additional information/clarifications are so provided they shall be unconditionally subject to this disclaimer notice irrespective of whether it has been specifically provided for or not.

This information memorandum and the information contained herein should not be printed, reproduced, transmitted, sold, distributed, or published by the recipient without prior written approval of the Resolution Professional. The recipient further acknowledges to return and /or destroy this information memorandum at the written request of the resolution professional. The resolution professional shall act as the primary point of contact for the recipients and any and all correspondences/clarifications should only be addressed to the resolution professional. This Information memorandum is issued by the resolution professional of the corporate debtor without incurring any liability/commitment on the part of itself or the professional advisor (including but not limited to the professional advisors respective partners, directors, officers, affiliates, employees, advisors or agents) or the corporate debtor or any of its officers, employees or its agents

Contact Details:

For any further enquiries, please contact:

[Name]

Resolution Professional

Name of Corporate Debtors

Tel:

Mobile

Email

Contents

Part A	Statutory Information Memorandum under IBC
Part B	Business Transaction Information Memorandum

Part A

Statutory Information Memorandum (Statutory IM)

Model Information Memorandum

Table of Contents

Statutory Information Memorandum

1. **Related Sections and Regulations**
2. **Contents as given in Regulation 36**
3. **Description of Assets & Liabilities and Financial Statements (Regulation 36(2)(a),(b) & (c))**
4. **List of Creditors (Financial, Operational, Employees & Others) (Regulation 36(2)(d))**
5. **Dues to/from Related parties (Regulation 36(2)(e))**
6. **Guarantor Details (Regulation36(2)(f))**
7. **Members or partners having- 1% or more stake (Regulation36(2)(g))**
8. **Details of all material litigation and an ongoing investigation (Regulation36(2)(h))**
9. **No of Workers & Employees and their dues (Regulation36(2)(i))**

Index of Tables

▶ Table 1 : Assets & Liabilities	8
▶ Table 2 : List of Creditors.....	9
▶ Table 3 : Dues to/from Related Parties.....	10
▶ Table 4 : Guarantor Details.....	11
▶ Table 5 : Details of members / partners holding at least one per cent stake.....	12
▶ Table 6 : Material Litigation.....	13
▶ Table 7 : Workers & Employees and their dues.....	14

1. Relevant Sections and Regulations

Section 5(10)

Section 29(1)

Section 29(2)

Regulation 36 of IBBI (IRP for Corporate Persons) Regulations, 2016

Information Memorandum (Statutory IM) is a memorandum prepared by resolution professional under sub-section (1) of section 29.

Provides that the resolution professional shall prepare an information memorandum in such form and manner containing such relevant information as may be specified by the Board for formulating a resolution plan.

The resolution professional shall provide to the resolution applicant access to all relevant information in physical and electronic form, provided such resolution applicant undertakes—

- (a) to comply with provisions of law for the time being in force relating to confidentiality and insider trading;
- (b) to protect any intellectual property of the corporate debtor it may have access to; and
- (c) not to share relevant information with third parties unless clauses (a) and (b) of this sub-section are complied with.

Explanation.—For the purposes of this section, “relevant information” means the information required by the resolution applicant to make the resolution plan for the corporate debtor, which shall include the financial position of the corporate debtor, all information related to disputes by or against the corporate debtor and any other matter pertaining to the corporate debtor as may be specified.

Provides for the contents of the Statutory IM and the manner in which it will be submitted to each member of the CoC and any potential resolution applicant.

2. Contents of Statutory IM

Regulation 36 of IBBI (IRP for Corporate Persons) Regulations, 2016

S.No.	Regulation	Particulars
1	36(2)(a)	Assets and Liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values.
2	36(2)(b) & 36(2)(c)	The latest annual financial statements and audited financial statements of the corporate debtor for the last two financial years and provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application
3	36(2)(d)	A list of Creditors containing the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims
4	36(2)(e)	Particulars of a debt due from or to the corporate debtor with respect to related parties
5	36(2)(f)	Details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party
6	36(2)(g)	The names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake.
7	36(2)(h)	Details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities.
8	36(2)(i)	The number of workers and employees and liabilities of the corporate debtor towards them.

2. Contents of Statutory IM

Regulation 36 of IBBI (IRP for Corporate Persons) Regulations, 2016

- ▶ A member of the committee may request the resolution professional for further information of the nature described in this Regulation and the resolution professional shall provide such information to all members within reasonable time if such information has a bearing on the resolution plan.
- ▶ The interim resolution professional or the resolution professional, as the case may be, shall share the information memorandum after receiving an undertaking from a member of the committee or a potential resolution applicant to the effect that such member or resolution applicant shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under section 29(2).

3. Assets & Liabilities and Financial Statements

1. Assets and Liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values.
2. 'Description' includes the details such as date of acquisition, cost of acquisition, remaining useful life, identification number, depreciation charged, book value, and any other relevant details.
3. The latest annual financial statements and audited financial statements of the corporate debtor for the last two financial years.
4. Provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application. Generally, provisional financials are made on the date of commencement of the Corporate Insolvency Resolution Process (CIRP).



Table-1

Particulars	Amount
<u>Assets</u>	
Fixed Assets	XXX
CWIP	XXX
Investments (net of provisions)	XXX
Loans and Advances	XXX
Tax Assets	XXX
Inventory	XXX
Debtors	XXX
Cash and Bank balances	XXX
Investment in Mutual Funds	XXX
Total Assets	XXX
<u>Liabilities</u>	
Financial creditors	XXX
Operational Creditors	XXX
Provisions	XXX
Net Worth	XXX
Total Liabilities	XXX

Source: Financials of corporate debtor as on CIRP date

4. List of Creditors- names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest

Financial, Operational, Employees & Others

Financial Creditors: All financial creditors have to file their claims in Form C in the prescribed format, after which the Resolution Professional will verify and admit the claims to the extent they have been verified, form the CoC and include the claims of the financial creditors in the IM. All financial creditors have voting rights which is based on the proportion of the financial debt owed to such financial creditor in relation to the financial debt owed by the corporate debtor.

Operational Creditors: All operational creditors have to file their claims in Form B in the prescribed format, after which the Resolution Professional will verify and admit the claims of the operational creditors to the extent they have been verified. Operational creditors have no voting rights.

Employee Claims & Other Claims are filed in Form D & Form E respectively, then they are verified and admitted.



Table-2

Creditor names	Facility	Amount of claims submitted	Amount admitted	Voting right
Financial creditors		XXX	XXX	100%
A	Secured Term Loan	XXX	XXX	50%
B	Working Capital Loan	XXX	XXX	20%
C	Term Loan	XXX	XXX	30%
Creditor names	Facility	Amount of claims submitted	Amount admitted	Voting right
Operational Creditors		XXX	XXX	NA
X	NA	XXX	XXX	NA
Y	NA	XXX	XXX	NA
Z	NA	XXX	XXX	NA

Source: Data from Corporate Debtor/ Management Discussion/ Financials

5. Dues to/from Related Party

Definition of related party in relation to a Corporate Debtor is much wider in scope as compared to the Companies Act, 2013. It has been defined in section 5(24) of IBC, 2016.

As per Regulation 36(2)(e), particulars of a debt due from or to the corporate debtor with respect to related parties are to be stated in the Statutory IM.

Table-3

Sample Format

Debt payable to/due from related parties					
Name of the party	Trade receivables	Trade payables	Loans/Advances	Any other arrangements	Net receivable/ (payable)
<u>To/due from related parties:</u>					
XXX	XXX	XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX	XXX	XXX
Total	XXX	XXX	XXX	XXX	XXX

Source: Data from Corporate Debtor/ Management Discussion/ Financials

6. Guarantor Details

As per Regulation 36(2)(f), details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, **specifying which of the guarantors is a related party.**

Example: Corporate Guarantee or Personal Guarantee given in relation to the debts by any related party of the corporate debtor

Table-4

Sample Format		
Guarantees given	Designation	Facility
Personal guarantees of:		
XXX	XXX	XXX
Corporate guarantees of:		
XXX	XXX	XXX

Source: Security Creation documents along with sanction letter/ Register of Charges created

7. Details of Members/Partners Holding at least 1% Stake

As per Regulation 36(2)(g), the names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake have to be provided in the Statutory IM



Table-5

Sample Format

Name of the shareholder	Address	Nature of Shareholder	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
Promoter Group				
XXX	XXX	Promoter	XXX	XXX
Non Promoter Group				
XXX	XXX	Non Promoter	XXX	XXX

Source: Annual Report or Financials/ Register of Members

8. Material Litigations

As per Regulation 36(2)(h), Details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities have to be provided.



Table-6
Sample Format

Proceedings initiated by	Court / Authority	Related Law/ Regulation	Parties to the litigation	Particulars of case	Notice received for amount	Contingent Liability	Lawyer Involved
Labour Related cases							
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Direct & Indirect Taxes Related cases							
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Other cases							
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: Annual Report or Financials/ Management discussions

9. Number of Workers and Employees and their Dues

As per Regulation 36(2)(i), the number of workers and employees and liabilities of the corporate debtor towards them have to be provided.



Table-7

Sample Format

Number of Employees and amount due to employees as on CIRP Commencement date

Particulars	No. of Employees	Balance outstanding as at CIRP Commencement Date
Number of Employees	XXX	
Number of Workers - Regular	XXX	
Number of Workers - Casual	XXX	
Wages & Salary including provision		XXX
LTA and Medical Payable		XXX
Reimbursements		XXX
Provident Fund		XXX
ESI		XXX
Staff expenses unpaid		XXX
Full and Final Settlement payable		XXX
Any other		XXX
Total	XXX	XXX

Source: Management Discussions/ Data from Corporate Debtor

PART-B

Business Transaction- For a Corporate Debtor in Manufacturing Sector

Model Information Memorandum

Table of Contents

Transaction Information Memorandum

1. **Executive Summary, Key Investment Highlights and Indicative Project Timelines**
2. **Company Overview**
 - 2.1 Corporate Debtor Profile
 - 2.2 Business Evolution
 - 2.3 Current Scenario, Snapshot of Financial Performance and Interim Finance
 - 2.4 Capital Structure of Corporate Debtor
 - 2.5 Shareholding Pattern of Corporate Debtor
 - 2.6 Financial and Operational Claims
 - 2.7 Division and Customer Overview and Key Contracts
 - 2.8 Supply Chain Infrastructure
 - 2.9 Facilities and Capability
 - 2.10 Details of Manufacturing Facilities & Additional Capex Requirement
 - 2.11 Organisation Structure
 - 2.12 Board of Director and Key Management
 - 2.13 Details of Statutory Approvals and Compliances
 - 2.14 Investment Overview
3. **Industry Overview**
 - 3.1 Snapshot
 - 3.2 Sector Fundamentals
 - 3.3 Key Growth Drivers
 - 3.4 Competitor Analysis

Model Information Memorandum

Table of Contents

Transaction Information Memorandum

4. Projected Business Plan

- 4.1 Future Growth Strategy
- 4.2 Assumptions
- 4.3 Profit & Loss for the Forecast Period
- 4.4 Company level EBITDA analysis over the Forecast Period

Annexures to Business Transaction IM

- List of Annexures
- Process Overview
- Indicative Reference List

Index of Tables

▶ Table 1 : Financial Summary.....	15
▶ Table 2 : Balance Sheet and Income Statement.....	17
▶ Table 3 : Capital Structure.....	18
▶ Table 4 : Shareholding Pattern.....	18
▶ Table 5 : Financial Claims.....	19
▶ Table 6 : Operational Claims.....	18
▶ Table 7 : Manufacturing Facilities.....	23
▶ Table 8 : Projected P&L	40

Index of Charts

➤ Chart 1 : Sales by Geography.....	15
➤ Chart 2 : Sales by Segment.....	15
➤ Chart 3 : Division Wise Share.....	20
➤ Chart 4 : Supplier Dependence.....	21
➤ Chart 5 : Turnover Breakup	32
➤ Chart 6 : Trend Analysis.....	33
➤ Chart 7 : Key Sectors.....	33
➤ Chart 8 : Investment Perks.....	33
➤ Chart 9 : Competitor Analysis.....	35
➤ Chart 10 : Production Capacity.....	36

1. Executive Summary

Company Overview

- ▶ **ABC Ltd.** (“the Company”) is a leading []
- ▶ Has a comprehensive product portfolio of []
- ▶ Recently commenced providing turnkey services such as []
- ▶ Operates X state of art Manufacturing facilities in ABC/DEF/GHI
- ▶ Equipped with XXXXXXX
- ▶ Has deep-rooted and long-standing customer relationships with one of the market leaders in the Indian industry and other prominent domestic and international brands
- ▶ Owned and run by professional management
- ▶ CIRP background

What ABC Ltd offers?

- ▶ Opportunity to increase the production capacity
- ▶ Operational state-of-the-art manufacturing plant equipped with backward integrated facilities
- ▶ Established platform for a strategic partner to enter/ expand its operations in the high growth Indian [relevant industry] market, resulting in an immediate top-line boost

The Transaction

- ▶ [mention opportunity here]

1. Key Investment Highlights

1

Comprehensive product portfolio

2

State-of-the-art manufacturing facilities with end-to-end backward integrated operations

3

Professional management team and corporate governance standards benchmarked to best industry practices

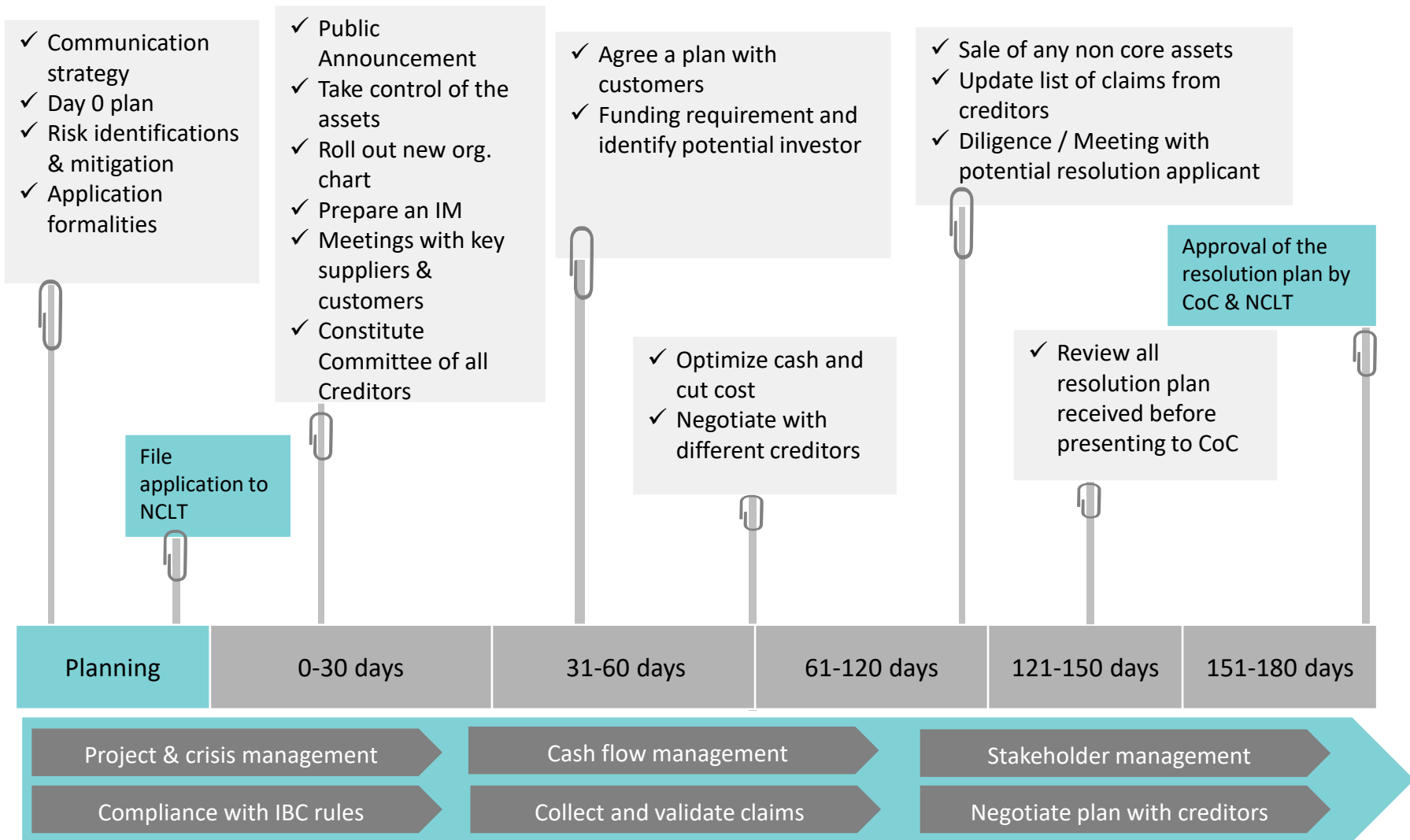
4

Operating in high growth industry

5

Diverse Mix of Customers

1. Indicative Project Timelines



Company Overview

2. Company Overview

2.1 Corporate Debtor Profile

Overview of the Corporate Debtor

- ❑ Brief overview of the Company along with particulars such as:
- ❑ Overview of operations,
- ❑ Key Management and board,
- ❑ Overview of facilities,
- ❑ Key Customers
- ❑ Registered Address, date of Incorporation, CIN number, etc.
- ❑ Number of employees

Segment overview

Sales by Geography

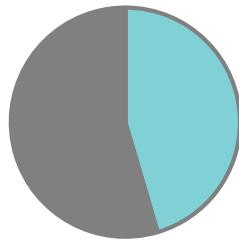


Chart 1

Sales by Segment

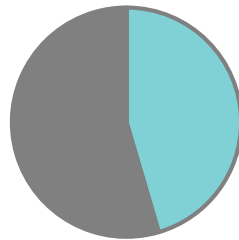


Chart 2

Source: Company Annual Report/ Company Website/ Management Discussions

Financial Summary

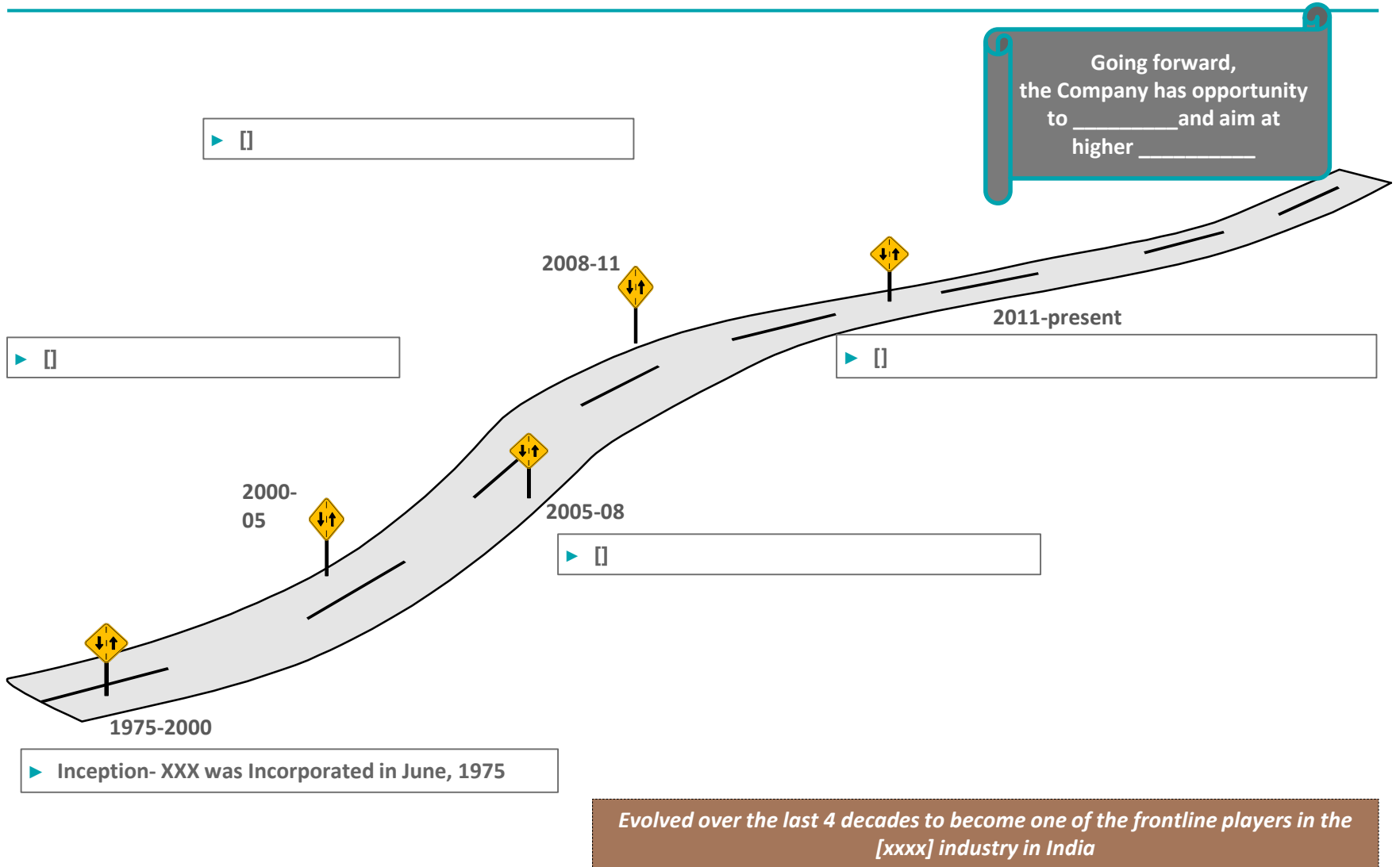
Particulars	Year-I	Year-II	Year-III
Revenue			
Revenue from operations	XXX	XXX	XXX
Other Income	XXX	XXX	XXX
Total Revenue	XXX	XXX	XXX
Expenses:			
Cost of Materials Consumed	XXX	XXX	XXX
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	XXX	XXX	XXX
Employee benefit expense	XXX	XXX	XXX
Other Expenses	XXX	XXX	XXX
EBITDA	XXX	XXX	XXX
EBITDA Margin	XXX	XXX	XXX
Depreciation and Amortization of Expenses	XXX	XXX	XXX
Finance costs	XXX	XXX	XXX
PBT	XXX	XXX	XXX
Tax	XXX	XXX	XXX
PAT	XXX	XXX	XXX
PAT Margin	XXX	XXX	XXX

Table 1

Source: Company Annual Report/ Historical Financials

- A brief observation on a key trend or outlook can be highlighted here
- Additionally, Financial data can also be summarised in the form of charts and Revenue-EBITDA relation, Revenue-PAT Relation and other important data can also be presented.

