

**SREI CONSOLIDATED INSOLVENCY – INTERIM DISTRIBUTION PROCESS NOTE****1. BACKGROUND**

- 1.1. The Committee of Creditors (CoC) of Srei Infrastructure Finance Limited (SIFL) and Srei Equipment Finance Limited (SEFL) approved the Resolution Plan submitted by National Asset Reconstruction Company Limited (“NARCL”) which was put up for voting in the 36<sup>th</sup> CoC Meeting dated January 20, 2023, with a voting of 89.25%. The resolution for distribution mechanism amongst Creditors of SIFL and SEFL was put up for voting in 37<sup>th</sup> CoC Meeting dated January 25, 2023, which was approved with a voting of 77.32%. The Hon’ble NCLT approved the Resolution Plan submitted by NARCL (“Approved Resolution Plan”) vide its order dated August 11, 2023.
- 1.2. As per the Approved Resolution Plan, the Creditors based on the approved distribution mechanism resolution and additional confirmations noted by CoC/Ex-CoC and IMC from time to time are entitled to Cash and Instruments (Security Receipts backed by underlying committed NCDs, Optionally Convertible Debenture (OCDs) and Equity, as applicable, for their respective category).
- 1.3. On March 27, 2023, the Administrator had submitted an application to the Reserve Bank of India (RBI) seeking certain approvals from RBI in terms of resolution plan submitted by NARCL (approved by the CoC as mentioned above). The RBI vide its letter DoS.RO.Kol No.S1154/00-13-232/2023-24 dated August 28, 2023 responded to the approvals sought. The comments from RBI on the approvals sought are provided in *Annexure 1*. As per the letter, the following may be noted:
  - i. RBI has not allowed the assignment of debt (as required in terms of Step VI in Section 4 of the Approved Resolution Plan) by the assenting ECB Lenders (details provided in *Annexure 2*) to the ARC Trust since such assenting ECB Lenders are not banks and financial institutions in terms of Section 5 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”).
  - ii. The RBI has also disallowed the issuance of SEFL OCDs and equity shares of SIFL (as provided in terms of Step X in Section 4 of the Approved Resolution Plan) to such assenting ECB Lenders who are not banks and financial institutions in terms of Section 5 of the SARFAESI Act.
- 1.4. Pursuant to the above, in accordance with Clause 8.3.2 in Section 8 of the Approved Resolution Plan, the Erstwhile CoC is required to issue a CoC Reallocation Notice. Clause 8.3.2 in Section 8 of the Approved Resolution Plan provides that the Erstwhile CoC shall communicate to NARCL of its decision to reallocate the equity shares (of SIFL) and other monetary payments amongst themselves. Clause 8.3.2 in Section 8 of the Approved Resolution Plan has been reproduced below for reference:

*“In the event of non-receipt of approval specified in Clause 1 of Section 8.3.2 herein within 90 (Ninety) days from the NCLT Approval Date, the CoC shall notify the Resolution Applicant of its decision to re-allocate equity and monetary payments amongst themselves, subject to there being (a) no change in the Total Resolution Amount; (b) no change in the overall equity shareholding ascribed for the Approving Financial Creditors under Step X of Section 4 of Part III (Steps of Implementation) of the Resolution Plan; and (c) no adverse tax implications on the Resolution Applicant or the Corporate Debtors, by way of a written notice, no later than 15 (fifteen) days from the end of such 90 (Ninety) days (“CoC Re-*

*allocation Notice”). Upon receipt of the CoC Re-allocation Notice, the requirement to obtain the approvals mentioned in Clause 1 hereinabove shall stand fulfilled.”*

- 1.5. Pursuant to due deliberations between the members of the Erstwhile CoC, the Erstwhile CoC approved the draft of CoC Reallocation Notice in its meeting dated September 21, 2023, and authorized UCO Bank to issue the Notice containing details of the reallocation (“Alternate Mechanism”) as approved by the Erstwhile CoC. The CoC Reallocation Notice was issued by UCO Bank vide its letter Ref: UCO/AMB/SREI/2023-24/166 dated September 21, 2023.
- 1.6. In response to the CoC Reallocation Notice, NARCL vide its letter dated September 22, 2023, issued the Implementation Notice pursuant to Clause 8.3.3 of Section 8 of the Approved Resolution Plan notifying the Effective Date as September 23, 2023.
- 1.7. The key terms of the Alternate Mechanism as stated in the Implementation Notice is detailed below:
  - i. The assenting ECB Lenders shall get paid in cash for their share of the security receipts backed by committed SEFL NCDs out of the Available Cash and Bank Balance. The Approving Financial Creditors shall reallocate the amounts payable to the assenting ECB Lenders towards Cash Portion of Assignment Payments from the AFCs’ Cash Portion. The payout against the security receipts shall be computed based on the net present value (“NPV”) of the underlying committed SEFL NCDs against the security receipts and the NPV shall be calculated in terms of the Evaluation Matrix issued by the erstwhile Administrator along with the request for resolution plans dated September 24, 2022.
  - ii. Such payment based on the NPV of the underlying committed SEFL NCDs to the ECB lenders shall be construed as an additional upfront recovery of the Approving Financial Creditors. On account of such additional upfront recovery, the face value of the SEFL NCDs across tranches being SEFL NCDs-1, SEFL NCDs-2, SEFL NCDs-3, SEFL NCDs-4 and SEFL NCDs-5, shall stand proportionately reduced to the extent of the NPV of such SEFL NCDs are paid out to the assenting ECB Lenders from the Available Cash and Bank Balance and accordingly, to that extent, SEFL NCDs will not be issued.
  - iii. Accordingly, the assenting ECB Lenders will not be allotted any security receipts (in terms of Step VI in Section 4 of the Approved Resolution Plan). The total amount of Security Receipts as provided under the Resolution Plan remains unchanged and the same stands reallocated to the Approving Financial Creditors in the manner set out under the CoC Reallocation Notice.
  - iv. NPV of committed portion of the Total Resolution Amount of the Resolution Plan shall remain unchanged.
  - v. **SEFL OCDs:** SEFL OCDs shall be issued to an escrow trustee who shall hold and pass through the realizations out of the OCDs for the benefit of the assenting ECB Lenders. Upon any realization of the SEFL OCDs in terms of the Approved Resolution Plan, the amounts received by the escrow trustee shall be passed through to the assenting ECB Lenders (as beneficiaries) subject to receipt of necessary RBI approvals.
  - vi. **SIFL Equity:** Equity shares of SIFL shall be issued to an escrow trustee who shall hold and pass through the realizations out of the equity shares for the benefit of the assenting ECB Lenders. Upon receipt of any cash on sale of such equity shares, the amounts received by the escrow trustee shall be passed through to the assenting ECB Lenders (as beneficiaries) subject to receipt of necessary RBI approvals.
  - vii. To give effect to the terms of the Resolution Plan it has been further agreed by the CoC that IMC Cost Corpus of Rs. 5 Cr out of AFC’s Cash Portion excluding Cash Portion of

Assignment Payment will be created. However, in the event that such amount of Rs. 5 Cr is insufficient to pay Interim Period Cost, such Interim Period Costs to the extent of an additional Rs. 5 Cr shall be paid from the 'CoC & Administrator Expense Corpus' of Rs. 35 Cr.

- viii. Consequently, in terms of the Resolution Plan, AFCs' Cash Portion (excluding Cash Portion of the Assignment Payments) is Rs. 2,580 Cr only (and such amount is subject to such treatment as well as for deductions for Mandatory Payments as defined under the Resolution Plan as per the CoC Reallocation Notice).
- ix. The treatment of payments as provided in the CoC Reallocation Notice shall not have any effect on the Cash Portion of the Assignment Payments and the overall Total Resolution Amount as capped under the Resolution Plan.
- x. Upon payment as envisaged per its terms, the ECB lenders shall not have any recourse either against the Resolution Applicant and/or the Corporate Debtors for payments of any claim/liabilities etc. in relation to their Admitted Financial Creditor Debt or any other debt or obligations of the Corporate Debtors or the Resolution Applicant for period preceding the Closing Date or under the Resolution Plan and such liabilities and obligations shall stand permanently settled and extinguished on a no-recourse basis.

It may be noted that as per the CoC Reallocation Notice, save and except as provided above, the Approving Financial Creditors shall continue to be treated in terms of the Approved Resolution Plan read with the approved distribution mechanism by Erstwhile CoC along with additional confirmations noted by CoC, Erstwhile CoC and/or Interim Monitoring Committee (IMC) from time to time.

- 1.8. The IMC in its meeting dated September 23, 2023, has decided to allow the distribution of Cash and Cash Equivalents of Corporate Debtor of Rs ~2,580 Cr from the AFCs' Cash Portion in the Approved Resolution Plan (Cash available for Interim Distribution or Tranche 1 Cash). The distribution of the balance portion of the AFCs' Cash Portion along with the instruments under the Approved Resolution Plan is proposed to be done in the subsequent stage(s).
- 1.9. This note details the principles and the process for the Interim Distribution based on approved distribution mechanism resolution and additional confirmations noted by CoC/Ex-CoC and IMC from time to time (together referred to as "Approved Distribution Resolution"). The computation has been done based on the Claims amounts along with the clarifications and additional information received from the erstwhile Administrator Team.

## 2. SOURCE OF INFORMATION

The following documents/clarifications received from the erstwhile Administrator Team from September 04, 2023, onwards have been considered for Interim Distribution.

- i. Details of Unpaid CIRP Costs
- ii. Details of Claims data for Workmen & Employee Dues with classification as related party
- iii. Details of Claims data for Operational Creditors with details of Related party classification and Government Claims
- iv. Details of Claims data for Other Creditors with details of Related party classification
- v. Details of Claims data for Financial Creditors (nature of Security, Voting outcome, related party if applicable etc.)
- vi. Lender Wise Liquidation Value payable to the Dissenting Financial Creditors along with voting percentage

- vii. Details of Live BG and FD Margin
- viii. TRA balance as on 7<sup>th</sup> October 2021
- ix. Amount paid out to the Pool Purchasers against Aug-Sep 2021 pool collections
- x. For the NCD holders following information has been received
  - Consolidated BENPOS as on August 11, 2023 and as on the Record Date i.e., October 6, 2023.
  - Series-wise list of ISINs with nature of Security, Claim details and voting outcome.
  - ISIN wise Admitted Claim amount for SIFL Perpetual Debt.
  - Reconciliation of the Claims of the NCD Holders between the BENPOS and the Admitted Claims.
  - Related Party Details

### 3. TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION & ASSUMPTIONS MADE

The Total Amount Available for Distribution has been calculated as

<i>Rs. Cr</i>			
S.N.	Particulars	Cash Component	Instruments
1	Cash and Cash Equivalents of Corporate Debtor	2,580.00	
2.	Cash Portion of Assignment Payments	600.00	
3.	Security Receipts (SRs) – Face Value		1,800.00
4.	SEFL Optionally Convertible Debentures (OCDs) – Face Value		8,000.00
5.	<b>Total Cash and Instruments (Face Value) available for distribution</b>	<b>3,180.00</b>	<b>9,800.00</b>
6.	SIFL Equity		20%

- 3.1. As per the aforementioned Approved Distribution Resolution, the Future Value of Committed Instruments will be considered for computing the distribution proportion. However, the Present Value of the said Committed Instruments (or such Instruments backed by Underlying Committed Instruments) will be available for distribution.
- 3.2. As per the Approved Resolution Plan, the SRs of upto Rs 1,800 Cr (i.e., 75% share) from ARC Trust are backed by committed SEFL NCDs amounting to Rs 3,487.50 Cr which are redeemable from recoveries of underlying assets of SEFL. The details of the underlying committed NCDs including the Future Value (FV) available to Financial Creditors (or set aside as per approved distribution resolution) along with the NPV as computed as part of the Challenge Process has been provided in the table below:

*Rs.*

Tenor (Year)	NCD Gross Value (A)	Coupon* (B)	Future Value of NCDs (A) + (B)	NPV of NCDs
1	1,50,00,00,000.00	15,000.00	1,50,00,54,355.64	1,38,89,02,777.78
2	4,50,00,00,000.00	90,000.45	4,50,01,63,066.92	3,71,90,82,645.00
3	6,75,00,00,000.00	2,02,502.03	6,75,02,44,600.37	5,07,15,27,048.85
4	15,00,00,00,000.00	6,00,009.00	15,00,05,43,556.39	9,53,31,52,492.64
5	7,12,50,00,000.00	3,56,257.13	7,12,52,58,189.28	4,04,31,18,496.86
<b>Total</b>	<b>34,87,50,00,000.00</b>	<b>12,63,768.60</b>	<b>34,87,62,63,768.60</b>	<b>23,75,57,83,461.13</b>
<b>Total (Rs. Cr)</b>	<b>3,487.50</b>	<b>0.13</b>	<b>3,487.63</b>	<b>2,375.58</b>

\*Coupon: 0.001% p.a. on redemption.