2.2 Business Evolution



2.3 Current Scenario

Technical Issues

- ▶ Lack of maintenance of machines leading to higher cost in the form of internal rejections, breakdown cost, idle labour, etc.
- ▶ Poor controls over quality check or lack of a proper quality check policy which leads to increased cost in the form of higher external rejections and freight cost.
- ▶ Loss in share of business because of not delivering orders in time and poor quality of finished products.
- ▶ XXX
- ▶ XXX



Financial Issues

- ▶ Lower EBITDA and negative free cash due to under utilisation of capacity. Hence, company is not able to currently service its full interest and debt obligations.
- ▶ Loss of sales and share of business due to apprehension amongst the customers caused due to failure to perform and CIRP rumours.
- ▶ Lack of orders resulting in non recovery of Fixed cost. Hence, negative cash flows.
- ▶ XXX
- ▶ XXX
- ▶ XXX

Macroeconomic Factors

- ▶ Manufacturing plants are sitting idle due to higher cost of manufacturing per unit as compared to competitors utilising the economies of scale .
- ▶ Implementation of a government policy or regulation which is unfavourable for the industry.
- ▶ Liquidation or Hostile Takeovers by capital rich companies to create synergy benefits and capture market share.
- ▶ Slow growth in the economy/industry due to recession due to which companies are facing liquidity issues.
- ▶ XXX

2.3 Snapshot of Financial Performance

Financial Summary

Balance sheet as on XX/XX/XXXX			
Particulars	FY 1	FY -1	FY -2
Equity			
- Net Worth			
Non- Current Liability			
- Long term loan			
- Others			
Current Liability			
- Sundry creditors			
- Others			
Total Equity and Liability			
Assets			
Non-Current Assets			
- Investments			
- Others			
Current assets			
- Debtors			
- Cash			
Total Assets			

Income Statement Summary			
Particulars	FY 1	FY -1	FY -2
Revenue from Operations			
Other Income			
Total Expenses			
EBITDA			
Depreciation			
EBIT			
Interest expense			
EBT			
PAT			

Table 2

1. The consistent increase in revenue in the last 2 years is in line with the increasing trend as seen in the industry.
2. Low EBITDA margin along with calculated Interest Coverage Ratio and Debt Service Coverage Ratio shows the difficulty in servicing the finance cost and principal instalments.
3. Increasing inventory and trade receivables highlights working capital being blocked and hence, the liquidity problems faced by ABC Ltd.
4. XXXXXX
5. XXXXXX
6. XXXXXX

2.3 Interim Finance

Current Status

- Advances received from key customers to keep the business afloat and maintain continuity of supplies; to be repaid on offset against sales basis
- Delay in salaries & wages resulting in low morale across the company; inability to retain/deploy workers at the required level impacting production and sales
- At current levels of production, cash gap projected to hit INR 10 Cr by April, resulting in total shutdown of, unless Interim Finance is raised

Challenges without Interim Finance

- Accumulation of month on month operating losses on account of operating below break even levels could lead to closure
- Low probability of achieving good bids/ resolution plans on account of sub-optimal operations and absence of confidence from customers
- XXXX
- XXXX

Projected Cash-flow

Particulars	Mar	Apr	May	Jun
Projected inflows	38	39	34	34
Projected outflows	43	47*	43	43
Net Cash after opening adjustments	(2)	(8)	(10)	(10)
Cumulative cash gap	(2)	(10)	(20)	(30)



Estimated Interim Finance Required: INR XX Cr



Indicative Term Sheet

- Amount of Interim Finance : INR XXCr.
- Period : CIR period
- Upfront fee : 2% on the disbursed amount
- Rate of Interest :XX6% P.A (Interest payable monthly)
- Repayment : No repayment during CIR period

2.4 & 2.5 Capital Structure and Shareholding

Capital Structure:

Capital Structure of the Corporate Debtor as on the date of commencement of CIRP is provided below (Sample only):

Particulars	No of shares	Amount (INR Crore)
Authorized share capital		
Equity shares of Rs.10/- each	XXX	XXX
Preference shares of Rs.10/- each	XXX	XXX
Issued, subscribed and paid up capital		
Equity shares of Rs.10/- each	XXX	XXX
Preference shares of Rs.10/- each	XXX	XXX

Table 3

Source: Company Annual Report/ Financials/ NSE or BSE filings

Shareholding Pattern:

Shareholding Pattern of the Corporate Debtor is provided by bifurcating the shareholding into 2 parts-

- A. Promoter & promoter group
- B. Public shareholding, which is further divided into institutions and non-institutions.

Particulars	No. of Shares	%
Promoter and Promoter Group	XXX	40.86%
Public	XXX	59.14%
Institutions		2.05%
Non-Institutions		57.09%
Grand Total	XXX	100.00%
Total Debt	XXX	

Table 4

Source: Company Annual Report/ Financials/ NSE or BSE filings

2.6 Financial and Operational Claims

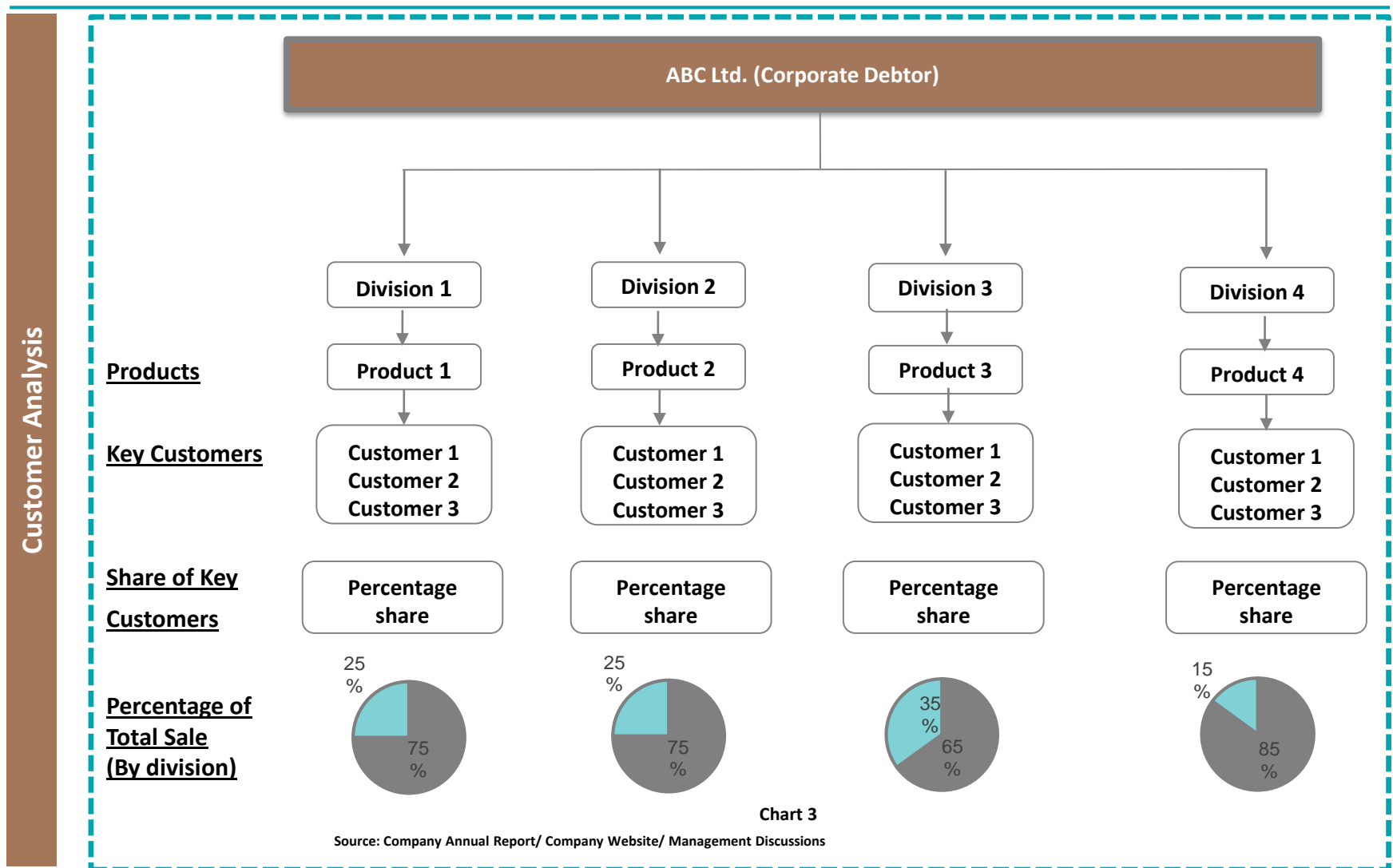
S. No	Name of the financial creditors	Facility arrangement	Amount as per claims filed	Amount Admitted (A)	Difference	Voting Right
1	XXX	XXX	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX	XXX	XXX
4	XXX	XXX	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX	XXX	XXX
6	XXX	XXX	XXX	XXX	XXX	XXX
7	XXX	XXX	XXX	XXX	XXX	XXX
8	XXX	XXX	XXX	XXX	XXX	XXX
9	XXX	XXX	XXX	XXX	XXX	XXX
Total			-	-	-	-

Table 5

S. No	Name of the Operational creditors	Amount As per claims filed	Amount Admitted (A)	Difference
1	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX
4	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX
6	XXX	XXX	XXX	XXX
7	XXX	XXX	XXX	XXX
8	XXX	XXX	XXX	XXX
9	XXX	XXX	XXX	XXX
Total		-	-	-

Table 6

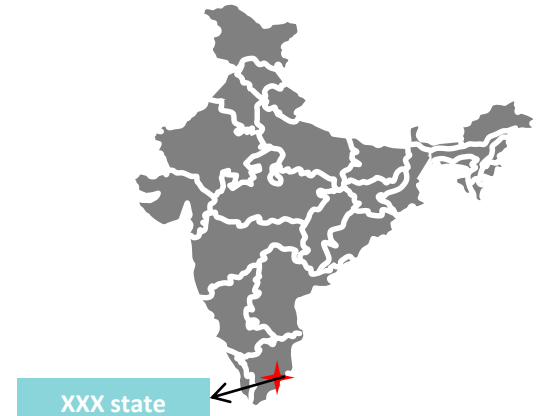
2.7 Division & Customer Overview



2.7 Summary of Key Orders

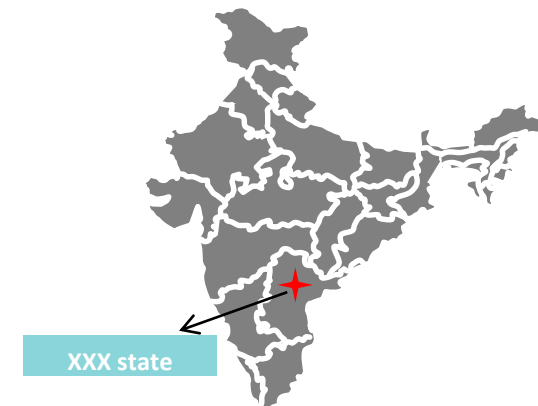
Customer XX	
Order Details	
Buyer Location	XXX
Name of Parts	XXX
Volume per month	XXX
Value per month	XXX
VA %	XXX

Plant Details	
Particulars	INR Crore
Plant Name	XXX
Location	XXX
Revenue per unit	XXX
Cost per unit	XXX



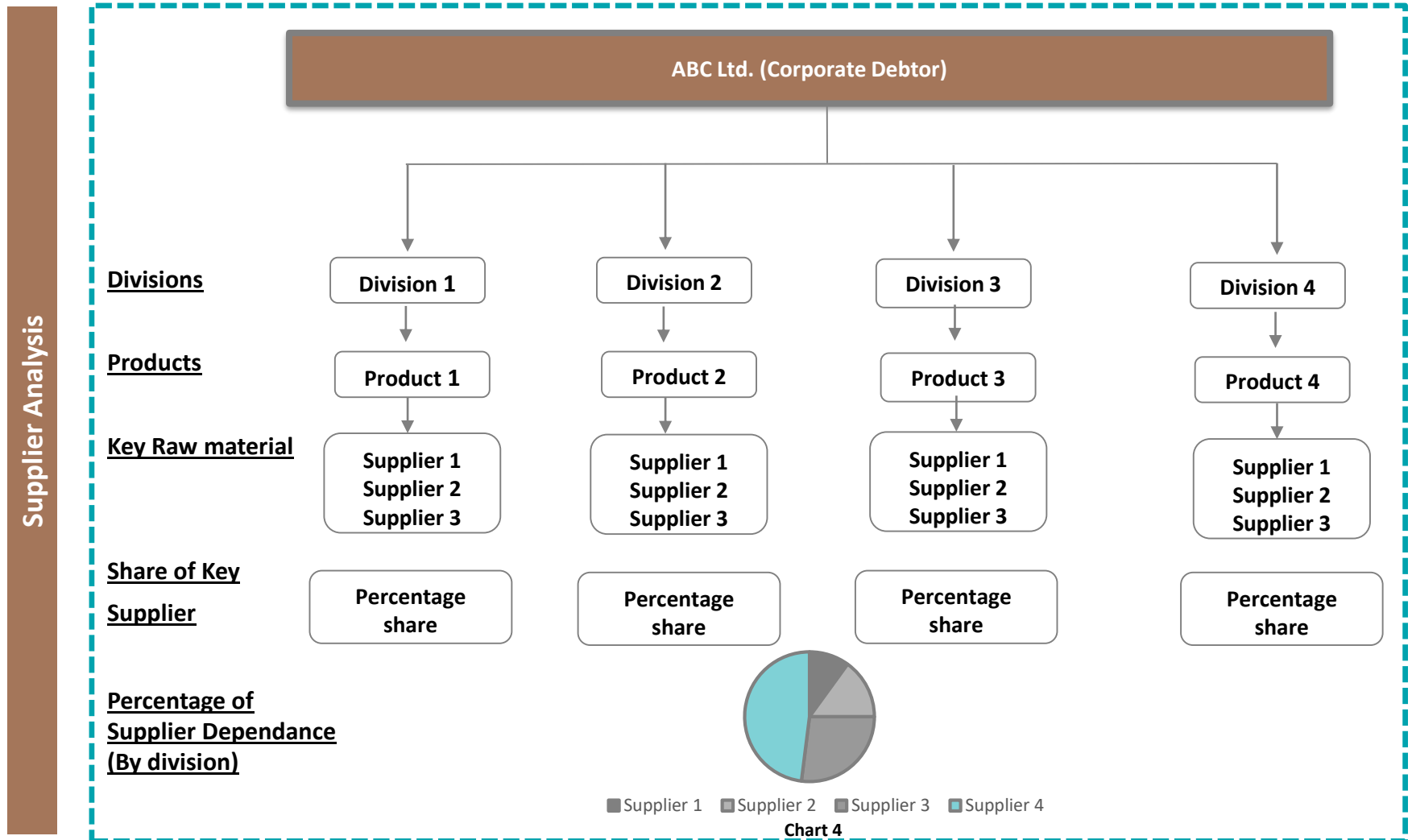
Customer XX	
Long Term PPA	
Buyer Location	XXX
Name of Parts	XXX
Volume per month	XXX
Value per month	XXX
VA %	XXX

Plant Details	
Particulars	INR Crore
Plant Name	XXX
Location	XXX
Revenue per unit	XXX
Cost per unit	XXX



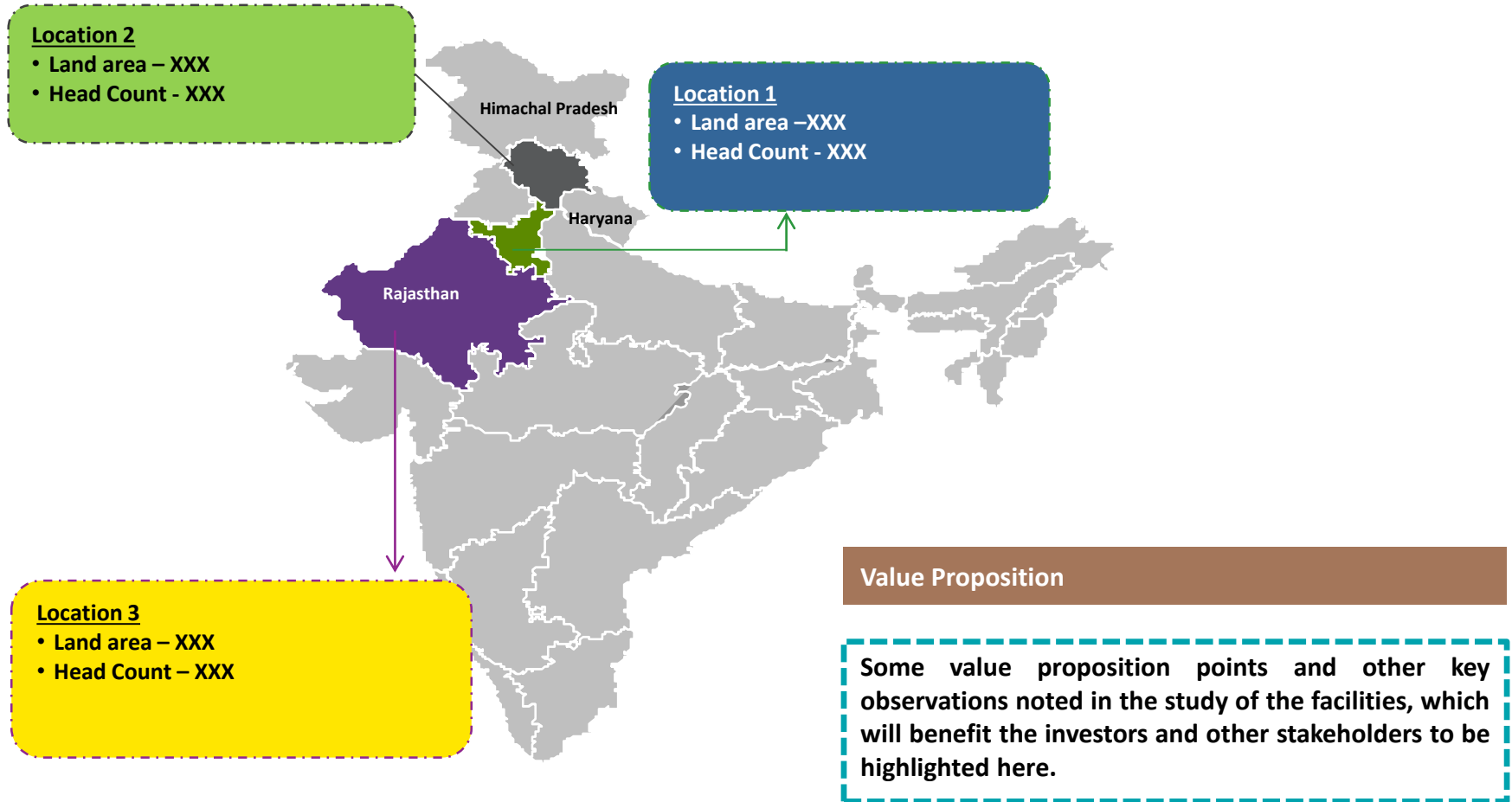
A summary of all contracts / orders with key customers to be listed here and other details such as estimated Revenue and EBITDA in the coming financial years can be added

2.8 Supply Chain Infrastructure



Source: Company Annual Report/ Company Website/ Management Discussions

2.9 Facilities and Capability



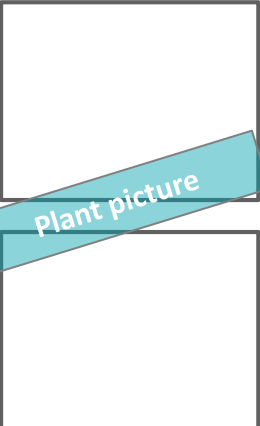
Source: Company Annual Report/ Company Website

2.10 Details of Manufacturing Facilities

Particulars	Unit 1	Unit 2	Unit 3	Total
Ownership	Owned/ leased	Owned/ leased	Owned/ leased	-
Year Established	2005	2008	2008	-
Total Land Area (sq. m)	Xxxx	xxxx	xxxx	Xxxx
Leased Area (sq. m)	Xxxx	Xxxx	Xxxx	Xxxx
Covered Area (sq. m)	Xxxx	Xxxx	Xxxx	Xxxx
Ground Covered Area	Xxxx	Xxxx	Xxxx	-
Ground Coverage Area Limit	Xxxx	Xxxx	Xxxx	-

Table 7

Source: Company Annual Report/ Company Website/ Management Discussions

	Unit 1
	▶ Highlight
	Unit 2
	▶ Highlight
	Unit 3
	▶ Highlight

State-of-the-art manufacturing facilities

- ▶ Equipped with the best-in-line machinery and equipment sourced from leading equipment manufacturers across the globe such as [xxxxx]
- ▶ The manufacturing plants are ISO 9001:2008 certified
- ▶ Suitably supported by the modern ERP software
- ▶ Mix of automated and manual processes leads to cost effective solutions

Adequate scope for expansion

- ▶ Details

Industry leading quality standards

- ▶ Negligible customer rejection rate of 0.5% on sales
- ▶ Process rejection rate of 0.3%
- ▶ Insignificant customer returns till date

Facilities and Capability:

Details to be provided in the following manner-

- ❑ Location wise details of each facility
- ❑ Land area at each facility
- ❑ Head count at each facility
- ❑ Nature of facility such as machining, assembly, etc

2.10 Capex Requirement

Fund infusion required for completion of Plant 1/2/3...

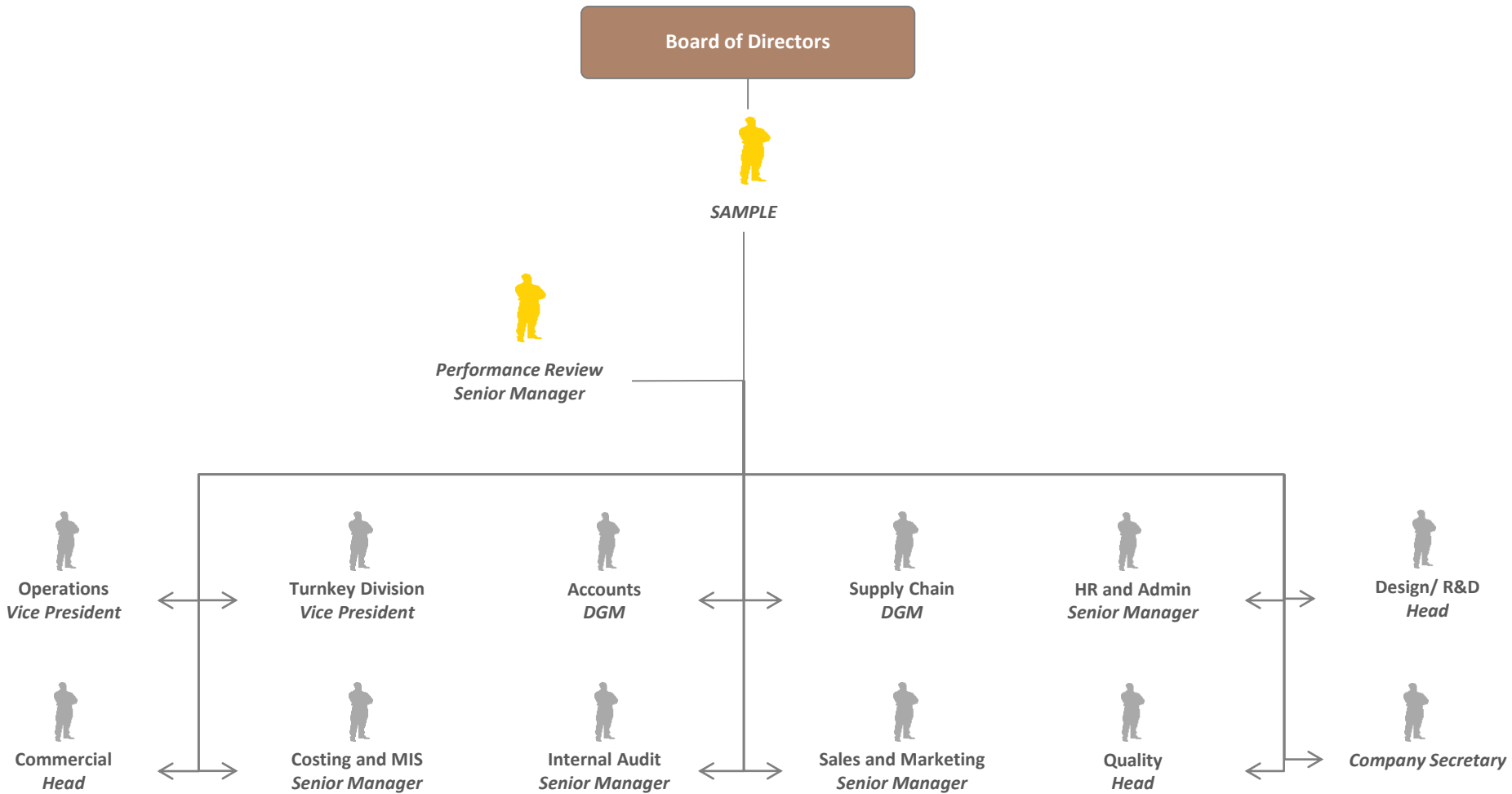
Plant Capacity	XXX (X plants with XXX units Capacity)
Location	Enter Location
CoD	Enter commencement of operations date of all units after fund infusion from XXX date
Project Cost	Enter Total cost and Cost/unit
Funding means	Debt: INR XXX Equity: INR XXX
Percentage of Completion	XX %

Plant Capacity	XXX (X plants with XXX units Capacity)
Location	Enter Location
CoD	Enter commencement of operations date of all units after fund infusion from XXX date
Project Cost	Enter Total cost and Cost/unit
Funding means	Debt: INR XXX Equity: INR XXX
Percentage of Completion	XX %

- ▶ Details of funds required for the remaining part/incomplete part of the project.
- ▶ Funds infused into the plant till date.
- ▶ Plant specification (Assembly, machining, forging, etc.) and details of the areas/machinery where funds are to be employed for completion of the plant.
- ▶ Purpose of the new plant- Manufacturing a new product, expansion of capacity of existing products, new customer, etc.
- ▶ Additional revenue and EBITDA which will be generated after completion and will be sufficient to service the interest and debt obligations relating to the project.

- ▶ Details of funds required for the remaining part/incomplete part of the project.
- ▶ Funds infused into the plant till date.
- ▶ Plant specification (Assembly, machining, forging, etc.) and details of the areas/machinery where funds are to be employed for completion of the plant.
- ▶ Purpose of the new plant- Manufacturing a new product, expansion of capacity of existing products, new customer, etc.
- ▶ Additional revenue and EBITDA which will be generated after completion and will be sufficient to service the interest and debt obligations relating to the project.

2.11 Organisation Structure



Source: Company Annual Report/ Company Website/ Management Discussions

2.12 Board of Directors

Director	Brief profile
Person 1 <i>Director</i>	▶ Brief Profile
Person 2 <i>Director</i>	▶ Brief Profile
Person 3 <i>Director</i>	▶ Brief Profile
Person 4 <i>Director</i>	▶ Brief Profile
Person 5 <i>Whole-Time Director</i>	▶ Brief Profile

Source: Company Annual Report/ Company Website/ Company Secretarial Records

2.12 Key Management

Management	Brief profile
<i>VP - Operations</i>	▶ Brief Profile
<i>DGM - Manufacturing</i>	▶ Brief Profile
<i>Head - Quality</i>	▶ Brief Profile
<i>Design Head</i>	▶ Brief Profile
<i>DGM – Supply Chain</i>	▶ Brief Profile
<i>DGM – Finance and Accounts</i>	▶ Brief Profile
<i>Senior Manager – Performance Review</i>	▶ Brief Profile
<i>Senior Manager – HRD</i>	▶ Brief Profile
<i>Company Secretary</i>	▶ Brief Profile

2.13 Details of Statutory Approvals and Compliances

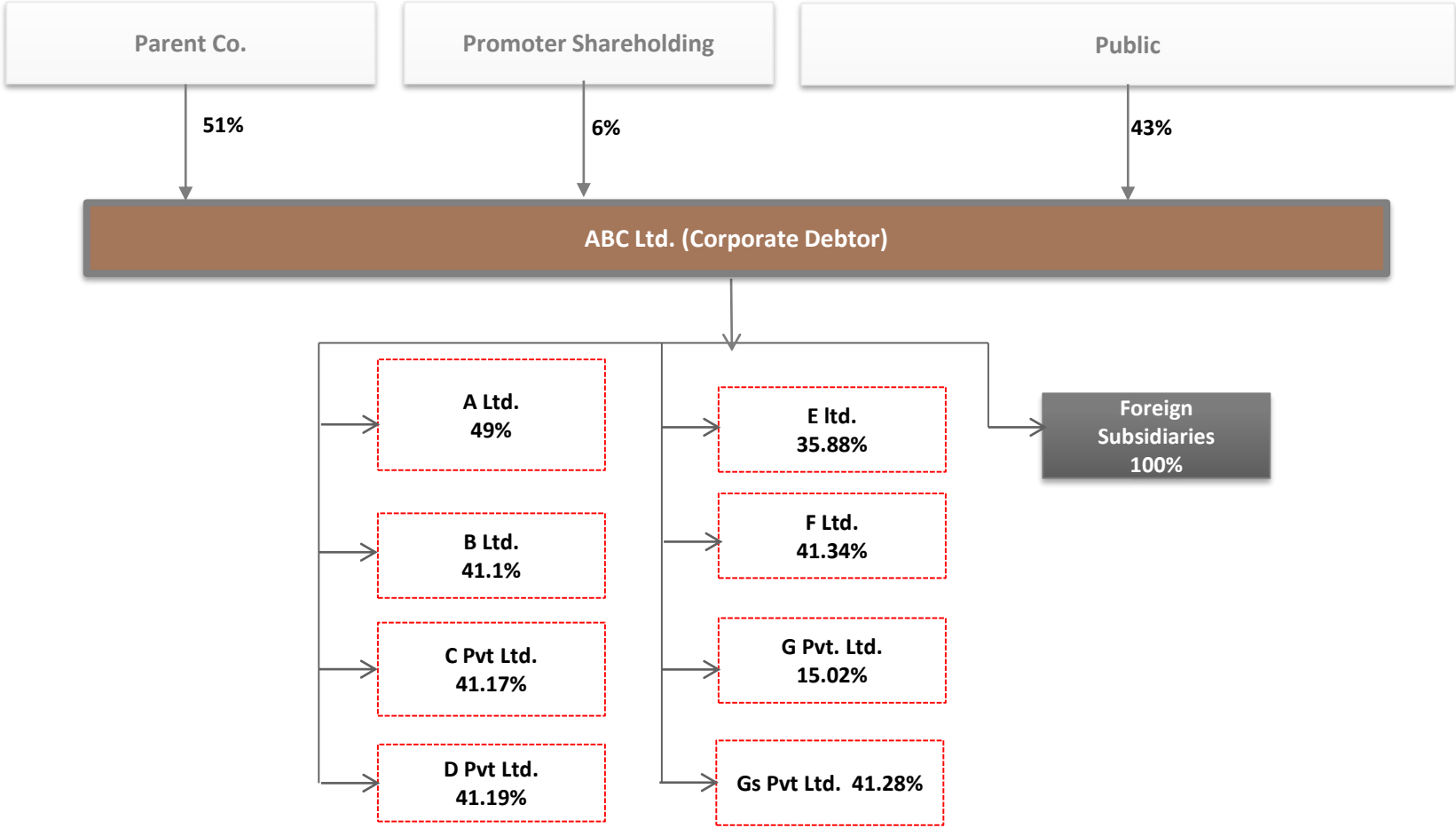
- Details of all relevant statutory approvals/compliances/licences etc to be furnished including but not limited to:
 - Environmental Clearances
 - Fire and Safety Clearance
 - Pollution Control
 - Certificate to Operate
 - Statutory Licences/Clearances
 - Registration Certificates
 - Registration under Tax Authorities

- Details to be furnished to include current status, last renewed date, next renewal date, costs involved, relevant authority involved priority of approvals etc

2.14 Investment Overview

A snapshot of the Key Investments held by the corporate debtors can be given as shown below:

Key Investments held



Source: Company Annual Report/ Company Website/ Company Secretarial Records

2.14 Investment 1/2/3...

Description of each Investment of the corporate debtor can be given highlighting the following aspects of each investment:

Business Description:

Give a brief description of the business of the entity with details such as nature of business, plants or office location, financial details or a snapshot of the financials of the entity, date of investment in the entity, status of operations, etc.

Products:

A list of the key products of the entity, category and sub category of products. Sample format given:

Category		Manufacturing
Products	Engine	<ul style="list-style-type: none"> Product names
	Transmission	<ul style="list-style-type: none"> Product name
Applications		<ul style="list-style-type: none"> Final Application

Key Customers:

A list of the key customers of the entity, product wise and location of plant wise, if applicable.

For Example: Logos of the customer

Manufacturing plant details

Plant 1- XXX, XXX

Headcount (as of 31st March, 2018)- XXX

Land Area (in acres)- XXX

- Brief description of the unit and the capacity and overall level of capacity utilization in the past
- Components of Plant's Core shop includes equipments like:
List of equipments at the core shop

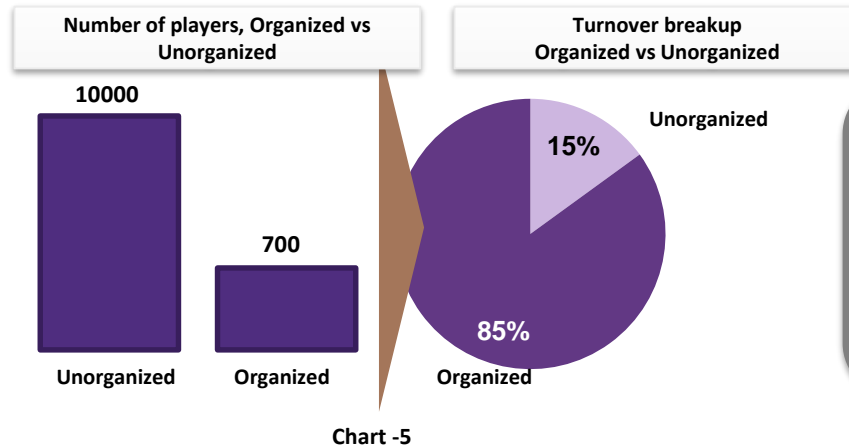
Industry Overview

3. Industry Overview

Detailed Industry analysis to be furnished and the following points can be considered for the same:

- ❑ Nature of industry
- ❑ Concise overview of the industry should include its competitors and their operations.
- ❑ Industry growth trend in the past and future outlook of the industry
- ❑ Macroeconomic factors affecting the industry
- ❑ Change in laws and regulations governing the industry (Favourable or not)
- ❑ Highlight factors like geographical growth, consumer base, price fluctuations, past performances and income projections.
- ❑ Sector wise break up of customers into Private/State Government/Central Government, etc.
- ❑ Key Investment perks in the industry
- ❑ Seasonality/Business Cycle of the Industry.

3.1 Industry Overview – Snapshot



Source: CRISIL/ICRA report or Specific industry reports from SIAM, NHAI, S&P, Capital IQ, etc

Organized sector-----
Unorganized sector-----

XYZ Industry

Brief gist pertaining to the charts

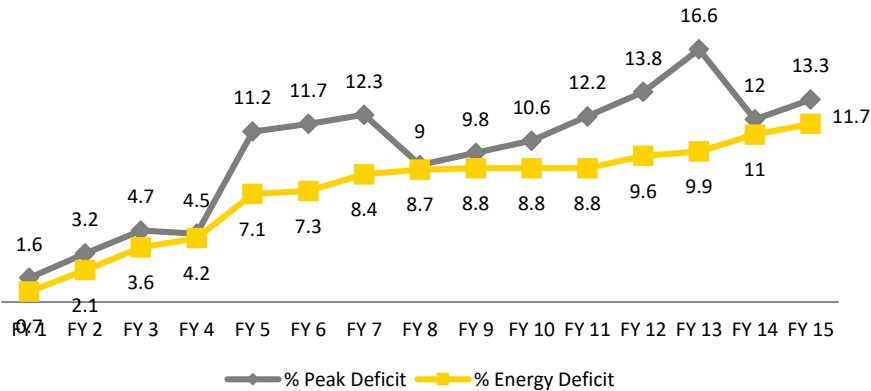
Key highlights regarding industry

Marquee deals in recent years

3.2 Strong Sector Fundamentals

Trend Analysis (%)

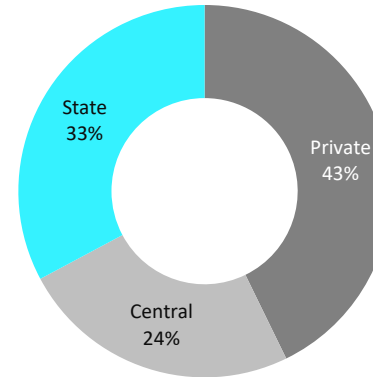
Chart -6



Source: CRISIL/ICRA report or Specific industry reports from SIAM, NHAI, S&P, Capital IQ, etc

Key Sectors

Chart -7



Key remarks on segment wise break up.....
.....

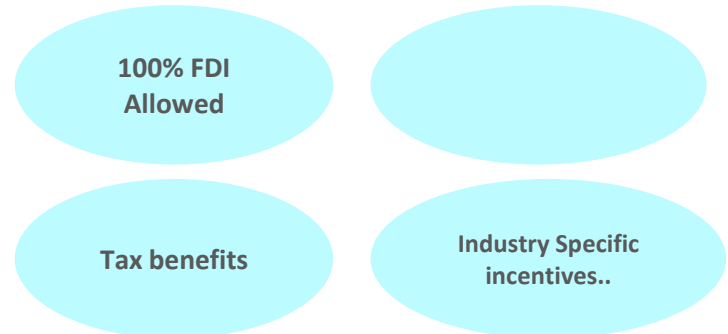
Source: CRISIL/ICRA report or Specific industry reports from SIAM, NHAI, S&P, Capital IQ, etc

Matured Regulatory Environment

- Ministry of XYZ sector/Govt body
- Transparent and well evolved bidding mechanism
- Appellate tribunal for relevant sector for quick resolution of disputes

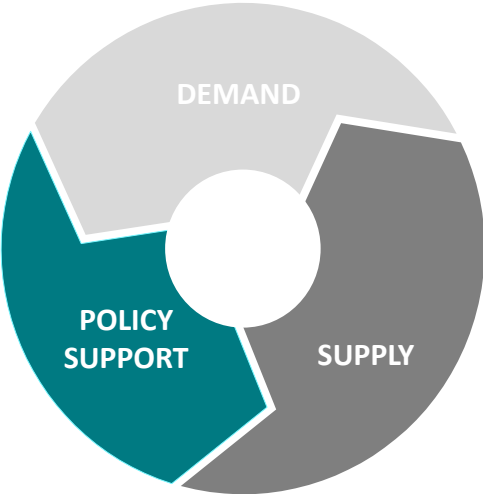
Investment Perks

Chart -8



Source: CRISIL/ICRA report or Specific industry reports from SIAM, NHAI, S&P, Capital IQ, etc

3.3 Key Growth Drivers in the XYZ Sector



1

-
-
-

2

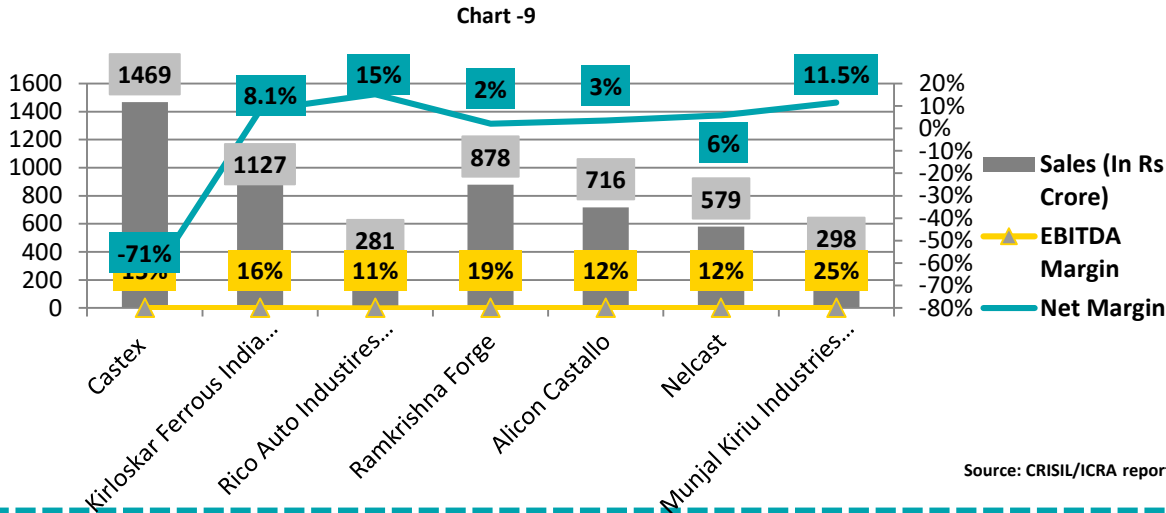
-
-

3

-
-

3.4 Competitor Analysis

Competitor Analysis for a particular Financial Year to be given (Sample given below)

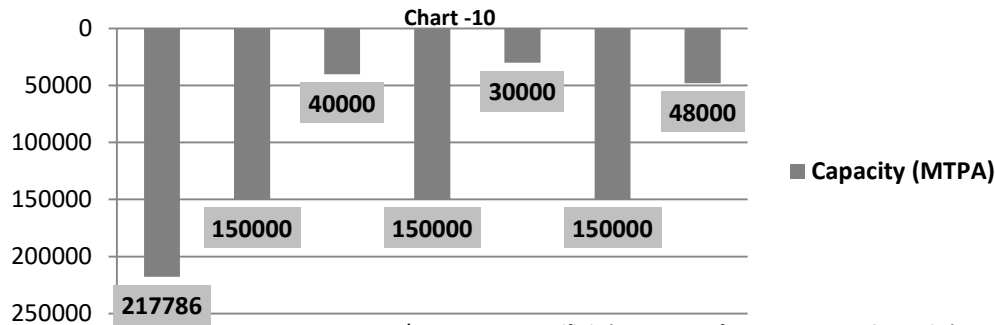


Observations/ Comments:

- Top 3 players Account for ~XX% of the Total Industries' Revenue
- The Industry Leader is ABC with a top line of XX Cr and EBITDA margin of XX%
- Key emerging players are – XYZ, MNO, etc.
- XXXX

Source: CRISIL/ICRA report or Specific industry reports from SIAM, NHAI, S&P, Capital IQ, etc

Production capacity of all competitors to be given (Sample given below)