- 3.3. The SRs to be allocated have been computed based on the Future Value (FV) of the NCDs. Accordingly, the proportion of FV of NCDs to SRs works out to ~1.94 (Conversion Ratio), that is, Rs 3,487.63 Cr divided by Rs 1,800 Cr.
- 3.4. Further, NPV of the SRs (based on the underlying committed NCDs backing the SRs) derived in the Challenge Process and pursuant to the Approved Resolution Plan amounts Rs 2,375.58 Cr. NPV Ratio is computed as a ratio of Future Value of the NCDs to NPV of SRs which works out to ~1.47 (NPV Ratio), i.e., Rs 3,487.63 Cr divided by Rs 2,375.58 Cr.
- 3.5. The Conversion Ratio shall be impacted based on the principle of CoC Reallocation Notice for the Assenting ECB lenders due to a reduction in the issuance of SEFL NCDs, the alternate mechanism finalized for the other financial creditors not qualified to hold instruments offered under the approved resolution plan and on account of any other adjustments which shall be done at the time of the Final Distribution. In line with the Approved Resolution Plan, the underlying SEFL NCDs for the Assenting FCs (as per the alternate mechanism finalized) shall constitute 75% of the overall FV of SEFL NCD issuance. Further, total SRs to be issued by ARC Trust is proposed to remain at Rs. 2,400 Cr subject to rounding off impact. Accordingly, the final workings for allotment of the Cash Portion of Assignment Payments and the instruments, namely, SRs, OCDs, Equity (as applicable) is proposed to be done at the time of Final Distribution.
- 3.6. The other overall assumptions for the purpose of Interim Distribution are as follows:
- i. **Voting Treatment:** As per opinion provided by the Ex-CoC Legal Counsel,
    - a. The treatment of the financial creditors who abstain from voting are to be considered in line with the financial creditors who have not voted in favour of the resolution plan.
    - b. **Voting on behalf of Debenture Holders in a particular series:** It may be noted that in terms of Section 25A sub-section 3A of the Code, the authorized representative (under Section 21 (6A) of the Code) i.e., including a debenture trustee, is required to cast his vote on behalf of the financial creditors he represents, with the decision taken by a vote of more than 50% of the voting share of the financial creditors who have cast their vote, such authorized representative represents. Therefore, in a particular series of debentures, if the debenture holders having more than 50% of the voting share (present and voting) have cast their vote in favour or against a particular resolution, the same shall be binding on the other debenture holders in the same series. In the event, in a particular series, no debenture holder casts their vote, the treatment accorded in response in (a) above, shall apply. Based on this, the DTD and ISIN wise voting outcome has been provided in *Annexure 3*.
  - ii. **Rounding off principles:** As agreed in the Ex-CoC meeting dated September 12, 2023, and IMC meeting dated September 12, 2023, the rounding off principles shall be as follows:
    - a. Cash to be rounded off to the nearest rupee.
    - b. Tentative Face Value of SRs is to be considered at Rs 1,000.
    - c. Tentative Face Value of SEFL OCDs is to be considered at Rs 1,000.

It may be noted that rounding off has been done at each step for the Cash and Instruments and the rounded off figures have been taken at the next applicable step for

distribution. This is detailed in the subsequent sections along with the overall rounding off impact.

Further, share of Assenting Secured Financial Creditors in SIFL Equity shall be determined post receipt of details from NARCL Team on the number of shares proposed to be issued. The same is proposed to be rounded off to the nearest 1 share.

As mentioned above, the workings for the instruments are draft workings with the final allotment of instruments to be undertaken at the time of Final Distribution.

- iii. **Subsequent Adjustments:** It may be noted that Cash Portion of Assignment Payments of Rs 600 Cr is proposed to be infused by NARCL at a later date in accordance with the Approved Resolution Plan and the same has not been considered as part of this Interim Distribution. Any unforeseen adjustments (including with respect to rounding off impact, if any) shall be made from Cash Portion of Assignment Payments at the time of distribution of the same.
- iv. **Pro-rata for Pool Lenders' set-aside amounts:** As confirmed in the ex-CoC meeting dated September 12, 2023, the Pool Lenders' set-aside amount is proposed to be pro-rated based on the Cash available for Interim Distribution and Cash Portion of Assignment Payments net off adjustments as detailed subsequently.
- v. **NCD Holders:** For payouts to the NCD Holders, the following assumptions have been made:
  - a. Nature of Perpetual/Sub-Debt Debt is considered to be Unsecured in the Consolidated BENPOS based on the Admitted Claims data and clarification received from erstwhile Administrator Team.
  - b. It is assumed that nature of security of each ISIN (Secured/Unsecured) within a series is identical to the nature of security of such series.
  - c. It may be noted that there are certain ISINs that are repeating in more than one Series. Hence, to solve this issue, Series wise and PAN wise principal claims have been received from erstwhile Administrator team for each PAN Holder.
    1. The DT and DTD columns, i.e., Column S and Column T respectively, in the BENPOS have been compared with the "DTD wise Secured & Unsecured" data provided by Administrator Team for identifying voting category (i.e., Dissent, Abstain or Assent) of each PAN Holder line in the BENPOS data (Column B) for distribution.
    2. It may be noted that no PAN Holder wise aggregation has been done.
    3. To reiterate, voting result of the PAN Holder line in the BENPOS data (Column B) in a particular Series (Column T), is considered similar to the voting result of such Series as per "DTD wise Secured & Unsecured" data provided by Administrator Team.
    4. It may further be noted that specifically ISIN - INE881J07FA2 is repeated in 3 different series. Since (a) holder is same in all three series and (b) voting category is also same, a single distribution amount is computed for ISIN INE881J07FA2.
  - d. The interest amount is proposed to be pro-rated based on the Principal amount taken from the BENPOS data to arrive at the Admitted Claims of each PAN Holder line in the BENPOS data. Specifically, the assumptions are given below:

1. It is assumed that admitted claims of all investors in a particular ISIN are proportional to the principal in respective ISINs. This is irrespective of whether an ISIN is a part of more than one Series.
2. Admitted claims will be calculated on pro-rata basis the principal outstanding in respective ISIN as per the BENPOS.
- e. As discussed in Ex-CoC meeting dated September 12, 2023, confirmed by Debenture Trustees on September 13, 2023 and decided in the IMC Meeting held on September 22, 2023,
  1. The amount attributable to NCD Holders under the Interim Distribution shall be temporarily computed based on latest available BENPOS, that is August 11, 2023.
  2. Rounding off treatment shall be worked out basis BENPOS as on August 11, 2023.
  3. Such rounded of amounts are proposed to be kept aside in a separate account and shall be distributed amongst the Approving Financial Creditors who are debenture holders as on the Record Date, subsequent to the Record Date.
  4. The record date to be considered for interim distribution to NCD Holders is October 6, 2023, as agreed in the IMC Meeting dated September 22, 2023, and noted in the Ex-CoC Meeting dated October 12, 2023.
  5. All NCD investors existing as on record date i.e., October 6, 2023, shall be the beneficiaries receiving the treatment as per the Approved Distribution Resolution.
  6. Hence, on the record date, inter NCD Lender distribution shall re-worked based on BENPOS as on October 6, 2023, including reworking of rounding off impacts.
  7. Related parties included in the BENPOS as on August 11, 2023, have not been considered for any payouts. However, should there be a change in the related party position between August 11, 2023, and the record date, then adjustments on account of such change shall be done from Tranche 2 Cash or Cash Portion of Assignment Payments during Final Distribution.
  8. Adjustments if any may be made at the time of Final Distribution.
  9. Subsequently, BENPOS data as on the Record Date i.e., October 6, 2023, has been provided by the Administrator Team which has been used for computation of payouts to the NCD holders. The Erstwhile Administrator has provided clarification on the Related Parties appearing in the BENPOS Sheet and accordingly, there are no related party exposures in the final list of NCD Holders as on the Record Date of October 6, 2023
- vi. The workings detail the gross payouts to the Creditors. Tax workings, as applicable, is to be computed separately by NARCL Team

**3.7. Subsequent Adjustments:** To reiterate, it may be noted that Cash Portion of Assignment Payments of Rs 600 Cr is proposed to be infused by NARCL at a later date in accordance with the Approved Resolution Plan and the same has not been considered as part of this Interim Distribution. Any unforeseen adjustments (including with respect to rounding off impact, if any) shall be made from the Cash Portion of Assignment Payments upon distribution of the same. Given that instruments are proposed to be allotted, as applicable, at the time of Final

Distribution, the final workings shall incorporate the impact of all the adjustments which will get reflected in the value of the instruments as well.

#### 4. STEPS FOR INTERIM DISTRIBUTION

##### 4.1. Mandatory Payments

- i. **Unpaid CIRP Costs:** As per information received from the erstwhile Administrator Team, there is a pending Unpaid CIRP Costs pertaining to IBBI fees of ~Rs. 1.61 Cr. As per the erstwhile Administrator Team, given that the proposed amount to be paid has already been set aside, the Unpaid CIRP Costs have been taken as nil.
- ii. **Workmen and Employee dues:** Entire admitted employees and workmen debt to be settled in cash in accordance with the NARCL Plan which amounts to ~Rs. 3.39 Cr. All cash payouts are to be rounded to the nearest rupee. Details of final admitted claims of Workmen & Employee Dues have been provided by erstwhile Administrator Team.
- iii. **Operational Creditors (excluding government claims and related parties of the Consolidated Entity):** As per the approved distribution resolution, 5% of the admitted claims (other than claims of related parties and government claims) is to be paid in cash subject to cap of 5% of admitted claim amount as on January 19, 2023. This amounts to ~Rs 5.95 Cr. Details of final admitted claims of Operational Creditors (excluding government claims and related parties of the Consolidated Entity) have been provided by erstwhile Administrator Team. Accordingly, payout per Operational Creditor has been pro-rated in the ratio of their final Admitted Claims (excluding Related Party Claims) considering the cap of Rs. 5.95 Cr. All cash payouts are to be rounded to the nearest rupee.
- iv. **Other Creditors (excluding related parties of the Consolidated Entity):** As per the approved Distribution Resolution, 5% of admitted claim (other than claims of related parties and government claims) is to be paid in cash subject to cap of 5% of admitted claim amount as on January 19, 2023. This amounts to Rs 25,083/- (Rupees Twenty-Five Thousand and Eighty-Three only). Based on the final Admitted Claims of Other Creditors (excluding related parties of the Consolidated Entity) have been provided by erstwhile Administrator Team, the payout has been computed. All amounts payable in cash has been rounded to the nearest rupee.

##### 4.2. Payment to Dissenting Financial Creditors

- i. Dissenting FCs shall be paid their respective Liquidation Value in cash as follows in line with the agreed distribution resolution and the subsequent changes confirmed by the Ex-CoC and noted by the IMC, the details of which have been given below.
- ii. Based on the deliberations held in the 36th CoC Meeting (33<sup>rd</sup> Consolidated CoC Meeting) held on January 20, 2023, the “CoC agreed to go ahead on the principle of average liquidation value of the Corporate Debtors (CDs) considering the balance sheet position as on Insolvency Commencement Date (ICD) and taking into account the principles of consolidated insolvency”.
- iii. As per email received from the Administrator Team on 20.02.2023, “the LV of all the lenders have been considered including NABARD in accordance with the discussion held in the



36<sup>th</sup> CoC [held on January 20, 2023) wherein it was deliberated and decided that: "the CoC agreed to go ahead on the principle of average liquidation value of the CDs considering the balance sheet position as on Insolvency Commencement date (ICD) and taking into account the principles of consolidated insolvency. The representative of State Bank of India clarified that the liquidation value of the respective financial creditors shall be calculated based on the revised voting share considering only the secured financial creditors in the consolidated CoC".