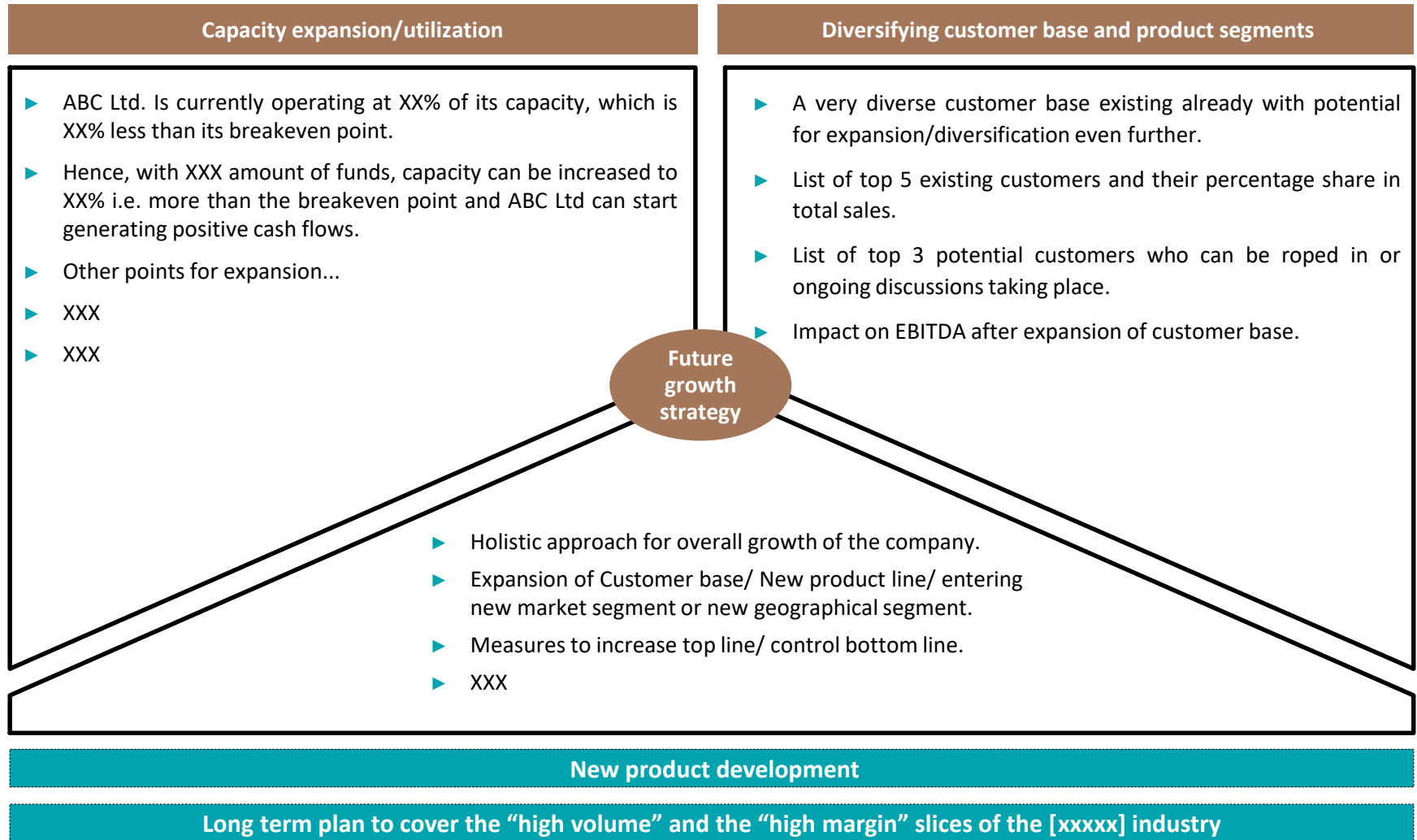


Source: CRISIL/ICRA report or Specific industry reports from SIAM, NHAI, S&P, Capital IQ, etc

- Apart from this analysis, we have to look at a product wise analysis of each competitor
- Mention the latest deals, mergers or acquisitions that have taken place amongst the competitors

Projected Business Plan - Aspirational

4.1 Future Growth Strategy



4.2 Assumptions

Key assumption taken for the forecast:

- Fund infusion (Working capital/Term loan/Equity) for achieving the operational level projected including capex
- Factors considered while projecting- Market share growth, Average selling price , Existing order book, Average cost of the product.
- Assumption for demand in the forecast period - how it will increase/decrease, based on historical trend or industry reports.
- Assumptions used for other expenses:
 - Manufacturing Overheads
 - Bifurcation into fixed, variable and semi variable
 - Employee benefit expenses
 - Indirect Costs
 - Other expenses
- Assumptions for Management Expertise and Adequate Capitalisation.
- Listing reports which are relied on for the following:
 - Industry growth rate assumptions;
 - Average Selling Price in the forecast period;
 - Average Cost Price in the forecast period;
 - Market Share,
 - Inflation, etc
- Working capital assumptions

4.3 Profit & Loss for the Forecast Period

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue from Operations	XXX	XXX	XXX	XXX	XXX
Other Operating Income	XXX	XXX	XXX	XXX	XXX
Aggregate Revenue	XXX	XXX	XXX	XXX	XXX
Total cost of materials consumed	XXX	XXX	XXX	XXX	XXX
Employee benefits expense	XXX	XXX	XXX	XXX	XXX
Other Mfg. expenses	XXX	XXX	XXX	XXX	XXX
Power and Fuel	XXX	XXX	XXX	XXX	XXX
Transportation charges	XXX	XXX	XXX	XXX	XXX
Plant overheads	XXX	XXX	XXX	XXX	XXX
Other SG&A	XXX	XXX	XXX	XXX	XXX
Total Expenses	XXX	XXX	XXX	XXX	XXX
EBITDA	XXX	XXX	XXX	XXX	XXX
Net Profit	XXX	XXX	XXX	XXX	XXX

Table 8

Source: Company Industry Report/ Company Website/ Management Discussions

Observations/Commentary: (Commentary on Key Observations should be given as follows)

- The above projections have been made assuming the utilisation of idle capacity. Hence, we can see growth in revenue and EBITDA levels.
- Overheads are decreasing constantly basis our understanding of the efficiency in the production processes and economies of scale. Sufficient demand for the product line is present.
- XXXXXX
- XXXXXX
- XXXXXX

4.4 Company level EBITDA Analysis over the Forecast Period



► [COMMENTARY]

This type of EBITDA analysis can be shown with commentary on the right

Chart -11

Source: Company Industry Report/ Company Website/ Management Discussions

Annexures

Serial Number	Details
Annexure 1	Process Overview
Annexure 2	Bid Evaluation Criteria
Annexure 3	Public Announcement
Annexure 4	Expression of Interest
Annexure 5	Claims of Various Creditors
Annexure 6	Details of Key Investments
Annexure 7	Process Note

Process Overview

Process Overview

Background and Initiation of CIRP Proceedings under NCLT:

- ❑ Date of admission in NCLT
- ❑ Name of Interim Resolution Professional
- ❑ Name of Process Advisors & Legal Counsel
- ❑ Name of Valuers Appointed
- ❑ Summary of claims Filed & Admitted
- ❑ Brief summary of Flow of events post initiation of CIRP

Brief profile of Insolvency Resolution Professional (IRP):

- ❑ Professional background of the IRP – Highlight the current occupation and designation in the industry or professional firm. Educational Qualification and number of years of experience in different organisations or in practice.
- ❑ Select Experience of the IRP – Highlight the ongoing engagements and engagements done in the past to show how that experience will help.

EOI Invitation under NCLT:

- ❑ Date on which EOIs were invited
- ❑ EOIs received under the NCLT process
- ❑ EOIs accepted after the last date of submission of EOIs
- ❑ Tabular summary of EOIs received, their status as eligible to bid or not and whether they are strategic investors or financial investors.

Binding Financial Bid/Binding Resolution Plan:

- ❑ Last Date of submission of Binding Financial Bid
- ❑ Summary of Binding Financial Bids received
- ❑ Last Date of submission of Binding Resolution Plan
- ❑ Date of discussion of plans with the COC.
- ❑ Details of Negotiations with highest evaluated bidder
- ❑ Name of the applicant selected as successful resolution applicant

Indicative Reference List

- ▶ Financial snapshot and historical numbers to be used for analysis can be obtained from company annual reports and / or audited financials of the corporate debtor
- ▶ Discussions with management / KMPs of the corporate debtor to get data of current market share, major customers, major suppliers of raw material, alternate sourcing arrangements etc
- ▶ Sector/Industry reports can be sourced from secondary database providers (Example: For the automotive sector report issued by SIAM or ACMA)
- ▶ Institutional / Government Publications to be referenced for policy updates and key statistics
- ▶ Industry reports from various credit rating agencies can be referenced especially when the agency is initiating coverage on a particular Industry/Company
- ▶ News in the media to be referenced for recent developments in the company/industry

Annexure-A2

**Specimen
of
Information Memorandum
For a Corporate Debtor in Power Sector**

Abbreviations

ACQ	Annual Contracted Quantity
B.Tech	Bachelor of Technology
BoP	Balance of Plant
BPTA	Bulk Power Transmission Agreement
BTG	Boiler Turbine Generator
CAGR	Compound Annual Growth Rate
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CoD	Commercial Operation Date
Cr	Crores
EPC	Engineering, procurement and construction
FDI	Foreign direct investment
FSA	Fuel Supply Agreement
GCV	Gross Calorific Value
INR	Indian National Rupee
IPP	Independent Power Producer
KCal	Kilo Calories
Kg	kilogram
Kms	Kilometers
kV	Kilovolt
kWh	Kilowatt-hour
M.S.	Masters of Science
M.Tech	Master of Technology

Mn	Million
MOC	Ministry of Coal
MOD	Merit order dispatch
MTPA	Million Tons Per Annum
MW	Mega Watt
O&M	Operation and Maintenance
PLF	Plant Load Factor
PPA	Power Purchase Agreement
REC	Rural Electrification Corporation Limited
ROM	Run of Mine
Rs	Rupees (Indian)
SERC	State Electricity Regulatory Commission
SHR	Station Heat Rate
St.	Station
tn	Tonne
TN	Tamil Nadu
TPP	Thermal Power Plant
UP	Uttar Pradesh
WPI	Wholesale Price Index

Disclaimer

This information memorandum is formulated by ABC (Name of Resolution Professional) in consultation with XYZ Ltd (Name of Professional Advisor, if any) which has been appointed as a professional advisor to the Resolution Professional (RP). The purpose of this document is to assist the recipient in deciding whether they wish to proceed with a further investigation of the Company, and in putting forward resolution plan for the Company in accordance with the Insolvency and Bankruptcy Code, 2016 (hereinafter as "IBC" or "Code") and the Regulations made thereunder, as amended from time to time. This Information memorandum has been prepared in furtherance of Section 29 of the Code. The information memorandum contains specific information of the corporate debtor including but not limited to the details as prescribed under sub-regulation 2 of Regulation 36 of the Insolvency and Bankruptcy Board of India (Resolution process for Corporate Persons) Regulations, 2016 (hereinafter as "CIRP Regulations").

This information memorandum and the information contained herein is not intended to form the basis of any investment decision by a prospective resolution applicants. Interested parties should carry out their own investigations and analysis of the Corporate Debtor and of the data referred to in this Information Memorandum and should consult their own advisers before submitting a resolution plan. Neither this document, nor anything contained herein, should form the basis of, or be relied upon in connection with any contract, agreement, undertaking, understanding or any commitment or investment decision whatsoever.

The information contained/disclosed in the information memorandum is as provided by the Corporate Debtor and the creditors of the Corporate Debtor. No representation or warranty, express or implied, is given by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) as to the accuracy, authenticity or completeness of the contents of this Memorandum or any other document or information supplied, or which may be supplied at any time or any opinions or projections expressed herein or therein, nor is any such party under any obligation to update the Memorandum or correct any inaccuracies or omissions in it which may exist or become apparent. This Memorandum should not be considered as a recommendation by the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) to invest in the Corporate Debtor and each prospective applicant must make its own independent assessment of the merits or otherwise of investing in the corporate debtor.

This information memorandum contains the forecasts, projected financial information and other predictive statements that represent the Resolution Professionals and its Professional Advisors assumptions in light of information available in public domain, about circumstances and events that have not yet taken place. The said forecasts, projected financial information and other predictive statements are based on market/industry trends/predictions/estimates and other factors. Accordingly, there can be no assurance or guarantee that the projected results will be attained. The projected results are not definitive and are subject to change without notice. The future projections enclosed in this information memorandum involve risks and uncertainties, based on various factors and variables, which may cause actual performance to differ materially from any projections of future performance. The Resolution Professional and its Professional Advisors at no time guarantees the accuracy/authenticity of the future projections. In particular, but without prejudice to the generality of the foregoing, no representation or warranty whatsoever is given in relation to the reasonableness or achievability of the projections contained in this Information Memorandum or in relation to the bases and assumptions underlying such projections and you must satisfy yourself in relation to the reasonableness, achievability and accuracy thereof. The recipient acknowledges that it will be solely responsible for its own assessment of the market projections and future prospects/performance of the corporate debtor.

Disclaimer Cont.

Memorandum and the information contained therein is confidential and subject to the undertaking executed between the corporate debtor and the recipient in pursuance of Section 29 (2) of the Code. The recipient by way of the undertaking, unconditionally acknowledges to undertake to (a) comply with the provisions of the law for the time being in force relating to confidentiality and insider trading (b) protect the intellectual property of the corporate debtor it may have access to and (c) is statutorily obligated not to share the information memorandum or its contents with third parties unless (a) and (b) above have been complied with. The recipient further also acknowledges that the information contained in the information memorandum shall not be used to cause undue gain or undue loss to itself or to any other persons and that the recipient shall comply with the requirements under Section 29(2) of the Code.

No responsibility or liability is accepted for any loss or damage arising whatsoever that you may suffer as a result of this Information memorandum or the information contained herein and any and all responsibility and liability is expressly disclaimed by the Resolution Professional and its Professional Advisor and its respective partners, directors, officers, affiliates, employees, advisors or agents.

Should this Information memorandum (through the act or default of the recipient) reach other persons without the resolution professional's written consent, the recipient shall indemnify the resolution professional and its professional advisor including its respective partners, directors, officers, affiliates, employees, advisors or agents against any loss or damage or other liabilities (including all costs), which they may suffer as a result.

By accepting a copy of this information memorandum, the recipient is deemed to have acknowledged and accepted that the terms and conditions of the disclaimer notice and that it formed an integral/material part of this information memorandum. The recipient further is deemed to have unconditionally acknowledged that the Corporate Debtor, any of its officers, employees or its agents, the Resolution Professional or XYZ Ltd. (Name of Professional Advisor) do not accept any liability for any and all information contained in this information memorandum. The recipient is deemed to have acknowledged that the information contained in the information memorandum shall not be utilised/used for any other purpose other than for the preparation of the Resolution Plan as defined in the Code.

The information memorandum and the information contained herein may not be inclusive or contain all information which the recipient considers material. While the Resolution Professional shall endeavour to furnish further relevant information/details/ clarifications, the resolution professional is under no obligation to provide the recipient with any further relevant information/details/clarifications. In the event any additional information/clarifications are so provided they shall be unconditionally subject to this disclaimer notice irrespective of whether it has been specifically provided for or not.

This information memorandum and the information contained herein should not be printed, reproduced, transmitted, sold, distributed, or published by the recipient without prior written approval of the Resolution Professional. The recipient further acknowledges to return and /or destroy this information memorandum at the written request of the resolution professional. The resolution professional shall act as the primary point of contact for the recipients and any and all correspondences/clarifications should only be addressed to the resolution professional. This Information memorandum is issued by the resolution professional of the corporate debtor without incurring any liability/commitment on the part of itself or the professional advisor (including but not limited to the professional advisors respective partners, directors, officers, affiliates, employees, advisors or agents) or the corporate debtor or any of its officers, employees or its agents

Contact Details:

For any further enquiries, please contact:

[Name]

Resolution Professional

Name of Corporate Debtors

Tel:

Mobile

Email

Contents

Part A	Statutory Information Memorandum under IBC
Part B	Business Transaction Information Memorandum

Part A

Statutory Information Memorandum (Statutory IM)

Model Information Memorandum

Table of Contents

Statutory Information Memorandum

1. **Related Sections and Regulations**
2. **Contents as given in Regulation 36**
3. **Description of Assets & Liabilities and Financial Statements (Regulation 36(2)(a),(b) & (c))**
4. **List of Creditors (Financial, Operational, Employees & Others) (Regulation 36(2)(d))**
5. **Dues to/from Related parties (Regulation 36(2)(e))**
6. **Guarantor Details (Regulation36(2)(f))**
7. **Members or partners having- 1% or more stake (Regulation36(2)(g))**
8. **Details of all material litigation and an ongoing investigation (Regulation36(2)(h))**
9. **No of Workers & Employees and their dues (Regulation36(2)(i))**

Index of Tables

▶ Table 1 : Assets & Liabilities	8
▶ Table 2 : List of Creditors.....	9
▶ Table 3 : Dues to/from Related Parties.....	10
▶ Table 4 : Guarantor Details.....	11
▶ Table 5 : Details of members / partners holding at least one per cent stake.....	12
▶ Table 6 : Material Litigation.....	13
▶ Table 7 : Workers & Employees and their dues.....	14

1. Relevant Sections and Regulations

Section 5(10)

Section 29(1)

Section 29(2)

Regulation 36 of IBBI (IRP for Corporate Persons) Regulations, 2016

Information Memorandum (Statutory IM) is a memorandum prepared by resolution professional under sub-section (1) of section 29.

Provides that the resolution professional shall prepare an information memorandum in such form and manner containing such relevant information as may be specified by the Board for formulating a resolution plan.

The resolution professional shall provide to the resolution applicant access to all relevant information in physical and electronic form, provided such resolution applicant undertakes—

- (a) to comply with provisions of law for the time being in force relating to confidentiality and insider trading;
- (b) to protect any intellectual property of the corporate debtor it may have access to; and
- (c) not to share relevant information with third parties unless clauses (a) and (b) of this sub-section are complied with.

Explanation.—For the purposes of this section, “relevant information” means the information required by the resolution applicant to make the resolution plan for the corporate debtor, which shall include the financial position of the corporate debtor, all information related to disputes by or against the corporate debtor and any other matter pertaining to the corporate debtor as may be specified.

Provides for the contents of the Statutory IM and the manner in which it will be submitted to each member of the CoC and any potential resolution applicant.

2. Contents of Statutory IM

Regulation 36 of IBBI (IRP for Corporate Persons) Regulations, 2016

S.No.	Regulation	Particulars
1	36(2)(a)	Assets and Liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values.
2	36(2)(b) & 36(2)(c)	The latest annual financial statements and audited financial statements of the corporate debtor for the last two financial years and provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application
3	36(2)(d)	A list of Creditors containing the names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest, if any, in respect of such claims
4	36(2)(e)	Particulars of a debt due from or to the corporate debtor with respect to related parties
5	36(2)(f)	Details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, specifying which of the guarantors is a related party
6	36(2)(g)	The names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake.
7	36(2)(h)	Details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities.
8	36(2)(i)	The number of workers and employees and liabilities of the corporate debtor towards them.

2. Contents of Statutory IM

Regulation 36 of IBBI (IRP for Corporate Persons) Regulations, 2016

- ▶ A member of the committee may request the resolution professional for further information of the nature described in this Regulation and the resolution professional shall provide such information to all members within reasonable time if such information has a bearing on the resolution plan.
- ▶ The interim resolution professional or the resolution professional, as the case may be, shall share the information memorandum after receiving an undertaking from a member of the committee or a potential resolution applicant to the effect that such member or resolution applicant shall maintain confidentiality of the information and shall not use such information to cause an undue gain or undue loss to itself or any other person and comply with the requirements under section 29(2).

3. Assets & Liabilities and Financial Statements

1. Assets and Liabilities with such description, as on the insolvency commencement date, as are generally necessary for ascertaining their values.
2. 'Description' includes the details such as date of acquisition, cost of acquisition, remaining useful life, identification number, depreciation charged, book value, and any other relevant details.
3. The latest annual financial statements and audited financial statements of the corporate debtor for the last two financial years.
4. Provisional financial statements for the current financial year made up to a date not earlier than fourteen days from the date of the application. Generally, provisional financials are made on the date of commencement of the Corporate Insolvency Resolution Process (CIRP).



Table-1

Particulars	Amount
<u>Assets</u>	
Fixed Assets	XXX
CWIP	XXX
Investments (net of provisions)	XXX
Loans and Advances	XXX
Tax Assets	XXX
Inventory	XXX
Debtors	XXX
Cash and Bank balances	XXX
Investment in Mutual Funds	XXX
Total Assets	XXX
<u>Liabilities</u>	
Financial creditors	XXX
Operational Creditors	XXX
Provisions	XXX
Net Worth	XXX
Total Liabilities	XXX

Source: Financials of corporate debtor as on CIRP date

4. List of Creditors- names of creditors, the amounts claimed by them, the amount of their claims admitted and the security interest

Financial, Operational, Employees & Others

Financial Creditors: All financial creditors have to file their claims in Form C in the prescribed format, after which the Resolution Professional will verify and admit the claims to the extent they have been verified, form the CoC and include the claims of the financial creditors in the IM. All financial creditors have voting rights which is based on the proportion of the financial debt owed to such financial creditor in relation to the financial debt owed by the corporate debtor.

Operational Creditors: All operational creditors have to file their claims in Form B in the prescribed format, after which the Resolution Professional will verify and admit the claims of the operational creditors to the extent they have been verified. Operational creditors have no voting rights.

Employee Claims & Other Claims are filed in Form D & Form E respectively, then they are verified and admitted.



Table-2

Creditor names	Facility	Amount of claims submitted	Amount admitted	Voting right
Financial creditors		XXX	XXX	100%
A	Secured Term Loan	XXX	XXX	50%
B	Working Capital Loan	XXX	XXX	20%
C	Term Loan	XXX	XXX	30%
Creditor names	Facility	Amount of claims submitted	Amount admitted	Voting right
Operational Creditors		XXX	XXX	NA
X	NA	XXX	XXX	NA
Y	NA	XXX	XXX	NA
Z	NA	XXX	XXX	NA

Source: Data from Corporate Debtor/ Management Discussion/ Financials

5. Dues to/from Related Party

Definition of related party in relation to a Corporate Debtor is much wider in scope as compared to the Companies Act, 2013. It has been defined in section 5(24) of IBC, 2016.

As per Regulation 36(2)(e), particulars of a debt due from or to the corporate debtor with respect to related parties are to be stated in the Statutory IM.

Table-3

Sample Format

Sample Format					
Debt payable to/due from related parties					
Name of the party	Trade receivables	Trade payables	Loans/Advances	Any other arrangements	Net receivable/ (payable)
<u>To/due from related parties:</u>					
XXX	XXX	XXX	XXX	XXX	XXX
XXX	XXX	XXX	XXX	XXX	XXX
Total	XXX	XXX	XXX	XXX	XXX

Source: Data from Corporate Debtor/ Management Discussion/ Financials

6. Guarantor Details

As per Regulation 36(2)(f), details of guarantees that have been given in relation to the debts of the corporate debtor by other persons, **specifying which of the guarantors is a related party**.

Example: Corporate Guarantee or Personal Guarantee given in relation to the debts by any related party of the corporate debtor

Table-4

Sample Format		
Guarantees given	Designation	Facility
Personal guarantees of:		
XXX	XXX	XXX
Corporate guarantees of:		
XXX	XXX	XXX

Source: Security Creation documents along with sanction letter/ Register of Charges created

7. Details of Members/Partners Holding at least 1% Stake

As per Regulation 36(2)(g), the names and addresses of the members or partners holding at least one per cent stake in the corporate debtor along with the size of stake have to be provided in the Statutory IM



Table-5

Sample Format

Name of the shareholder	Address	Nature of Shareholder	No. of fully paid up equity shares held	Shareholding as a % of total no. of shares
Promoter Group				
XXX	XXX	Promoter	XXX	XXX
Non Promoter Group				
XXX	XXX	Non Promoter	XXX	XXX

Source: Annual Report or Financials/ Register of Members

8. Material Litigations

As per Regulation 36(2)(h), Details of all material litigation and an ongoing investigation or proceeding initiated by Government and statutory authorities have to be provided.