- iv. The CoC agreed for the set-asides for the Pool Lenders and other set-asides from the Liquidation Value based on the on the deliberations held in the 38<sup>th</sup> CoC Meeting (35<sup>th</sup> Consolidated CoC Meeting) held on February 4, 2023, details of which are given below:
- a. **Pool Lenders:** The CoC agreed for setting aside the sub-judice amount from the lender wise liquidation value. The money for Pool lenders is being set aside/ earmarked as such amount is sub-judice and dependent on the Court outcome. It is not getting distributed to pool lenders. If the court matter outcome is not in favour of pool lenders, such set aside amount shall be distributed to the Secured FCs (secured dissenting FCs first and then to assenting secured FCs).
  - b. **CoC & Administrator Expense Corpus:** The Administrator and CoC corpus shall be deducted from the total liquidation value as it will be required for fighting legal cases in future on an ongoing basis even if company goes into liquidation. Accordingly, the CoC & Administrator Expense was to be deducted from the Liquidation Value payable. The Corpus amount would be maintained till the tenure of the instruments in the Approved Resolution Plan and post redemption of all instruments, the balance amount, post any Corpus expense incurred by the Administrator or the CoC, would be distributed between the Secured FCs in accordance with the distribution mechanism as proposed by the CoC members. This was confirmed by the Ex-CoC in the meeting held on September 1, 2023 and by the IMC in the meeting held on September 22, 2023.
  - c. **Margin Money against un-invoked Live BGs:** Some of the un-invoked Live BGs which are a part of the admitted claims are backed by 100% or more Fixed Deposit (FD) / Margin Money. As per the approved distribution resolution, it was decided to set-aside the FD/Margin Money to the extent of the Live BGs outstanding and admitted in an interest bearing no-lien account to be maintained by UCO Bank. In the event the BGs expire and are returned to the respective FC, the respective FC shall inform UCO Bank and such amounts set aside shall be distributed to the Secured FCs (i.e., including those who voted in favour of the resolution plan and those who did not vote in favour of the resolution plan). Accordingly, the LV payable has been adjusted to the extent of the FD / Margin Money. More details on which is provided in the subsequent sections.
- v. Based on the above, the Balance Liquidation Value for distribution amongst the Secured Dissenting FCs as provided by the Administrator Team is detailed below. LV value to be paid to each lender as computed by the Administrator Team was taken on record by the CoC in the 38<sup>th</sup> CoC Meeting (35<sup>th</sup> Consolidated CoC Meeting) held on February 4, 2023.

Particulars	Amt (Rs. Cr)
Average Liquidation Value	4,910.15
Less:	
Pool Lenders	847.87

Particulars	Amt (Rs. Cr)
CoC & Administrator Expense Corpus	35.00
Margin Money against Un-invoked BGs	78.06
Unpaid CIRP Cost	-
<b>Balance Liquidation Value</b>	<b>3,949.22</b>

- vi. As per email received from the Administrator Team on 20.02.2023, "The annexure in the 38th CoC meeting inadvertently mentioned the LV of NABARD as INR 115 Cr. However, the same is to be noted as ~INR 121 Cr taking into consideration the abovementioned rationale." The LV payable to NABARD was also mentioned by the Administrator Team in response to a query in the 40th CoC Meeting (37th Consolidated CoC Meeting) held on March 3, 2023.
- vii. The updated lender wise Liquidation Value based on the voting outcome has been provided by the Administrator Team.
- viii. As per the principles detailed above, the Unsecured Dissenting FCs would be paid nil liquidation value as also confirmed by Administrator. The category wise snapshot of the Unsecured Dissenting FCs is provided below:

Rs. Cr

Name / Category of Dissenting FC	Admitted Claim	LV Payable
Unsecured FCs - NCD Holders	13,75,28,41,287.31	Nil

- ix. Liquidation Value payable has been rounded off to the nearest rupee. The Liquidation Value payable under various categories of Dissenting Secured FCs computed using the BENPOS data as on August 11 are given below:

Rs. Cr

Name / Category of Dissenting Secured FC	Admitted Claim	LV Payable in Cash	LV Payable in Cash - Rounded off
Secured FCs - NCD Holders	1,46,87,39,296.36	20,13,59,666.85	20,13,59,669.00
Secured FCs - Other Lenders	10,83,35,79,805.89	1,48,52,50,667.61	1,48,52,50,670.00
Secured FCs - NABARD	8,83,63,31,295.00	1,21,14,34,003.37	1,21,14,34,003.00
<b>Total</b>	<b>21,13,86,50,397.25</b>	<b>2,89,80,44,337.83</b>	<b>2,89,80,44,342.00</b>

- x. It is being reiterated that the above liquidation value attributable to NCD Holders (Rs 20,13,59,666.85) is temporarily based on latest available BENPOS, that is August 11, 2023 (that is, individual PAN holders (without aggregation) rounded off to the nearest rupee. As per the resolution adopted by the IMC in its meeting held on September 22, 2023,
- Payment of LV would be made to the Dissenting Secured Financial Creditors (who are not Debenture Holders);
  - Demand drafts would be procured for liquidation value payable to the Secured Dissenting Financial Creditors (who are Debenture Holders). The same would be paid out upon finalization of the list of NCD Holders as on the Record Date of 6<sup>th</sup> October 2023.

- xi. Based on the BENPOS data and the related information received from the erstwhile Administrator as on the Record Date, the payouts for the Dissenting NCD Holders has been recomputed and the same is detailed below. As per the approved process, there is no change being made in the payouts of the other Dissenting FCs at the time of Interim Distribution to the NCD Holders. Changes, as applicable, will be made at the time of the Final Distribution.

Name / Category of Dissenting Secured FC	Admitted Claim	LV Payable in Cash	LV Payable in Cash - Rounded off
Secured FCs - NCD Holders	1,46,87,39,296.36	20,13,59,554.44	20,13,59,554.00

If payouts to the Dissenting Secured NCD Holders has been made by the Erstwhile Administrator team as per the old calculations, as verbally confirmed, the same would need to be incorporated here.

Specifically, the following shall impact the payouts to the Secured dissenting financial creditors:

- a. **IBBI Fees:** Clarity is awaited on the IBBI fees to be paid as part of the Plan implementation. The distribution of the additional fees, if payable, and the adjustment of the same amongst the financial creditors, including dissenting financial creditors, as decided by the Ex-CoC shall impact the payouts to the secured dissenting financial creditors.
- b. **Nicco Engineering:** The Erstwhile Administrator team in the 8<sup>th</sup> IMC Meeting held on October 3, 2023 updated the IMC that Nicco Engineering was paid as Secured dissenting financial creditor as part of Interim Distribution. However, based on reverification of the claim documents, it was found that the claim of Nicco Engineering Services was classified as unsecured. Thus, no LV is payable to them. Further, erstwhile Administrator Team clarified that the amount distributed to Nicco Engineering has already been recovered.
- c. **Pool Lenders:** The Erstwhile Administrator team in the 8<sup>th</sup> IMC Meeting held on October 3, 2023, updated the IMC that via its letter dated 28th August 2023, DBS Bank as one of Srei's pool lender has communicated that it has bilaterally settled with the customer and accordingly withdrawn from the IA no. 559/KB/2022 filed in CP 294/KB/2021. Accordingly, the Erstwhile Administrator team proposed to reduce the amount set aside for Pool Lenders from Rs. 847.87 Cr to Rs. 818.85 Cr. The same was also confirmed by the CoC Legal Counsel on October 12, 2023.

Barring the adjustment on account of final IBBI fees to be paid, as applicable, the Erstwhile Administrator team shared the updated lender wise Liquidation Value based on the above. Adjustments on account of this and any other adjustments is proposed to be undertaken at the time of Final Distribution.

### 1.1. Fixed Deposit/ Margin Money Set Aside

- i. Fixed Deposit/Margin Money provided against the respective Live BGs, to the extent of the Live BGs outstanding and admitted, is to be set aside in an interest bearing no-lien account to be maintained by UCO Bank.

- ii. Excess fixed deposit/margin money available over and above the respective Live BGs outstanding shall be available for distribution to all financial creditors in accordance with the approved resolution plan, read together with the distribution resolution. Admitted claims of respective financial creditors to be reduced to the extent of such set aside amount.
- iii. The snapshot of the un-invoked Live BGs as on August 2023 as received from the Administrator Team is provided below. The FD / Margin has been rounded off to the nearest rupee.

Amt. in Rs

Lender Name	Live BG Amt (A)	FD / Margin (B)	Excess FD (C)	FD / Margin Set Aside (B) - (C)	FD / Margin Set Aside - Round off
Axis Bank	72,73,839.00	13,77,642.00	1,74,143.00	12,03,499.00	12,03,499.00
Bank of India	59,99,77,500.00	60,53,89,301.00	54,11,801.00	59,99,77,500.00	59,99,77,500.00
ICICI Bank	1,42,28,608.39	1,48,95,041.78	6,66,433.39	1,42,28,608.39	1,42,28,608.00
UCO Bank	16,51,36,738.00	16,53,20,316.00	1,83,578.00	16,51,36,738.00	16,51,36,738.00
Union Bank of India	1,82,47,77,042.00	36,215.00	11,215.00	25,000.00	25,000.00
<b>Total</b>	<b>2,61,13,93,727.39</b>	<b>78,70,18,515.78</b>	<b>64,47,170.39</b>	<b>78,05,71,345.39</b>	<b>78,05,71,345.00</b>

- iv. In the event the Live BGs are invoked by the beneficiary, the respective FC shall make the payment under the BG to the beneficiary, inform UCO Bank and claim the amounts set aside.
- v. In the event the BGs expire and are returned to the respective financial creditor, the respective financial creditor shall inform UCO Bank and such amounts set aside shall be distributed to the Secured FCs (i.e., including those who voted in favour of the resolution plan and those who did not vote in favour of the resolution plan). This was confirmed by the Ex-CoC in the meeting held on September 21, 2023, and noted by the IMC in the meeting dated September 22, 2023.

## 1.2. Setting aside for Pool Lenders

- i. As per the Preliminary Reply dated 30th June 2022 filed by the Administrator in NCLT, the TRA balance as on 07.10.2021 was ~Rs. 339 Cr out of which ~Rs. 135.2 Cr was paid out to the Pool Lenders.
- ii. The Pool Lenders have been paid this above pending amount i.e., Rs. 135.2 Cr pertaining to Aug-Sep 2021 pool collections. Accordingly, the remaining amount i.e., ~Rs. 203.8 Cr is proposed to be set aside in cash for the Pool Lenders. It may be noted that the TRA balance as on 07.10.2021 includes the collections from other customers as well.
- iii. As per the Reply dated 27th July 2022 filed by the Administrator in NCLT, based on the Reconciliation Statement, the pool shortfall amount is ~Rs. 848 Cr. Accordingly, the remaining shortfall amount after keeping aside ~Rs. 203.8 Cr in cash i.e., ~Rs. 644.07 Cr is proposed to be set aside in committed instruments i.e., SRs backed by the NCDs.

Merged Bank	Bank Name	Amt Payable (Rs.)
Bank of Baroda	Bank of Baroda	14,77,65,225
Bank of Baroda	Vijaya (BOB)	1,30,43,76,859
Bank of India	Bank of India	1,84,33,19,221
Canara Bank	Canara Bank	47,97,53,596
DBS*	DBS	29,01,86,809
Indian Bank	Allahabad Bank	5,63,19,941
Indian Bank	Indian Bank	9,52,64,507
PNB	OBC	2,05,32,92,543
PNB	PNB	1,47,00,98,161
PNB	UBI	13,58,88,293
UCO	UCO	60,24,61,694
<b>Total</b>		<b>8,47,87,26,849</b>

*\*Note from Administrator Team: As communicated by DBS bank via letter dated Aug 28, 2023, the bank has informed their legal counsel to withdraw from the IA no. 559/KB/2022 filed in CP 294/KB/2021. Their decision has also been intimated to the Hon'ble NCLT Kolkata Bench in the notes to arguments filed by the pool lenders in the said IA.*

*As opined by the Ex-CoC Legal Counsel, no change is proposed in the set aside amount on account of the above development.*

Particulars	Amt (Rs.)
Cash Balance as on ICD	3,39,40,91,317.39
Cash Paid to Pool Lenders	1,36,54,23,125.00
<b>Balance Cash to be set aside</b>	<b>2,02,86,68,192.39</b>
<b>Underlying FV of SEFL NCDs against which SRs to be set aside</b>	<b>6,45,00,58,656.71</b>