Table-6
Sample Format

Proceedings initiated by	Court / Authority	Related Law/ Regulation	Parties to the litigation	Particulars of case	Notice received for amount	Contingent Liability	Lawyer Involved
Labour Related cases							
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Direct & Indirect Taxes Related cases							
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Other cases							
XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

Source: Annual Report or Financials/ Management discussions

9. Number of Workers and Employees and their Dues

As per Regulation 36(2)(i), the number of workers and employees and liabilities of the corporate debtor towards them have to be provided.



Table-7

Sample Format

Number of Employees and amount due to employees as on CIRP Commencement date

Particulars	No. of Employees	Balance outstanding as at CIRP Commencement Date
Number of Employees	XXX	
Number of Workers - Regular	XXX	
Number of Workers - Casual	XXX	
Wages & Salary including provision		XXX
LTA and Medical Payable		XXX
Reimbursements		XXX
Provident Fund		XXX
ESI		XXX
Staff expenses unpaid		XXX
Full and Final Settlement payable		XXX
Any other		XXX
Total	XXX	XXX

Source: Management Discussions/ Data from Corporate Debtor

PART-B

Business Transaction- For a Corporate Debtor in Power Sector

Model Information Memorandums

Table of Contents

Transaction Information Memorandum

1. **Executive Summary, Key Investment Highlights and Indicative Project Timelines**
2. **Company Overview**
 - 2.1 Corporate Debtor Profile
 - 2.2 Business Evolution
 - 2.3 Project Details
 - 2.4 Current Scenario, Snapshot of Financial Performance and Interim Finance
 - 2.5 Capital Structure of Corporate Debtor
 - 2.6 Shareholding Pattern of Corporate Debtor
 - 2.7 Financial & Operational Claims
 - 2.8 Facilities and Capability
 - 2.9 Summary of Contracts, Fully Tied-up Fuel Sourcing Arrangement & Adequate Coal Sourcing
 - 2.10 Capex Requirement
 - 2.11 Organisation Structure
 - 2.12 Board of Directors & Key Management
 - 2.13 Details of Statutory Approvals and Compliances
 - 2.14 Investment Overview
3. **Industry Overview**
 - 3.1 Snapshot
 - 3.2 Sector Fundamentals
 - 3.3 Key Growth Drivers
 - 3.4 Competitor Analysis
 - 3.5 Key trends & outlook

Model Information Memorandums

Table of Contents

Transaction Information Memorandum

4. Projected Business Plan

- 4.1 Future Growth Strategy
- 4.2 Assumptions
- 4.3 Profit & Loss for the Forecast Period
- 4.4 Company level EBITDA analysis over the Forecast Period

Annexures to Business Transaction IM

- List of Annexures to be given
- Process Overview
- Indicative Reference List

Index of Tables

▶ Table 1 : Financial Summary.....	15
▶ Table 2 : Balance Sheet and Income Statement.....	17
▶ Table 3 : Capital Structure.....	18
▶ Table 4 : Shareholding Pattern.....	18
▶ Table 5 : Financial Claims.....	19
▶ Table 6 : Operational Claims.....	18
▶ Table 7 : Manufacturing Facilities.....	23
▶ Table 8 : Projected P&L	40

Index of Charts

➤ Chart 1 : Sales by Geography.....	15
➤ Chart 2 : Sales by Segment.....	15
➤ Chart 3 : Division Wise Share.....	20
➤ Chart 4 : Supplier Dependence.....	21
➤ Chart 5 : Turnover Breakup	32
➤ Chart 6 : Trend Analysis.....	33
➤ Chart 7 : Key Sectors.....	33
➤ Chart 8 : Investment Perks.....	33
➤ Chart 9 : Competitor Analysis.....	35
➤ Chart 10 : Production Capacity.....	36

1. Executive Summary

Company Overview

- ▶ **A Ltd. (“the Company”)** is a major player in the power sector operating in renewable/non renewable segment.
- ▶ Has a total installed capacity of XXX MW
- ▶ Recently approvals obtained for 2 additional hydro/wind/solar units of XX XMW each
- ▶ Operates X state of art Manufacturing facilities in ABC/DEF/GHI
- ▶ Has deep-rooted and long-standing contracts/PPAs with XXX for X years at INR X per unit
- ▶ Owned and run by professional management
- ▶ CIRP background

What ABC Ltd offers?

- ▶ Opportunity to increase the power generation capacity
- ▶ Lower cost of generation due to operational efficiencies, optimisation of logistics cost w.r.t. coal procurement
- ▶ Platform for a strategic partner to enter/ expand its operations in various segments (Hydro/coal/wind)
- ▶ PLF of thermal power plant > 80%

The Transaction

- ▶ [mention opportunity here]

1. Key Investment Highlights

1

Diverse portfolio across Thermal, wind and solar plants.

2

State-of-the-art power plants with latest technology machines

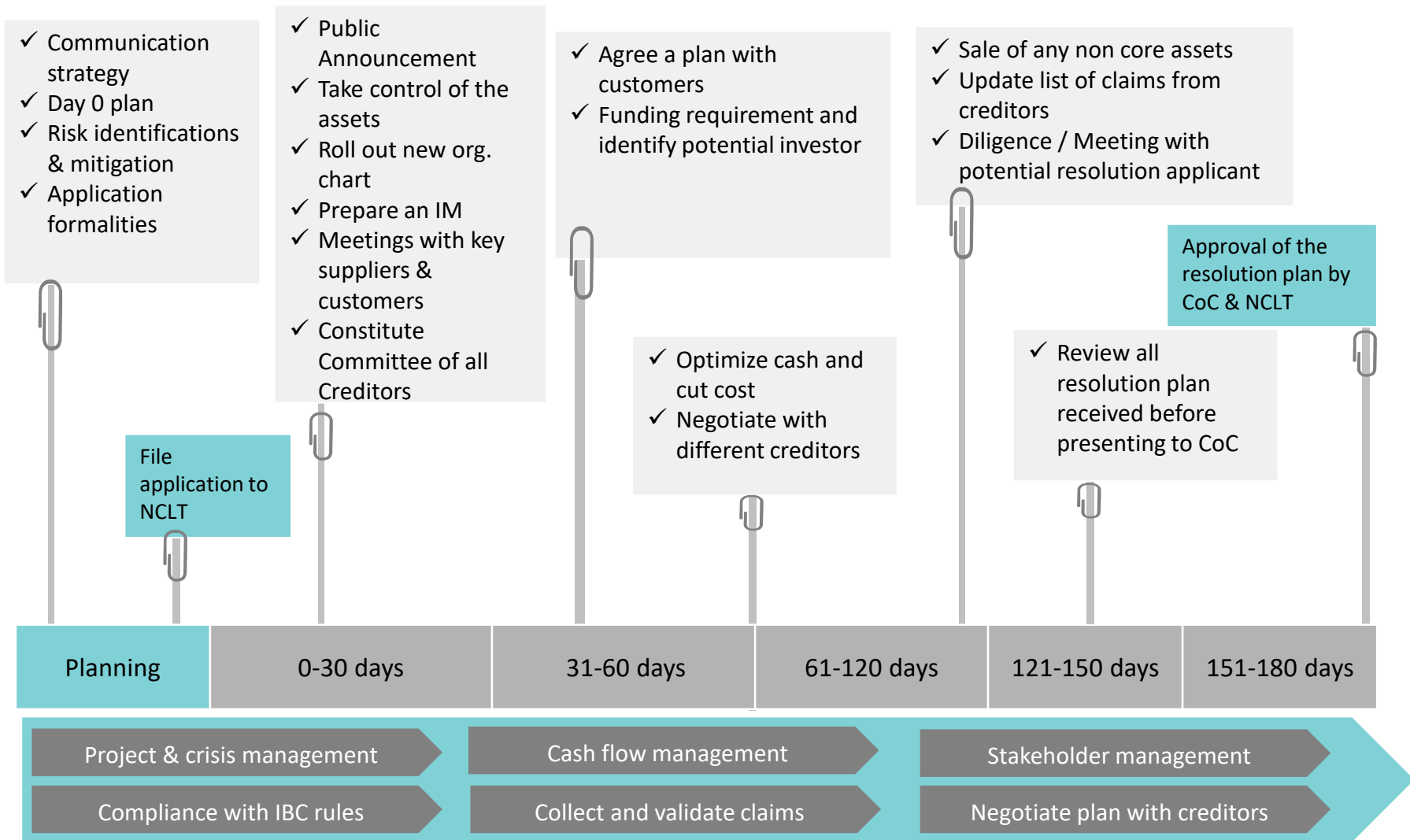
3

Professional management team and corporate governance standards benchmarked to best industry practices

4

Operating in highly government regulated sector, with various programmes in pipeline to accelerate industry growth

1. Indicative Project Timelines



Company Overview

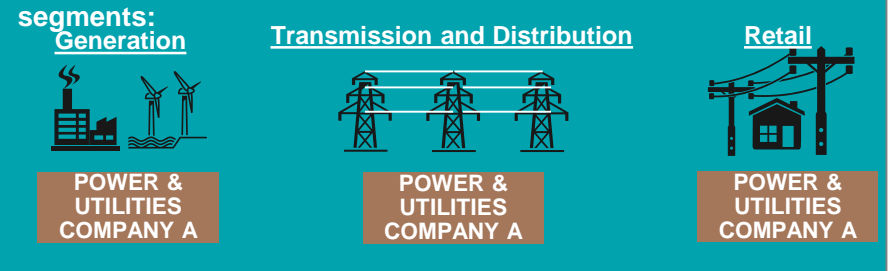
2. Company Overview

2.1 Corporate Debtor Profile

POWER & UTILITIES COMPANY A generates, transmits, and distributes electric power and operates through fuel & power, power grid, and customer service segments

Sales (20XX)	XXX
Net Income (20XX)	XXX
Number of employees (31 March 20XX)	XXX
Credit Rating	Ba3 (Moody's, 20XX)
Fortune 500 Ranking (20XX)	# (If applicable)

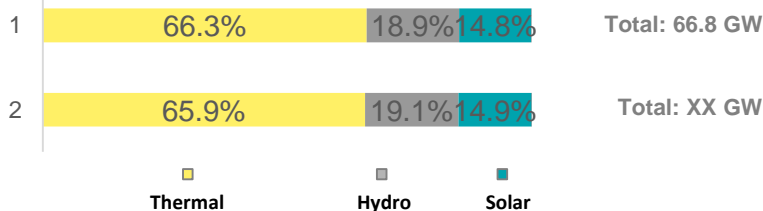
In April 20XX, **POWER & UTILITIES COMPANY A** transitioned to a Holding Company System, spinning off its three business segments:



Generation Mix

The company has a portfolio of thermal, hydroelectric, and nuclear, as well as renewable energy power plants, including solar, wind, and hydro. It also engages in the design of power generation and distribution facilities

Thermal constitute the highest in energy mix with more than 65% contribution. Renewable capacity grew by XX% in 20XX but still lowest in contribution



Geographic Reach, Strategic and Expansion Plans

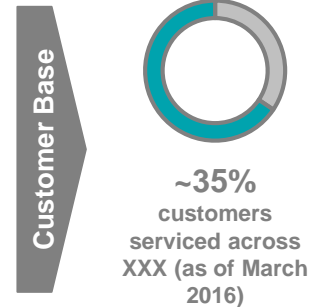


▶ Currently, it supplies electricity only in XXX, especially in CITY metropolitan area.

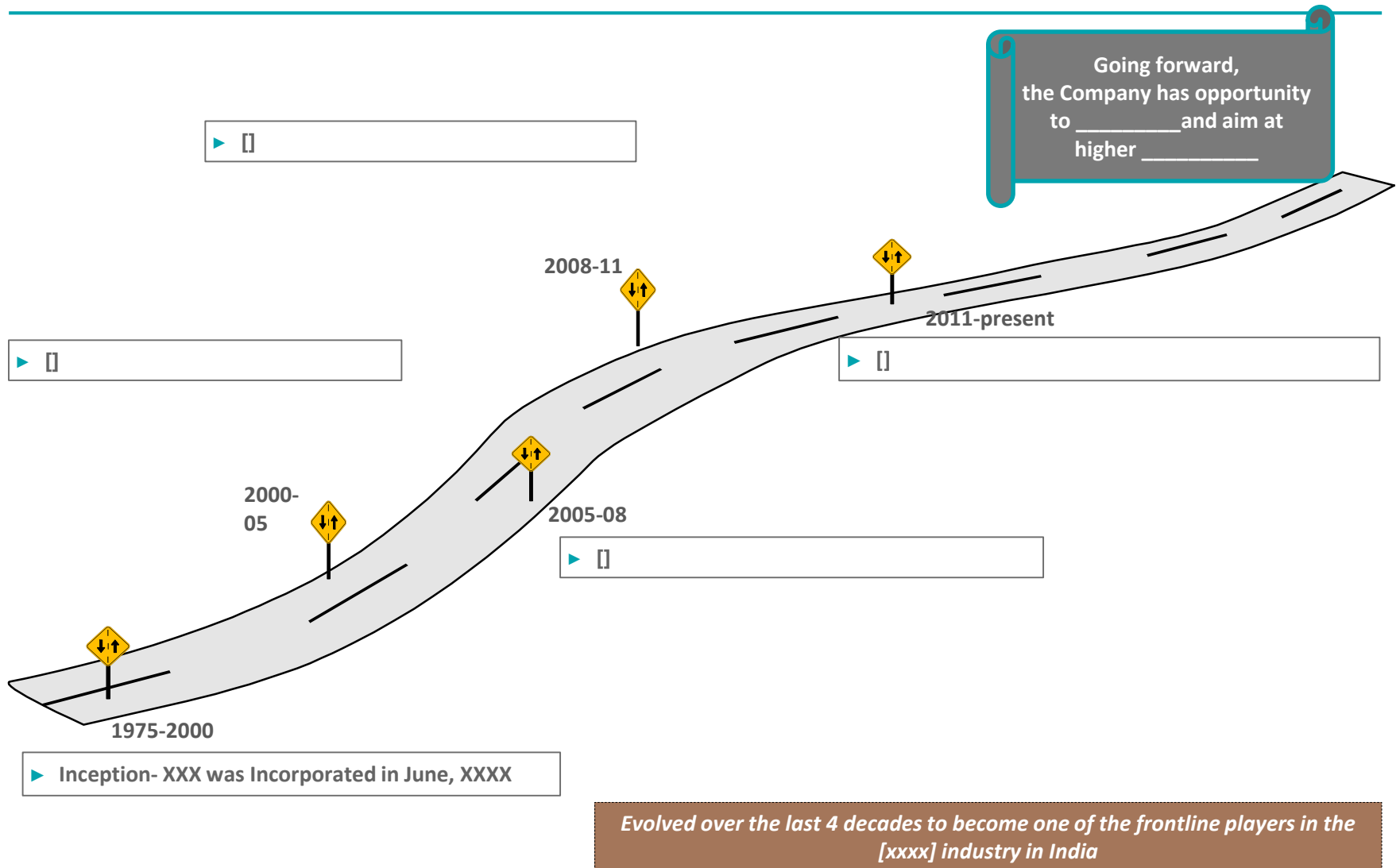
▶ With plans to increase in presence geographically, it collaborated with XX in July 2016, to form a JV — ABCD.

▶ The company aimed to complete installation of smart meters in every household by 2020

▶ **POWER & UTILITIES COMPANY A** introduced new service amid liberalization, such as new rate plans, web service to enhance electricity usage, as well as alliances with 40 companies in other sectors



2.2 Business Evolution



2.3 Project Details

XXX MW operational plant in XXX (Location)

Project Size	XXX MW (X plants with XXX MW Capacity)
Location	Enter Location
CoD	Enter commercial operation date of all units
Project Cost	Enter Total Project cost and Project Cost/MW
Funding means	Debt: INR XXX Equity: INR XXX
Coal linkage	Source of Coal (For thermal power plants) and FSAs

Approvals obtained for 2 additional units of XX XMW each → Total potential of XXX MW installed capacity at the site

2.4 Current Scenario

Technical Issues

- ▶ Lack of availability of Natural gas and inadequate gas pipeline infrastructure resulting in the project operating at low/no PLF.
- ▶ PPA with XXX state board has expired in XX Month, 20XX. Project is currently pursuing renewal of PPA for additional term of 10 years, however there is uncertainty over the same due to low demand and higher variable cost of the same.
- ▶ No definitive PPA for Power Offtake of Project II & Project III. Due to low power demand and High variable cost of generation, power sale could not be tied up.



Financial Issues

- ▶ Lower EBITDA and negative free cash due to lower power generation and under utilisation of capacity. Hence, company is not able to currently service its full interest and debt obligations.
- ▶ Removal of subsidies by the Government resulting in increase in variable cost of generation per unit.
- ▶ Lack of PPAs resulting in non recovery of Fixed cost. Hence, negative cash flows.
- ▶ XXX
- ▶ XXX
- ▶ XXX

Macroeconomic Factors

- ▶ Thermal power plants are sitting idle due to higher cost of generation per unit as compared to wind and solar energy.
- ▶ Threat of new rivals as new players are coming in the renewable energy sector.
- ▶ Liquidation or Hostile Takeovers by capital rich companies to create synergy benefits and capture market share.
- ▶ XXX
- ▶ XXX

2.4 Snapshot of Financial Performance

Financial Summary

Balance sheet as on XX/XX/XXXX			
Particulars	FY 1	FY -1	FY -2
Equity			
- Net Worth			
Non- Current Liability			
- Long term loan			
- Others			
Current Liability			
- Sundry creditors			
- Others			
Total Equity and Liability			
Assets			
Non-Current Assets			
- Investments			
- Others			
Current assets			
- Debtors			
- Cash			
Total Assets			

Income Statement Summary			
Particulars	FY 1	FY -1	FY -2
Revenue from Operations			
Other Income			
Operating Expenses			
EBITDA			
Depreciation			
EBIT			
Interest expense			
EBT			
PAT			

1. The consistent increase in revenue in the last 2 years is in line with the increasing trend as seen in the industry.
2. Low EBITDA margin along with calculated Interest Coverage Ratio and Debt Service Coverage Ratio shows the difficulty in servicing the finance cost and principal instalments.
3. Increasing inventory and trade receivables highlights working capital being blocked and hence, the liquidity problems faced by A Ltd.
4. XXXXXX
5. XXXXXX
6. XXXXXX

2.4 Interim Finance

Current Status

- Advances received from key customers to keep the business afloat and maintain continuity of supplies; to be repaid on offset against sales basis
- Delay in salaries & wages resulting in low morale across the company; inability to retain/deploy workers at the required level impacting production and sales
- At current levels of production, cash gap projected to hit INR 10 Cr by April, resulting in total shutdown of, unless Interim Finance is raised

Challenges without Interim Finance

- Accumulation of month on month operating losses on account of operating below break even levels could lead to closure
- Low probability of achieving good bids/ resolution plans on account of sub-optimal operations and absence of confidence from customers
- XXXX
- XXXX

Projected Cash-flow

Particulars	Mar	Apr	May	Jun
Projected inflows	38	39	34	34
Projected outflows	43	47*	43	43
Net Cash after opening adjustments	(2)	(8)	(10)	(10)
Cumulative cash gap	(2)	(10)	(20)	(30)



Estimated Interim Finance Required: INR XX Cr



Indicative Term Sheet

- Amount of Interim Finance : INR XXCr.
- Period : CIR period
- Upfront fee : 2% on the disbursed amount
- Rate of Interest :XX6% P.A (Interest payable monthly)
- Repayment : No repayment during CIR period

2.5 & 2.6 Capital Structure and Shareholding

Capital Structure:

Capital Structure of the Corporate Debtor as on the date of commencement of CIRP is provided below (Sample only):

Particulars	No of shares	Amount (INR Crore)
Authorized share capital		
Equity shares of Rs.10/- each	XXX	XXX
Preference shares of Rs.10/- each	XXX	XXX
Issued, subscribed and paid up capital		
Equity shares of Rs.10/- each	XXX	XXX
Preference shares of Rs.10/- each	XXX	XXX

Source: Company Annual Report/ Financials/ NSE or BSE filings

Shareholding Pattern:

Shareholding Pattern of the Corporate Debtor is provided by bifurcating the shareholding into 2 parts-

- A. Promoter & promoter group
- B. Public shareholding, which is further divided into institutions and non-institutions.