- iv. The amount of ~Rs. 203.80 Cr would be set aside from the Upfront Cash in an interest bearing no-lien account to be maintained by UCO Bank. It may be noted, as per the revised information provided by the erstwhile Administrator team, the amount to be set aside in cash is slightly revised to Rs 202,86,68,192.39 (Rupees Two Hundred and Two Crore Eighty Six Lakh Sixty Eight Thousand One Hundred and Ninety Two Rupees and Thirty Nine Paise only).
- v. Rs 202,86,68,192.39 is proposed to be set aside in two tranches, that is, Cash available for Interim Distribution (Tranche 1) and Cash Portion of Assignment Payments (Tranche 2). Hence, cash portion mentioned above is to be set aside in proportion of Cash available for Interim Distribution after Point 4.3 : Cash Portion of Assignment Payments.
- vi. Setting aside such amounts of committed instruments i.e., SRs backed by the committed NCDs would be done provided under the successful resolution plan such that the future value of such NCDs is equal to Rs. 644.07 Cr. The instruments shall be set aside in an interest bearing no-lien account and other account as applicable, to be maintained by UCO Bank. It may be noted that in the event committed instruments are provided in different tranches under the successful resolution plan, setting aside of the committed instruments under this step shall be done in proportion to the tranches being offered.
- vii. In case the final non-appealable judgement is in favour of the Pool Lenders, the set aside amount as detailed above shall be paid to the Pool Lenders [along with all interest

earned/ recovery thereon] in the ratio of the amounts as per the Reconciliation Statement detailed above.

- viii. In case the final non-appealable judgement is not in favour of the Pool Lenders, the set aside amount as detailed above shall be paid to the secured financial creditors along with all interest earned/ recovery thereon in proportion to their admitted claim amounts.
- ix. Any amounts arising for payment under the instruments issued to the Pool Lenders, prior to the final non-appealable judgement is to be kept aside with UCO Bank along with the set aside cash amount to that extent.
- x. As mentioned in point (iii) above, no change was proposed in the set aside amount on account of the case withdrawn by one of the pool lenders. The erstwhile Administrator Team, in the 8th IMC Meeting held on October 3, 2023 updated the IMC regarding the same and proposed to reduce the set aside amount for Pool Lenders from Rs. 847.87 Cr to Rs. 818.85 Cr. The incremental LV values were also shared by the erstwhile Administrator Team. The same was also confirmed by the CoC Legal Counsel on October 12, 2023. However, in line with the Interim Distribution workings for the other Creditors, no change has been made during the calculation of payouts for the Interim Distribution to the NCD Holders. All changes shall be made at the time of Final Distribution.

**1.3. CoC & Administrator Expense Corpus:** of Rs 35,00,00,000/- (Rupees Thirty-Five Crore only) shall be set aside and maintained in accordance with the approved distribution mechanism, confirmation by the Ex-CoC and noting by the IMC.

- i. It is expected to be utilized for payment of pending CIRP invoices of CoC Advisors; reimbursement of contributions by CoC members to the CoC Expense Corpus. Further, this Corpus will be utilized towards the CoC Advisor Cost and future CD CIRP Litigations where CoC or Administrator is a Party, (to be utilized post the Closing Date) subject to the provision for an additional IMC Cost Corpus of Rs. 5 Cr as detailed below.
- ii. Till 25<sup>th</sup> September 2023, i.e., till the creation of the Corpus, the contributions made by the CoC /Ex-CoC members to the corpus (“Contributing Banks”) shall be paid from this CoC and Administrator Corpus to UCO Bank for reimbursing each Contributing Bank. The data for the contributions made by the members of the CoC has been provided by UCO Bank which has been used to compute the amount to be reimbursed to each Contributing Bank.

**1.4. IMC Expense Corpus:** of Rs. 5,00,00,000/- (Rupees Five Crore only) shall be set aside and maintained as per the following in accordance with the Implementation Notice, confirmation by the Ex-CoC in the meeting held on September 21, 2023, and noting by the IMC in the meeting held on September 22, 2023

- i. To give effect to the terms of the Resolution Plan it has been further agreed by the CoC that IMC Cost Corpus of Rs. 5 Cr out of AFC’s Cash Portion excluding Cash Portion of Assignment Payment will be created.
- ii. However, in the event that such amount of Rs. 5 Cr is insufficient to pay Interim Period Cost, such Interim Period Costs to the extent of an additional Rs. 5 Cr shall be paid from the ‘CoC & Administrator Expense Corpus’ of Rs. 35 Cr.

**1.5. Additional set aside for NABARD in view of pending IA before NCLT**

- i. As opined by Ex-CoC Legal Counsel in Ex-CoC meeting dated September 12, 2023, “NABARD has abstained from voting on the Plan and is treated as a dissenting financial creditor. Therefore, only the liquidation value is payable to NABARD. No additional amount will be set aside over and above the liquidation value at this stage, and any additional payments to NABARD shall remain subject to the outcome of the ongoing litigation. The same was confirmed by the Ex-CoC.
- ii. This was also noted by the IMC in the meeting held on September 23, 2023.

**1.6. Payment to the Unsecured Assenting Financial Creditors**

- i. The Assenting Unsecured Financial Creditors shall be paid 5% of their admitted claim amount from balance resolution plan payments in the ratio of Cash: Future Value of NCDs: SEFL OCDs. No Equity shall be allotted to the Unsecured Assenting FCs.
- ii. The overall amount payable to the Unsecured Assenting FCs is computed based on the total admitted claim of the Unsecured Assenting FCs. As detailed above, this overall amount includes CD Cash, Cash Portion of Assignment Portion, SRs backed by SEFL NCDs (derived by computing entitlement in FV of NCDs) and SEFL OCDs. Accordingly, as per the ratio above, the overall payouts under CD Cash, Cash Portion of Assignment Portion, FV of SEFL NCDs (and thereby derived share in SRs) and SEFL OCDs would be computed. Thereafter, payouts for each lender under the various categories of Unsecured Assenting FCs (i.e., Unsecured Assenting NCD Holders, Unsecured Assenting ECB Lenders and Unsecured Assenting Other Lenders) would be computed based on pro-rata of their share in the overall amount payable, that is, 5% of admitted claims as mentioned in 4.8(i).
- iii. Since Cash is being distributed in two tranches, i.e., Cash available for Interim Distribution (Tranche 1 Cash) and Cash Portion of Assignment Payments (Tranche 2), this payout is also proposed to be undertaken in two tranches.
- iv. Hence, the same is to be done in proportion of Cash available for Interim Distribution after Point 4.6: Available Cash Portion of Assignment Payments after Point 4.6: Future Value of NCDs: SEFL OCDs.
- v. Thereafter, payouts to each FC under their respective category would be computed. Rounding off principle as detailed below would be applied for each FC at this stage.
  - a. Cash has been rounded off to the nearest rupee.
  - b. Tentative Face Value of SRs is to be considered at Rs 1,000.
  - c. Tentative Face Value of SEFL OCDs is to be considered at Rs 1,000.
- vi. **NCD Holders:** It is being reiterated that for the above Tranche 1 cash attributable to NCD Holders is temporarily based on latest available BENPOS, that is August 11, 2023 (that is, individual PAN holders (without aggregation) attribution based on latest available BENPOS, that is August 11, 2023 rounded off to the nearest rupee). Final NCD holder wise entitlement would be worked out based on the Record Date of October 6, 2023. It may be noted that payouts will not be made to any NCD Holders who is identified as a related party by the Administrator Team. Based on the BENPOS data as on the Record Date, the payouts for the NCD Holders has been computed in line with the principle