Particulars	No. of Shares	%
Promoter and Promoter Group	XXX	40.86%
Public	XXX	59.14%
Institutions		2.05%
Non-Institutions		57.09%
Grand Total	XXX	100.00%
Total Debt	XXX	

Source: Company Annual Report/ Financials/ NSE or BSE filings

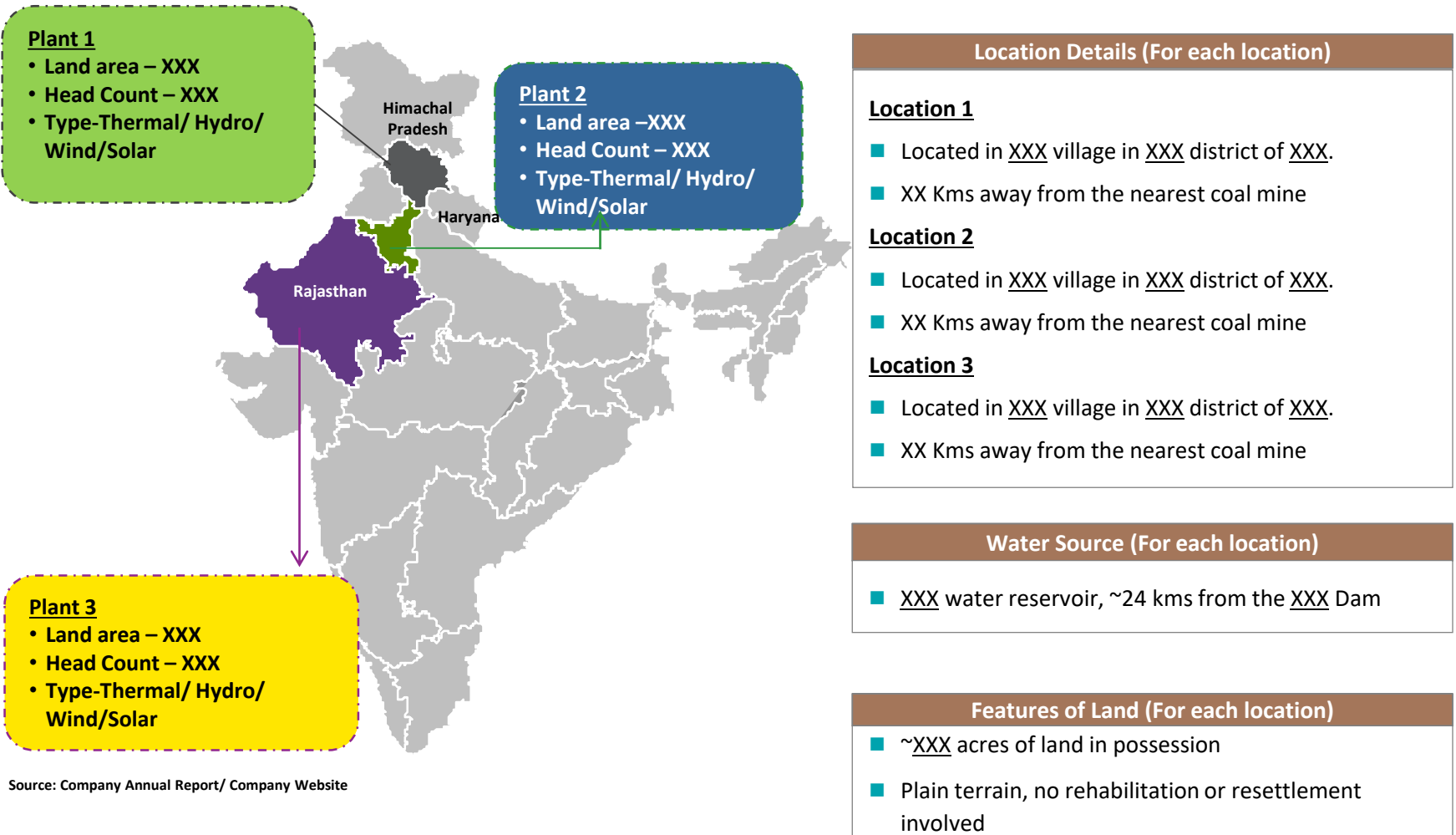
2.7 Financial and Operational Claims

Details of Financial and Operational Claims

S. No	Name of the financial creditors	Facility arrangement	Amount as per claims filed	Amount Admitted (A)	Difference	Voting Right
1	XXX	XXX	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX	XXX	XXX
4	XXX	XXX	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX	XXX	XXX
6	XXX	XXX	XXX	XXX	XXX	XXX
7	XXX	XXX	XXX	XXX	XXX	XXX
8	XXX	XXX	XXX	XXX	XXX	XXX
9	XXX	XXX	XXX	XXX	XXX	XXX
Total			-	-	-	-

S. No	Name of the Operational creditors	Amount As per claims filed	Amount Admitted (A)	Difference
1	XXX	XXX	XXX	XXX
2	XXX	XXX	XXX	XXX
3	XXX	XXX	XXX	XXX
4	XXX	XXX	XXX	XXX
5	XXX	XXX	XXX	XXX
6	XXX	XXX	XXX	XXX
7	XXX	XXX	XXX	XXX
8	XXX	XXX	XXX	XXX
9	XXX	XXX	XXX	XXX
Total		-	-	-

2.8 Facilities and Capability



Source: Company Annual Report/ Company Website

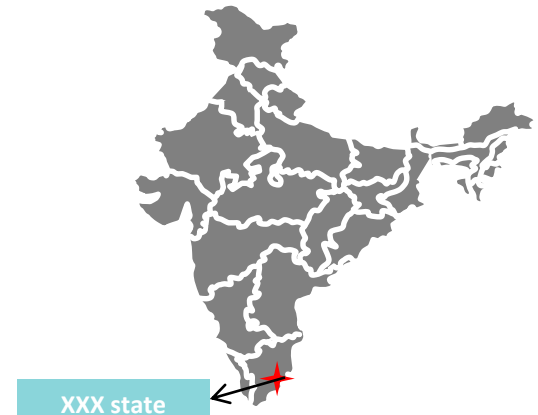
2.9 Summary of PPAs/Key contracts

Contract 1 - Power Purchase Agreement: 1

Long Term PPA	
Buyer	XXX
Net Capacity	150 MW
PPA start date	27 th May, 20XX
PPA end Date	31 th May, 20XX
Levellized Tariff (INR)	4.47

Project/Plant

Particulars	INR Crore
Project Cost	XXX
Debt (77.49)	XXX
Equity (22.51)	XXX
Cost per MW	4.32

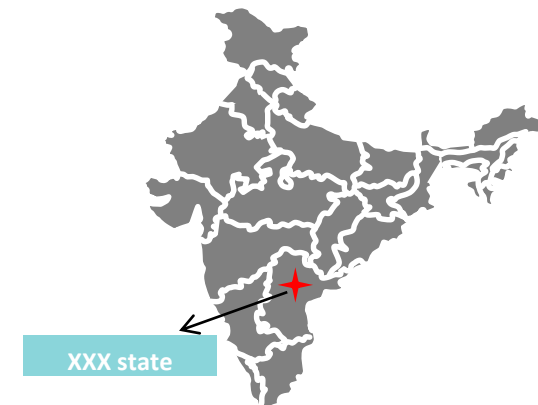


Contract 2 - Power Purchase Agreement: 2

Long Term PPA	
Buyer	XXX
Net Capacity	200 MW
PPA start date	27 th December, 20XX
PPA end Date	31 th December 20XX
Levellized Tariff (INR)	5.02

Project/Plant

Particulars	INR Crore
Project Cost	XXX
Debt (77.49)	XXX
Equity (22.51)	XXX
Cost per MW	5.67



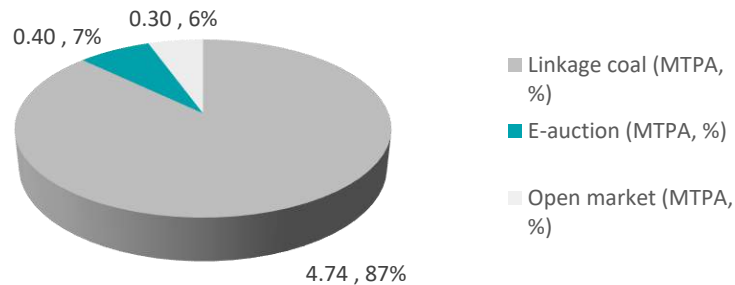
A summary of all key contracts / PPAs to be listed here along-with the details of tenor of the contract, Levellized tariff etc

2.9 Fully Tied-up Fuel Sourcing Arrangement

Domestic coal transport economics

Assured coal supply with 87% coal linkage

- ▶ Linkage: FSA with XXX of 4.182 MTPA + additional linkage
- ▶ E-auction: Coal auctioned by XXX
- ▶ Open market: Coal sourced from third party sources or open market



Potential for cost saving: Transportation cost to come down..

Current Transportation

- ▶ Coal from mine is transported through a conveyor belt to a silo and then transported to plants through the Merry Go Round ("MGR") railway system
- ▶ XXXXXX

Going Forward

- ▶ Steps to reduce transportation cost to be mentioned here

Indicative coal cost workings

Parameter	Current (FYXX)	Future forecasted
Total coal (MTPA)	XXXX	XXXX
Actual weighted average GCV (Kcal/Kg)	XXXX	XXXX
Landed cost of coal (INR / ton)	XXXX	XXXX
Price per GCV (INR x (10 ⁻³) / kCal)	XXXX	XXXX

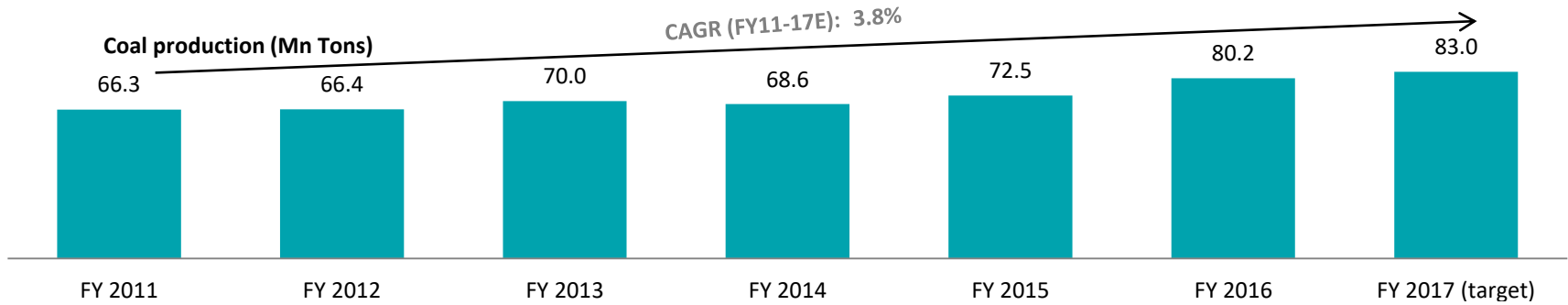
.. with additional saving from addressing coal slippage

- ▶ As a result, entire billing difference is being reimbursed for the past 3-6 months → landed coal cost expected to come down significantly FY 18 onwards
- ▶ Gap in coal grade quality is expected to bridge completely
- ▶ XXXXXX
- ▶ XXXXXX

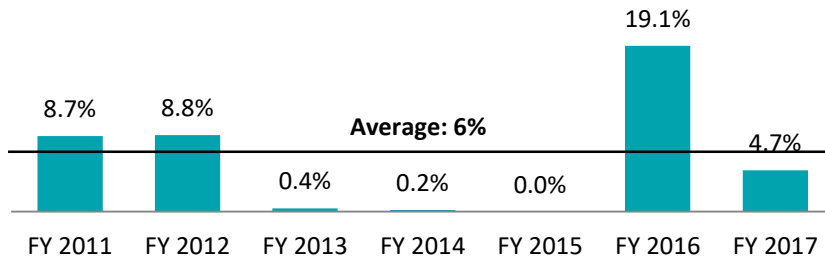
Assured coal supply → nearly XX% coal comes from linkage and balance through e-auction → no dependency on imported coal
 Coal and transportation costs expected to further come down → lower variable costs to the company → higher positioning on merit order dispatch

2.9 Adequate Coal Sourcing

Steady increase in CIL coal production

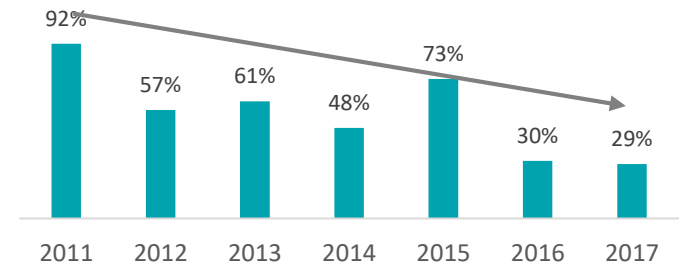


Unallocated quantity of coal



Supply of e-auction coal exceeding demand

CIL e-auction bid prices over notified prices



Excess supply putting downwards pressure on markups over notified price

2.10 Capex Requirement

Fund infusion required for completion/operation/augmentation of Project

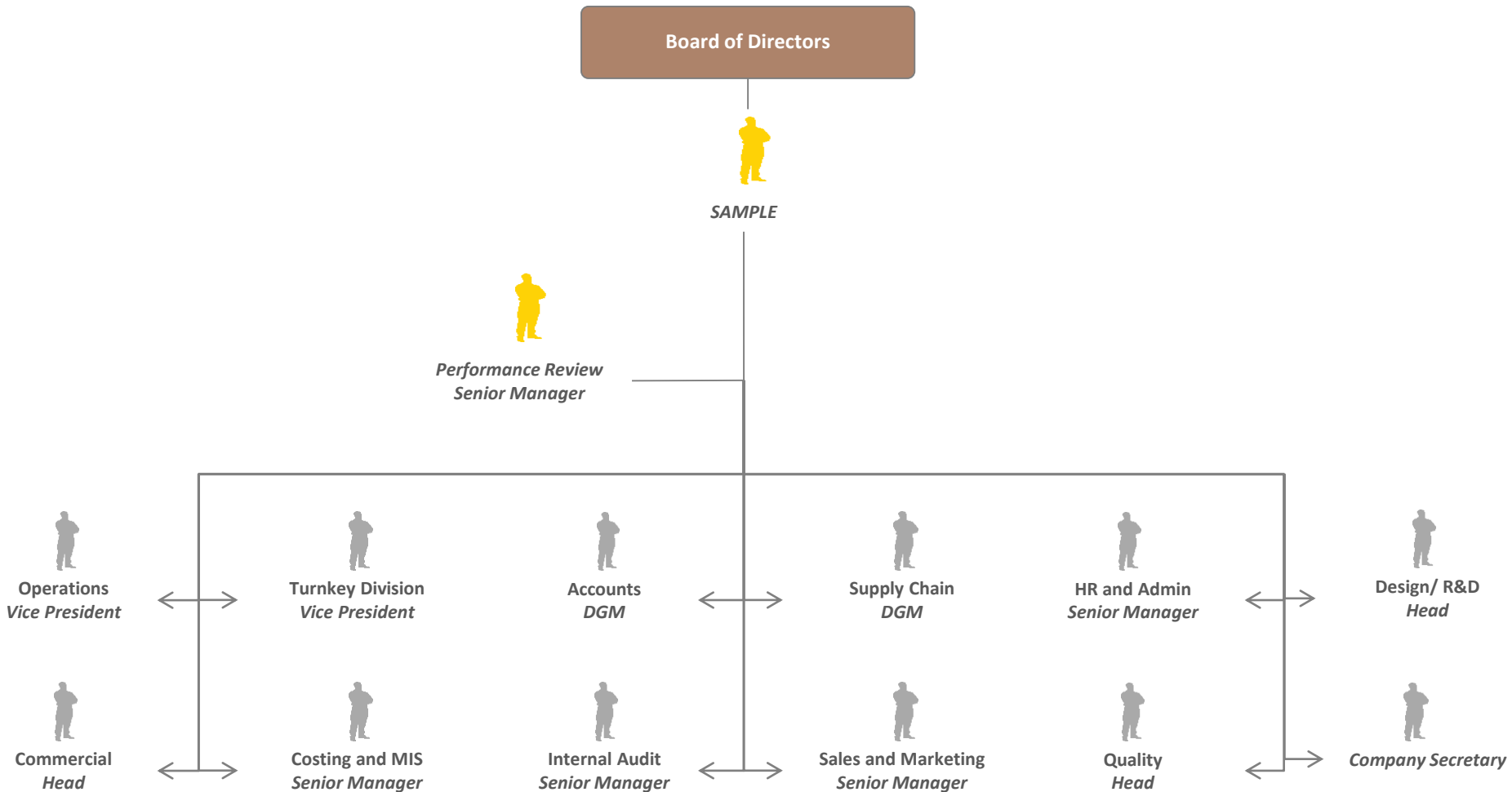
Project Name	XXXX
Project Size	XXX MW (X plants with XXX MW Capacity)
Location	Enter Location
CoD	Enter commercial operation date of all units after fund infusion from XXX date
Project Cost	Enter Total Project cost and Project Cost/MW
Source of Funding	Debt: INR XXX Equity: INR XXX
% Completion	XX %

- ▶ Details of funds required for the remaining part/incomplete part of the project.
- ▶ Funds infused into the project till date.
- ▶ Project specification and details of the areas/machinery where funds are to be employed for completion of the power plant.
- ▶ PPAs or contracts for the new project after COD.
- ▶ Additional revenue and EBITDA which will be generated after completion and will be sufficient to service the interest and debt obligations relating to the project.

Project Name	XXXX
Project Size	XXX MW (X plants with XXX MW Capacity)
Location	Enter Location
CoD	Enter commercial operation date of all units after fund infusion from XXX date
Project Cost	Enter Total Project cost and Project Cost/MW
Source of Funding	Debt: INR XXX Equity: INR XXX
% Completion	XX %

- ▶ Details of funds required for the remaining part/incomplete part of the project.
- ▶ Funds infused into the project till date.
- ▶ Project specification and details of the areas/machinery where funds are to be employed for completion of the power plant.
- ▶ PPAs or contracts for the new project after COD.
- ▶ Additional revenue and EBITDA which will be generated after completion and will be sufficient to service the interest and debt obligations relating to the project.

2.11 Organisation Structure



Source: Company Annual Report/ Company Website/ Management Discussions

2.12 Board of Directors

Director	Brief profile
Person 1 <i>Director</i>	▶ Brief Profile
Person 2 <i>Director</i>	▶ Brief Profile
Person 3 <i>Director</i>	▶ Brief Profile
Person 4 <i>Director</i>	▶ Brief Profile
Person 5 <i>Whole-Time Director</i>	▶ Brief Profile

2.12 Key Management

Management	Brief profile
<i>VP - Operations</i>	▶ Brief Profile
<i>DGM - Manufacturing</i>	▶ Brief Profile
<i>Head - Quality</i>	▶ Brief Profile
<i>Design Head</i>	▶ Brief Profile
<i>DGM – Supply Chain</i>	▶ Brief Profile
<i>DGM – Finance and Accounts</i>	▶ Brief Profile
<i>Senior Manager – Performance Review</i>	▶ Brief Profile
<i>Senior Manager – HRD</i>	▶ Brief Profile
<i>Company Secretary</i>	▶ Brief Profile

2.13 Details of Statutory Approvals and Compliances

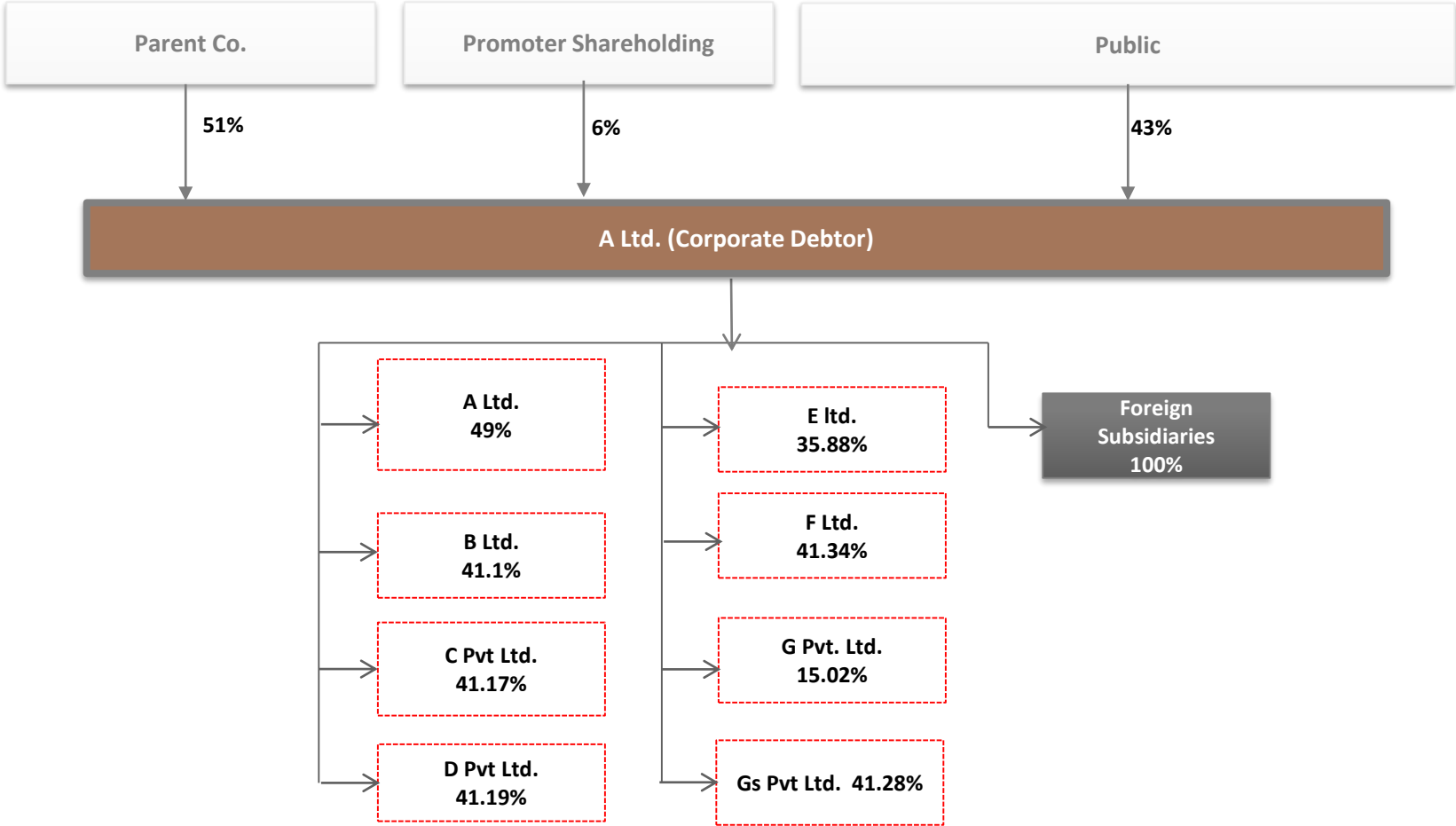
- Details of all relevant statutory approvals/compliances/licences etc to be furnished including but not limited to:

Approvals	Authority	Status
Water allocation	Water Resource Department, GoMP	Agreement signed on 7 November 20XX for 30 years, allowing for drawing XXX MCM per annum of water from Gopad River.
Consent to establish	State Pollution Control Board	Obtained on 23 October 20XX
Environment clearance for project land	MoEF, GoI	Obtained on 25 February 20XX
Forest clearance	MoEF	Obtained on April 7, 20XX
Civil aviation clearance for chimney height	Airport Authority of India	Obtained for XXX mt chimney height on 4 September 20XX
Open access for power transmission	PGCIL	Obtained on 29 July 20XX.
Forest clearance (11 Km) for transmission line	MOEF, GoI	Obtained in December 20XX
Rail transport clearance for siding at project site	Indian Railways	Commissioned
Consent to operate	MP Pollution Control Board	Valid till 31 August 20XX
Boiler Registration/ License	Chief Inspector of Boiler State Boiler Inspection Dept.	Boiler 1 – Valid till 27 Feb 20XX Boiler 2 – Valid till 28 Nov XX Auxiliary boiler – Valid till 28 Nov 20XX
Permits to Store Petroleum	Petroleum and Explosives Safety Organization (PESO) Ministry of Commerce & Industry	Valid till 31 December 20XX
Storage for Compressed Gas Cylinders	Petroleum and Explosives Safety Organization (PESO) Ministry of Commerce & Industry	Valid till 31 December 20XX

2.14 Investment Overview

A snapshot of the Key Investments held by the corporate debtors can be given as shown below:

Key Investments held



2.14 Investment 1/2/3...

Description of each Investment of the corporate debtor can be given highlighting the following aspects of each investment:

Business Description:

Give a brief description of the business of the entity with details such as nature of business, plants or office location, financial details or a snapshot of the financials of the entity, date of investment in the entity, status of operations, etc.

Facilities:

A list of the key units of the entity, sector and sub sector. Sample format given:

Category		Service
Renewable/ Non-renewable	_____	<ul style="list-style-type: none"> Product names
	Transmission	<ul style="list-style-type: none"> Product name
Applications		<ul style="list-style-type: none"> Final Application

Key Affiliations:

A list of the key agreements of the entity, capacity wise and location of plant wise, if applicable.

For Example: Logos of the companies

Plant details

Plant 1- XXX, XXX

Headcount (as of 31st March, 2018)- XXX

Land Area (in acres)- XXX

- Brief description of the unit and the capacity and overall level of capacity utilization in the past
- Components of Plant's Core shop includes equipments like:
List of equipment at the core shop

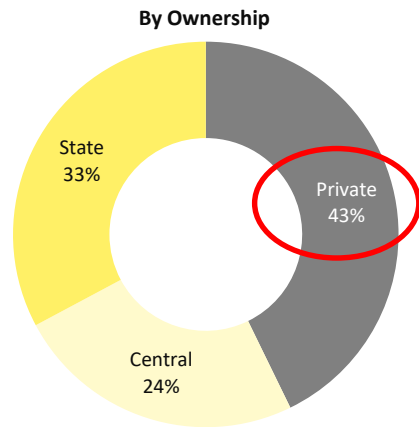
Industry Overview

3. Industry Overview

Detailed Industry analysis to be furnished and the following points can be considered for the same:

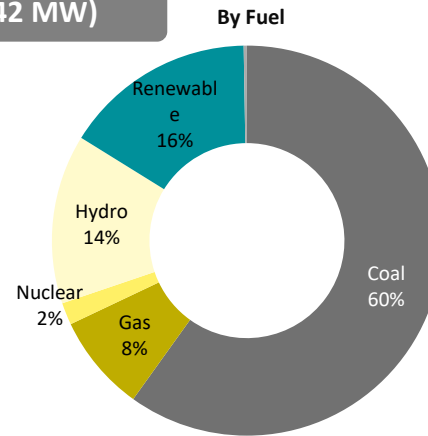
- ❑ Nature of industry
- ❑ Concise overview of the industry should include its competitors and their operations.
- ❑ Industry growth trend in the past and future outlook of the industry
- ❑ Macroeconomic factors affecting the industry
- ❑ Change in laws and regulations governing the industry (Favourable or not)
- ❑ Highlight factors like geographical growth, consumer base, price fluctuations, past performances and income projections.
- ❑ Sector wise break up of customers into Private/State Government/Central Government, etc.
- ❑ Key Investment perks in the industry
- ❑ Seasonality/Business Cycle of the Industry.

3.1 Snapshot



Installed capacity (314,642 MW)

Active participation by private sector (Increased from about 15% in Mar 2009)



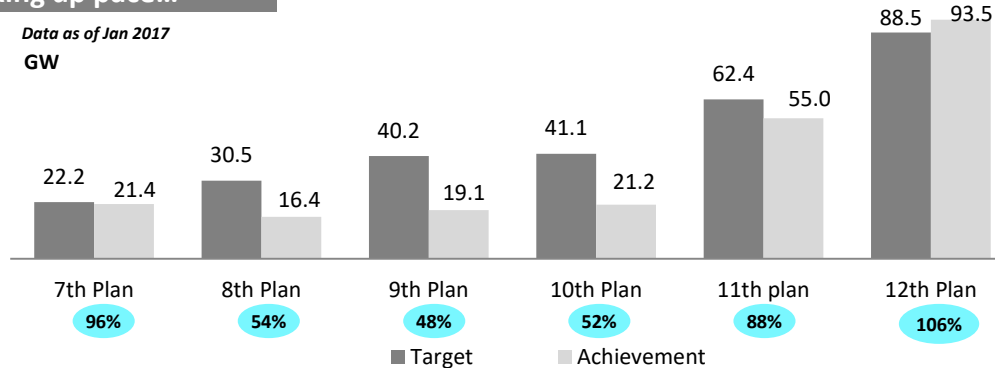
-Coal dominant fuel
-Power generation from coal as high as ~60% of the total generation

Source: CEA, as of January 2017

Source: CEA, as of January 2017

Capacity Additions picking up pace...

Capacity addition has accelerated in the last five year plan (2008-12)



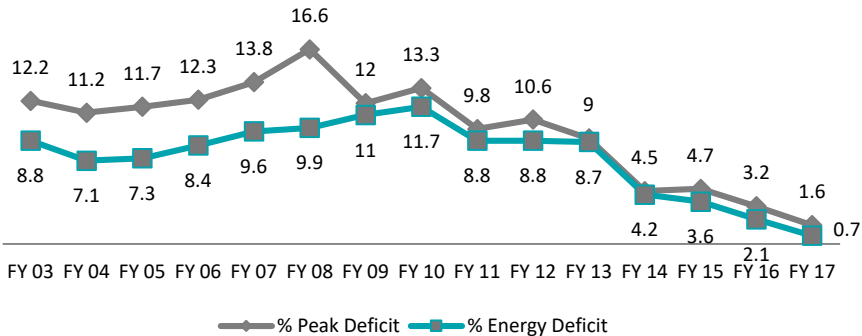
As against a target capacity addition of 88,500 MW in 12th FYP, 93,535 MW have been added as on January 2017

Private sector participation has increased significantly and is expected to play important role in future capacity addition

Source: CEA

3.2 Strong Sector Fundamentals

Power supply deficit (%)



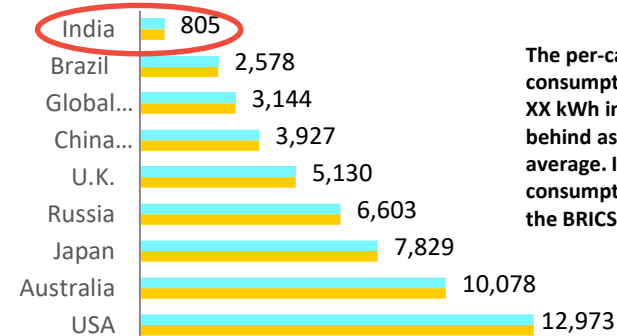
Source: CEA

Matured Regulatory Environment

- **Electricity Act, 2003:** Created a conducive, regulatory framework for private sector participation
- **Ministry of Power/CEA/CERC/SERC# :** Clearly defined roles
- **Appellate Tribunal for Electricity** for quick resolution of disputes
- **Transparent and well evolved bidding mechanism**
- **Well developed short term power market with 2 exchanges and multiple traders**

Low Per Capita Consumption

Per capita consumption* (kWh) as of 20XX



The per-capita electricity consumption of India stood at XX kWh in FYXX, still far behind as compared to global average. India's per capita consumption is lowest among the BRICS.

Source: IBEF

Investment Perks

100% FDI Allowed

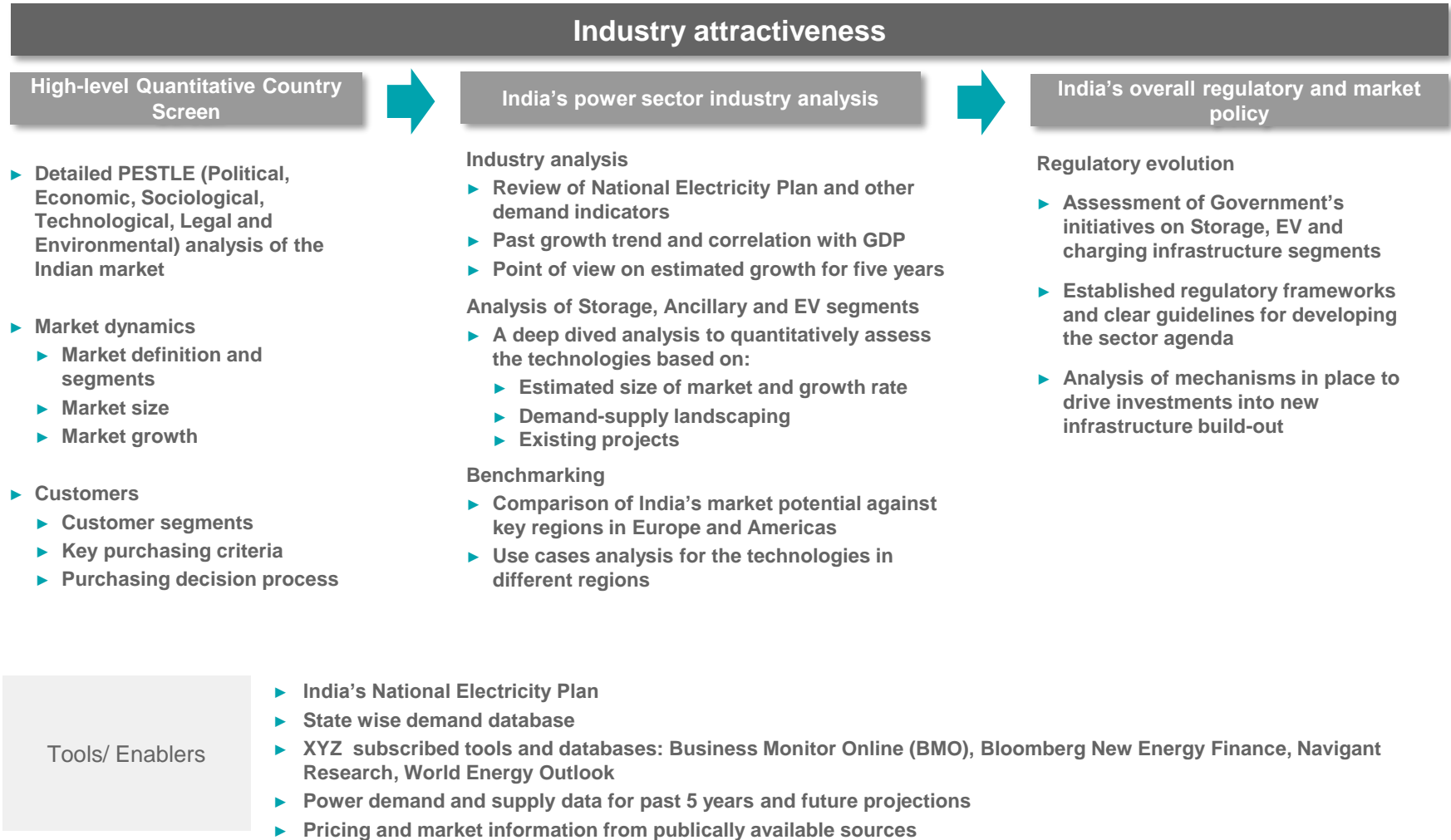
For RE – RPO obligations, REC mechanism

Tax benefits

Dedicated large financing institutions PFC and REC

Power sector has emerged an attractive investment destination for Private Sector

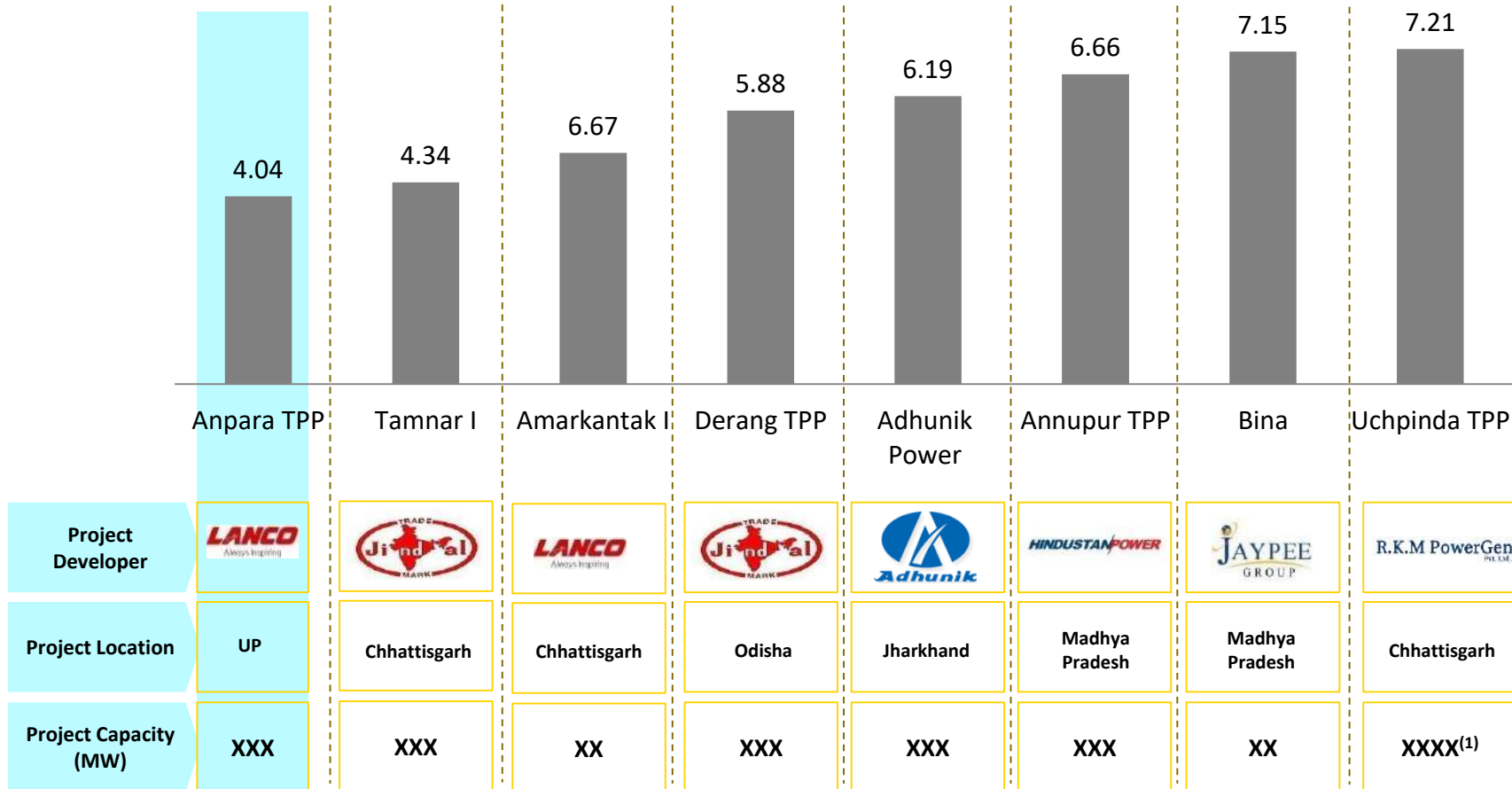
3.3 Key Growth drivers



3.4 Competitor Analysis

Project cost lower than peers : Significant advantage on capacity charges ensuring tariff competitiveness

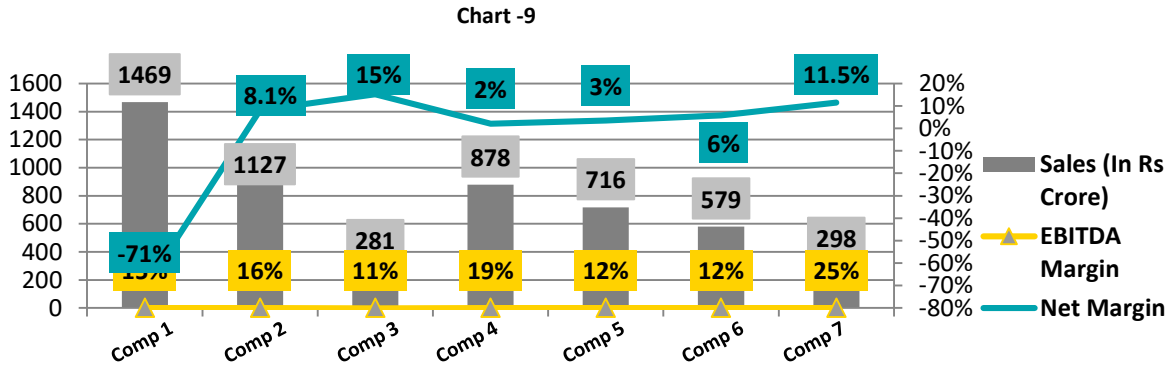
INR Cr/MW



(1) - 720 MW operational

3.4 Competitor Analysis

Competitor Analysis for a particular Financial Year to be given (Sample given below)

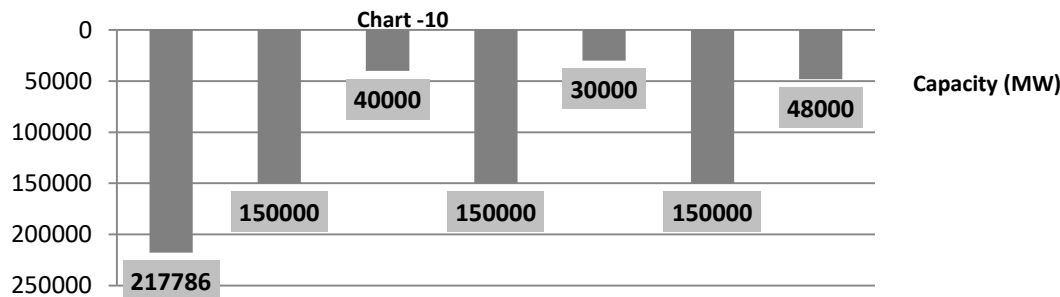


Observations/ Comments:

- Top 3 players Account for ~XX% of the Total Industries' Revenue
- The Industry Leader is ABC with a top line of XX Cr and EBITDA margin of XX%
- Key emerging players are – XYZ, MNO, etc.
- XXXX

Source: CRISIL/ICRA report or Specific industry reports from SIAM, NHAI, S&P, Capital IQ, etc

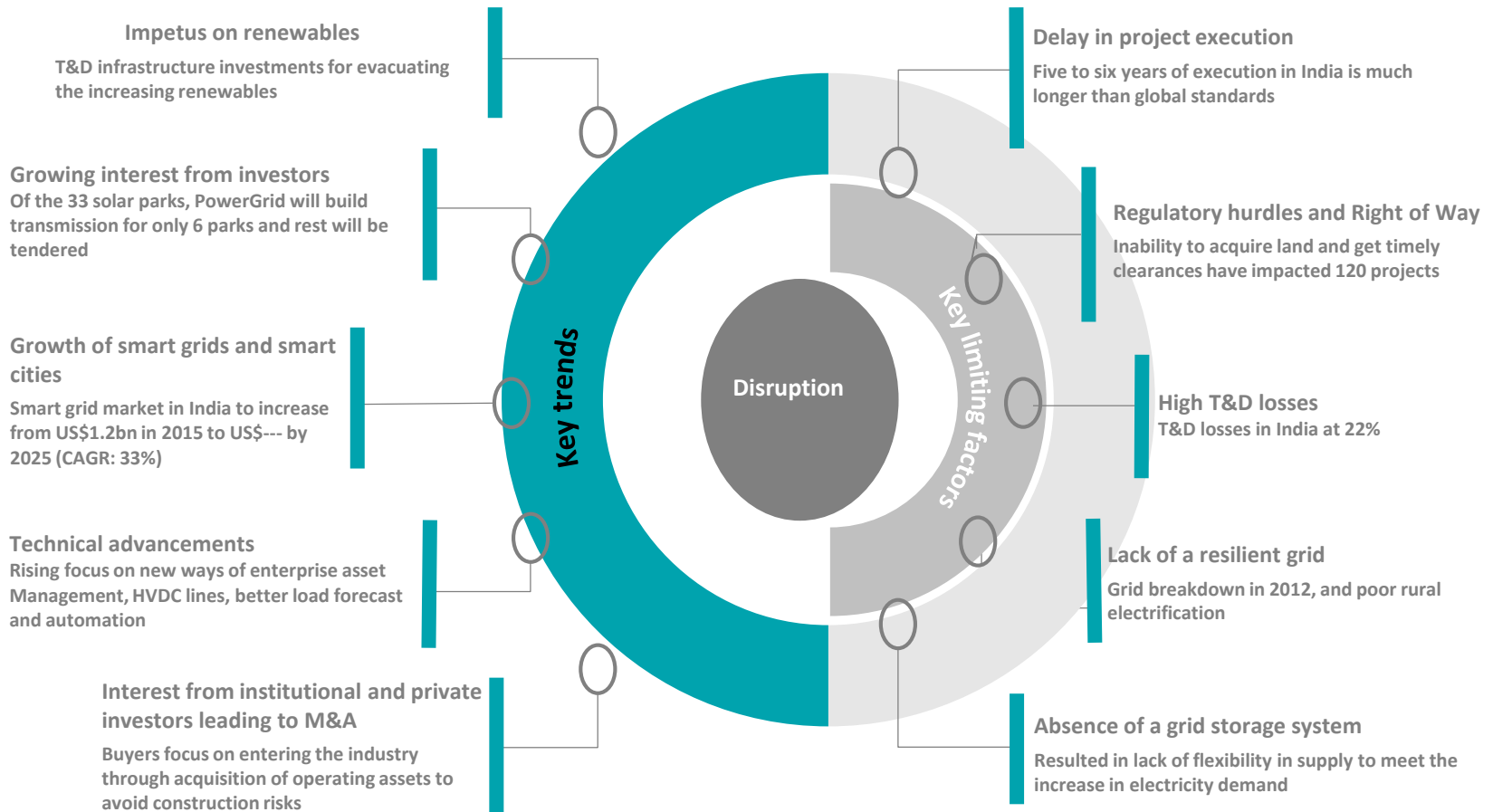
Power Generation capacity of all competitors to be given (Sample given below)



Source: CRISIL/ICRA report or Specific industry reports from SIAM, NHAI, S&P,

- Apart from this analysis, we have to look at a product wise analysis of each competitor
- Mention the latest deals, mergers or acquisitions that have taken place amongst the competitors

3.5 Key Trends and Outlook



Projected Business Plan - Aspirational

4.1 Future growth strategy

1 PPA mix

1100 MW

- Evaluation of project to be done assuming no Compensatory tariff
- Company has received Comp. tariff in the past – between Dec 15 to Dec 16 (INR 499 crores + 0.226 INR/kWh)
- Currently, matter is subject to UPERC tariff order – expected in 3-4 weeks.

100 MW

- PPA with TN at INR 5/unit expired in Jan'17
- Extension of PPA awaited for another 2 year at INR 3.5/unit (1.5 fixed + 2 escalable annually)#
- PPA expected by Sep'17
- Current power sold on merchant basis

2 Future expansion

Future capacity expansion at attractive location

Expansion potential at site
Capacity in MW

Current	Potential
1,200	2,520

~2x

- Coal transportation dynamics already in place
- PPA approved for 90% of generation capacity
- Attractive for developers looking for further expansion opportunity

3 Refinancing

Offtake risk significantly mitigated allowing for project refinancing at attractive terms in a softening interest rate market

Expected interest rate reduction

Current	Going Ahead
13.7%	10.5%

- Refinancing supposed to extend debt term to FY33
- Lead lender: REC
- Opportunity for interest rate reduction

4 Coal cost reduction

Transportation cost

- Currently 80% of the coal is transported through road and just 20% by MGR
- With the construction of new silo, entire coal from XXX mine will be transported through MGT resulting in cost reduction of INR 400 / ton

Addressing coal slippage

- Plant is billed assuming grade G8 coal, however, grade G13 quality coal has been supplied
- This results in a ROM price gap of INR 700/ton
- On CIMFR recommendation:
- In the last 3-6 months, billing difference is being reimbursed
- Grade quality of coal is expected to bridge completely

• Distribution in accordance to Gross Capacity at Project bus bar

** Gross capacity tied up

The company planned to undertake this PPA for only 6 months and then sign a long term PPA with the discom at INR 2 / kWh fixed charge and actual cost of generation as variable charge

4.2 Assumptions

Key assumption taken for the forecast:

- Fund infusion (Working capital/Term loan/Equity) for achieving the projected PLF and capex requirement.
- Factors considered while projecting- Market share growth, PPAs , Average cost of generation of power per unit.
- Fixed and variable component of PPA as per concession agreement
- Basis of cost of auxiliary consumption
- Consumption of fly ash and secondary fuel
- Assumption for demand in the forecast period - how it will increase/decrease, based on historical trend or industry reports.
- Assumptions used for other expenses:
 - Plant Overheads
 - Bifurcation into fixed, variable and semi variable
 - Employee benefit expenses
 - Indirect Costs
 - Other expenses
- Assumptions for Management Expertise and Adequate Capitalisation.
- Listing reports which are relied on for the following:
 - Industry growth rate assumptions;
 - Average Selling Price in the forecast period;
 - Average Cost Price in the forecast period;
 - Market Share,
 - Inflation, etc
- Working capital assumptions

4.3 Profit & Loss for the Forecast Period

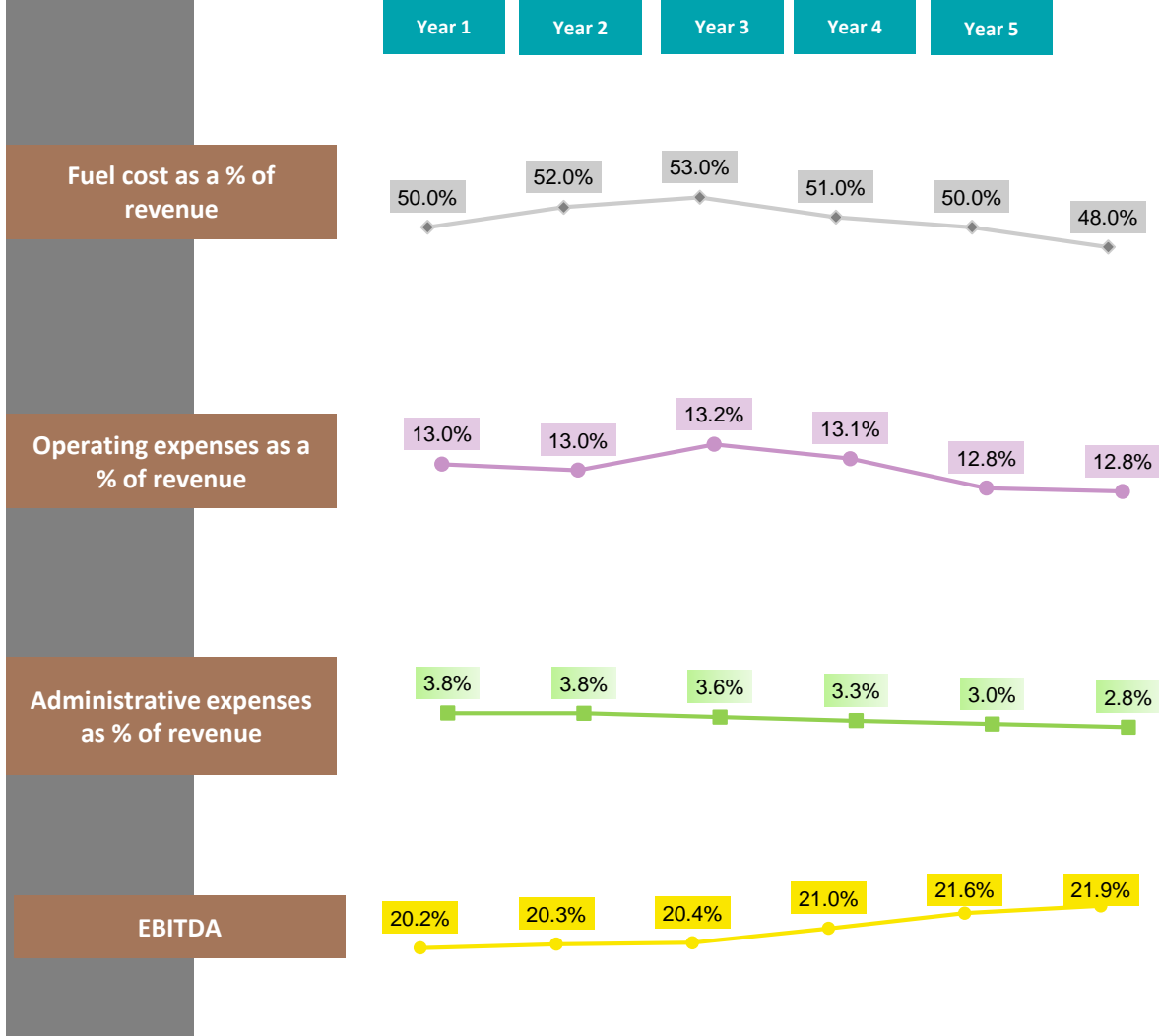
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Sales turnover	XXX	XXX	XXX	XXX	XXX
Other Operating Income	XXX	XXX	XXX	XXX	XXX
Aggregate Revenue	XXX	XXX	XXX	XXX	XXX
Cost of Power Purchased	XXX	XXX	XXX	XXX	XXX
Cost of Fuel	XXX	XXX	XXX	XXX	XXX
Transmission Charges					
Employee benefits expense	XXX	XXX	XXX	XXX	XXX
Plant overheads	XXX	XXX	XXX	XXX	XXX
Other SG&A	XXX	XXX	XXX	XXX	XXX
Total Expenses	XXX	XXX	XXX	XXX	XXX
EBITDA	XXX	XXX	XXX	XXX	XXX

Source: Company Industry Report/ Company Website/ Management Discussions

Observations/Commentary: (Commentary on Key Observations should be given as follows)

- The above projections have been made assuming the utilisation of idle capacity. Hence, we can see growth in revenue and EBITDA levels.
- Overheads are decreasing constantly basis our understanding of the efficiency in the production processes and economies of scale. Sufficient demand for the product line is present.
- XXXXXX
- XXXXXX
- XXXXXX

4.4 Company level EBITDA Analysis over the Forecast Period



▶ [COMMENTARY]

This type of EBITDA analysis can be shown with commentary on the right

Annexures

Serial Number	Details
Annexure 1	Process Overview
Annexure 2	Bid Evaluation Criteria
Annexure 3	Public Announcement
Annexure 4	Expression of Interest
Annexure 5	Claims of Various Creditors
Annexure 6	Details of Key Investments
Annexure 7	Process Note

Process Overview

Process Overview

Background and Initiation of CIRP Proceedings under NCLT:

- ❑ Date of admission in NCLT
- ❑ Name of Interim Resolution Professional
- ❑ Name of Process Advisors & Legal Counsel
- ❑ Name of Valuers Appointed
- ❑ Summary of claims Filed & Admitted
- ❑ Brief summary of Flow of events post initiation of CIRP

Brief profile of Insolvency Resolution Professional (IRP):

- ❑ Professional background of the IRP – Highlight the current occupation and designation in the industry or professional firm. Educational Qualification and number of years of experience in different organisations or in practice.
- ❑ Select Experience of the IRP – Highlight the ongoing engagements and engagements done in the past to show how that experience will help.

EOI Invitation under NCLT:

- ❑ Date on which EOIs were invited
- ❑ EOIs received under the NCLT process
- ❑ EOIs accepted after the last date of submission of EOIs
- ❑ Tabular summary of EOIs received, their status as eligible to bid or not and whether they are strategic investors or financial investors.

Binding Financial Bid/Binding Resolution Plan:

- ❑ Last Date of submission of Binding Financial Bid
- ❑ Summary of Binding Financial Bids received
- ❑ Last Date of submission of Binding Resolution Plan
- ❑ Date of discussion of plans with the COC.
- ❑ Details of Negotiations with highest evaluated bidder
- ❑ Name of the applicant selected as successful resolution applicant

Indicative Reference List

- ▶ Financial snapshot and historical numbers to be used for analysis can be obtained from company annual reports and / or audited financials of the corporate debtor
- ▶ Discussions with management / KMPs of the corporate debtor to get data of ongoing PPAs or upcoming bids, other revenue sources, how the FSAs are placed
- ▶ CERC reports/power ministry papers, circulars to be referenced for performance statistics, key trends, future outlook of the power sector in terms of tariffs / rate per unit of power generating companies, key developments, Competitor analysis, upcoming tenders etc
- ▶ Institutional / Government Publications to be referenced for policy updates and key statistics
- ▶ Industry reports from various credit rating agencies can be referenced especially when the agency is initiating coverage on a particular Industry/Company
- ▶ News in the media to be referenced for recent developments in the company/industry

**SPECIMEN
OF
EVALUATION MATRIX**

Broad framework for Evaluation Matrix

The following proposed framework for Evaluation Matrix would help in the selection of the successful Resolution applicant.

Criterion No.	Evaluation Criteria	Remarks	Marks
Part A : Quantitative Parameters			
1.	NPV of all payments to FCs, to be made by the Resolution Applicant within 1 year from NCLT Approval Date. ¹	In order to make the assessment objective, all the payments promised to be made to FCs by the RA within a period of 1 year shall be considered as being made by the RA through own sources and we shall compute the NPV as on NCLT approval date for all such payments.	20
2.	NPV of all payments made to all creditors other than FCs	Most Resolution Plans that have been approved are more favorable to FCs as compared to OCs. For the purpose of evaluation, payments made to creditors other than FCs need to be given separate weightage.	Marks for this category to be allocated in proportion to the Claims %age subject to a minimum of 5 marks and maximum of 10 marks
3	NPV of all payments to be made to FCs	This shall include computation of NPV, as on NCLT approval date, for all payments proposed to be made by the RA over the term of the Plan	[35 – Marks allotted for A.2 above]
4	Upfront payment	Rather than making it Evaluation Criteria, Evaluation Matrix should include some minimum threshold of upfront payment (such as 20/30% of the total NPV computed in A.3 above, as per the Plan, to be in the form of Upfront Cash). This threshold should be defined on a case-to-case basis depending on the interest in the Corporate Debtor. Upfront Cash can be defined as the payment proposed	Nil

¹ This will include money proposed to be raised by the RA on the strength of Balance Sheet of the Corporate Debtor from new set of lenders

		to be made to FCs within a period of [30-60] days from NCLT approval date.	
5	Equity upside	This refers to the outstanding debt converted to equity. In our view, a transparent view of computing equity value should be communicated. It is proposed that computing the value of equity upside can be linked to the fair value computed by the valuer appointed by the RP.	5
6	Fresh equity infusion for improving operations	This certainly has its value in ensuring that the right amount of capital is infused in the Company for running of the operations.	10
Part B : Qualitative Parameters			
6	Reasonableness of financial projections/ Eventuality of honoring proposed commitment	<p>This parameter shall be divided into 2 sub-parameters</p> <p>a) Reasonableness of financial projections (5 marks)</p> <p>b) Conditions precedent to the implementation of the Resolution Plan (5 marks)</p> <p>Sub-parameter (a) above shall only be assessed for the plans which have a deferred payment spanning more than 1 year. For plans where the entire payment is to be received within 1 year shall be awarded full marks on sub-parameter (a).</p> <p>For sub-parameter (b), an assessment needs to be made of various Conditions Precedent (“CPs”) proposed by the RA for the implementation of the Resolution Plan. Process Advisor / CoC needs to review the list of CPs and then accordingly allot marks. Higher the number of CPs lower the marks.</p>	10
7	Ability to turnaround distressed companies - Managerial competence and	Clear guidelines should be provided to RA for the documentation to be submitted for evaluation of this criterion.	10

	technical abilities, key managerial personnel, track record in implementing turnaround of stressed assets, etc.		
8	Standing of RA/ Financial discipline	Same as above such and may include credit rating, revenue, collateral and record of financial discipline	10

DETAILED EVALUATION MATRIX

- The Resolution Plans shall be evaluated after considering a defined set of quantitative as well qualitative parameters (detailed below). The weightage to be assigned to the 2 category of parameters shall be as follows:

S. No.	Section	Marks
Part A	Quantitative Parameters	70
Part B	Qualitative Parameters	30
	Total	100

PART-A – Quantitative Parameters (Total 70 marks)

- The evaluation of Resolution Plan under this category will be with the objective of ascertaining the commercial attractiveness of the Resolution Plan.
- The key quantitative parameters that shall be considered for the purpose of evaluation are as follows:

S. No.	Section	Marks	Description	Scoring Methodology
A.1	NPV of all payments to FCs, proposed to be made by the Resolution Applicant within 1 year from NCLT Approval Date.	20	<p>This shall be computed by discounting the future cash flows to be paid to financial creditors within 1 year from the NCLT Approval Date by following a tiered discounting rate.</p> <p>The discounting rate shall vary depending on the age bucket in which the cash flow falls. The age buckets that shall be considered are as follows:</p> <ul style="list-style-type: none"> 0-5 years: 8% >5 years up to 10 years: 10% >10 years up to 15 years: 15% > 15 years: 30% 	<p>The scoring shall be linked to the Resolution Debt of the Corporate Debtor. If NPV computed is</p> <ul style="list-style-type: none"> > = 35% of the Resolution Debt – 20.0 marks <35% of the Resolution Debt, then marks shall be based on linear interpolation between 0 and 20 marks

S. No.	Section	Marks	Description	Scoring Methodology
A.2	NPV of all payments made to all creditors other than FCs	Marks for this category to be allocated in proportion to the Claims %age subject to a minimum of 5 marks and maximum of 10 marks	<p>This shall be computed by discounting the future cash flows to be paid to all creditors (other than FCs) by following a tiered discounting rate.</p> <p>The discounting rate shall vary depending on the age bucket in which the cash flow falls. The age buckets that shall be considered are as follows:</p> <ul style="list-style-type: none"> • 0-5 years: 8% • >5 years up to 10 years: 10% • >10 years up to 15 years: 15% • > 15 years: 30% 	<p>The scoring shall be linked to the Resolution Debt of the Corporate Debtor:</p> <ul style="list-style-type: none"> ○ For the RA giving highest %age of the Resolution Debt as NPV – full marks ○ For all other RAs, the score shall be proportionately reduced
A.3	NPV of all payments to be made to FCs	35 – Marks allocated for A.2 above	<p>This shall be computed by discounting all the future cash flows to be paid to financial creditors by following a tiered discounting rate.</p> <p>The discounting rate shall vary depending on the age bucket in which the cash flow falls. The age buckets that shall be considered are as follows:</p> <ul style="list-style-type: none"> • 0-5 years: 8% • >5 years up to 10 years: 10% • >10 years up to 15 years: 15% • > 15 years: 30% 	<p>The scoring shall be linked to the Resolution Debt of the Corporate Debtor:</p> <ul style="list-style-type: none"> ○ For the RA giving highest %age of the Resolution Debt as NPV – full marks ○ For all other RAs, the score shall be proportionately reduced
A.4	Equity Upside for the financial creditors	5	This shall be computed based upon the Fair Value of Corporate Debtor computed by the valuer appointed by the RP and factoring the extent of shareholding proposed to be offered to financial creditors	<p>The scoring shall be linked to the Resolution Debt of the Corporate Debtor:</p> <ul style="list-style-type: none"> ○ For the RA giving highest %age of the Resolution Debt as NPV – full marks

S. No.	Section	Marks	Description	Scoring Methodology
				<ul style="list-style-type: none"> ○ For all other RAs, the score shall be proportionately reduced
A.5	<p>Equity / Quasi-equity infusion for improvement of business operations</p> <p><i>For the parameter to be considered in scoring, the RA has to clearly provide all the details relating to the sources of available funds being used for the proposed equity /quasi-equity infusion</i></p> <p><i>In case of a One Time Settlement (“OTS”), the RA’s score shall be rescaled to 70 marks, basis the marks obtained in parameters from A.1 to A.4</i></p>	10	<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 Quasi-Equity within first 6 months from the NCLT Approval date <u>plus</u> 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>Equity shall be defined as investment by way of Common Shares.</p> <p>Quasi equity shall mean fund infusion by RA in the form of instruments, other than common shares, which meet the following criteria:</p> <ul style="list-style-type: none"> • Sub-ordinate to the secured loans • Interest shall be cumulative but not paid before secured lenders are repaid fully • No redemption without the consent of secured lenders 	
	Total marks	70		

PART-B – Qualitative Parameters (Total 30 marks)

- The evaluation of Resolution Plan under this category will be with the objective of ascertaining the qualitative aspects of the Resolution Plan / Resolution Applicant.
- For the parameters pertaining to the Resolution Applicant, we shall consider the entity that is designated as the Resolution Applicant or in case the Resolution Applicant is a Special Purpose Vehicle (“SPV”) we shall consider the parameters pertaining to the largest shareholder in the SPV
- The key qualitative parameters that shall be considered for the purpose of evaluation are as follows:

S. No.	Section	Marks	Description	Scoring Methodology
B.1	Reasonableness of financial projections/ Eventuality of honoring proposed commitment	10	<p>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</p> <p>The analysis shall be made of assumptions with respect to, but not limited to, revenue growth rate, gross margin, asset turnover ratio and net working capital.</p>	<ul style="list-style-type: none"> • CoC advisor / Process Advisor shall present analysis of reasonableness of financial projections on items such as revenue growth, profitability, market share, per unit pricing etc., by using benchmarks available in the public domain or financial projections used by valuer to arrive at fair value, if available • A key parameter related to “eventuality of honouring proposed commitment” is the conditions precedent (CPs) submitted as a part of the plan. The fewer the number and higher the simplicity of the CPs, the higher the likelihood of the plan reaching successful closure.

S. No.	Section	Marks	Description	Scoring Methodology
				<ul style="list-style-type: none"> Each CoC member shall award marks on this criterion for this post presentation of our analysis. <p>The weighted average as per vote share shall yield the final score for this parameter.</p>
B.2	Ability to turnaround distressed companies – Managerial competence and technical capabilities, key managerial personnel, track record in implementing turnaround of stressed assets	10		
B.2a	Track record / Experience of the Resolution Applicant	5	This shall refer to the years of operating experience that the RA has in the sector 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 marks based upon experience of the RA and the scale of the operations of the RA

S. No.	Section	Marks	Description	Scoring Methodology
B.2b	Track record in M&A / taking over and turning around distressed assets	5	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 2.5 based upon M&A / turnaround track record of the RA. Successful turnaround could be evaluated based on RoI, improvement in key metrics, ratio of repayment of debt etc. post acquisition.
B.3	Standing of Bidder / 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]	10		
B.3a	External Credit Rating ("ECR")	4	This shall refer to the credit rating assigned by an accredited credit rating agency, to the fund-based facilities availed by the RA. The credit rating report should have been issued within the last 15 months from the date of submission of the Resolution Plan for the ECR to be valid for evaluation purpose.	Marking will be as follows (including '+' and '-' of the ratings assigned) : <ul style="list-style-type: none"> ○ ECR equal to "AAA" – 4 marks ○ ECR equal to "AA" – 3 marks ○ ECR equal to "A" – 2 marks ○ ECR equal to "BBB" – 1 mark ○ "BB" and below or No ECR – No marks

S. No.	Section	Marks	Description	Scoring Methodology
B.3b	Turnover (<i>for Strategic Investor</i>) & Assets Under Management (<i>for Financial Investor</i>)	2	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 basis a relative scoring as under : Full marks would be awarded to the maximum value amongst the RA, within the broad group, viz, Strategic RA and Financial RA, with other RAs being scored proportionately on a continuous scale.
B.3c	Collateral (<i>Guarantees/ Pledge of Shares</i>)	2	This shall refer to the security package / collateral proposed to be offered by the RA as per its Resolution Plan	The scoring under this parameter will be determined based on the assessment of quality of the security package / collateral being offered. In case of an OTS, this factor shall not be applicable and scoring would be rescaled accordingly.
B.3d	Adherence to financial Discipline / Record of regulatory compliance	2	This shall refer to the CIBIL score, CRILC data, details captured in ABS and data available in the public domain pertaining to the RA.	The scoring under this parameter will be determined based on level of adherence to financial discipline and record of regulatory compliance based upon CIBIL score, CRILC data, details captured in ABS and data available in the public domain.

Other things to be noted include:

1. Maximum terms of repayment should also be defined while giving instructions to the Resolution Applicants – such as 5/ 10 years, depending upon the case.

2. Scoring on qualitative criteria should be undertaken before the detailed evaluation of quantitative criteria so as not to influence the scoring of qualitative parameters.

Keeping in mind the above issues and perspectives, it can be concluded that the Evaluation Matrix may, as per current norms, continue to be framed by the CoC and the Process Advisor. However, the Matrix should attempt to ensure equitable treatment of all stakeholders. Making scoring agnostic to the creditor receiving the monies may help achieve this. Additionally, another advantage of implementing the above framework would be that serious players who bring in a significant amount of their own capital would have a greater chance of emerging successful in the process, as compared to those who rely only on the cash flows of the Corporate Debtor.