outlined above. It is reiterated that the Erstwhile Administrator has provided clarification on the Related Parties appearing in the BENPOS Sheet and accordingly, there are no related party exposures in the final list of NCD Holders as on the Record Date of October 6, 2023.

vii. **Alternate Mechanism for the Assenting ECB Lenders**

- a. The assenting ECB Lenders shall get paid in cash for their share of the security receipts backed by committed SEFL NCDs out of the Available Cash and Bank Balance.
- b. The payout against the security receipts shall be computed based on the net present value (“NPV”) of the underlying committed SEFL NCDs against the security receipts and the NPV shall be calculated in terms of the Evaluation Matrix issued by the erstwhile Administrator along with the request for resolution plans dated September 24, 2022.
- c. The Approving Financial Creditors shall reallocate the amounts payable to the assenting ECB Lenders towards Cash Portion of Assignment Payments from the AFCs’ Cash Portion as detailed below:
  1. Unsecured Assenting FCs other than Unsecured Assenting ECB Lenders shall earmark share in Cash Portion of Assignment Payments of Unsecured Assenting ECB Lenders amounting to Rs 1,18,23,731.00/- rounded off to the nearest rupee. *It may be noted that this amount mentioned is based on the Interim Distribution workings as on September 22, 2023, and is subject to change based on the updated information (including Interim Distribution workings for the NCD Holders) and subsequent adjustments. Accordingly, the final share for the Unsecured Assenting ECB lenders in the Cash Portion of Assignment Payments shall be reworked at the time of Final Distribution.*
  2. The same shall be set aside from the share of Unsecured Assenting Lenders (other than Unsecured Assenting ECB Lenders) in Cash available for Interim Distribution (Tranche 1) on a pro-rata basis of their admitted claims.
  3. Such set aside shall be distributed to the Unsecured Assenting ECB Lenders upon Final Distribution on a pro-rata basis their admitted claims.
  4. Further, share of Unsecured Assenting FCs in the Cash Portion of Assignment Payments shall be redistributed among the remaining Unsecured Assenting FCs other than Unsecured Assenting ECB Lenders.
  5. In line with the CoC Reallocation Notice, FV of SEFL NCDs amounting Rs 6,03,86,971.04/- (equivalent to NPV of the underlying committed SEFL NCDs against the security receipts to be issued to ECB Lenders as detailed above) is not expected to be issued by SEFL and SEFL NCDs are to reduce to such extent. Since SRs to be issued by ARC Trust to FCs is expected to remain at Rs 1,800 Crore (and not be reduced on account of reduction in SEFL NCDs), the Revised Conversion Ratio is computed at ~1.89 as detailed subsequently. *It may be noted that the figures mentioned above are based on the Interim Distribution workings as on September 22, 2023 and are subject to change based on the updated information (including Interim Distribution workings for the NCD Holders) and subsequent adjustments. Accordingly, the final FV of SEFL NCDs for the Unsecured Assenting ECB Lenders shall be reworked at the time of Final Distribution.*
  6. Based on the Revised Conversion Ratio, the SRs attributable to all Unsecured Assenting FCs other than Unsecured Assenting ECB Lenders shall undergo



an upward change. However, the underlying instruments and NPV of such revised SRs shall remain unchanged.

7. The overall impact (including on account of the Secured Assenting ECB Lenders) upon implementation of the Alternate Mechanism has been provided subsequently.
  - d. **SEFL OCDs:** SEFL OCDs shall be issued to an escrow trustee who shall hold and pass through the realizations out of the OCDs for the benefit of the assenting ECB Lenders. Upon any realization of the SEFL OCDs in terms of the Approved Resolution Plan, the amounts received by the escrow trustee shall be passed through to the assenting ECB Lenders (as beneficiaries) subject to receipt of necessary RBI approvals.
- viii. Further, the discussion on alternative mechanism for other financial creditors ineligible to hold instruments offered under the approved resolution plan is ongoing and changes, if any, on account of finalization of the same shall be done at the time of Final Distribution.

#### 1.7. Payment to the Secured Assenting Financial Creditors

- i. The Assenting Secured Financial Creditors shall be paid the balance resolution plan payments in the ratio of Cash: Future Value of NCDs: SEFL OCDs: Equity.
- ii. **BG Set Aside:** As detailed in Section 4.3, there are un-invoked Live BGs which form a part of the Admitted Claims. Distribution against balance Live BGs net of fixed deposit/margin money set aside in Section 4.3 above (“Balance Live BGs”), is to be computed in accordance with the principle given below. Such amounts to also be set aside at the time of “Payment to Assenting FCs” in an interest bearing no-lien account and other account as applicable, to be maintained by UCO Bank.
  - a. In the event the Live BGs are invoked by the beneficiary, the respective FC shall make the payment under the BG to the beneficiary, inform UCO Bank and claim the amounts set aside as detailed below against the invoked Live BGs.
  - b. In the event the BGs expire and are returned to the respective FC, the respective FC shall inform UCO Bank and such amounts set aside (along with all interest earned thereon) shall be distributed to the Assenting Secured FCs.
  - c. The snapshot of the Balance Live BGs is given below:

*Amt. in Rs*

Bank Name	BG Amount	FD Amount	Excess FD	BG Set Aside
Axis Bank	72,73,839.00	13,77,642.00	1,74,143.00	60,70,340.00
Bank of India	59,99,77,500.00	60,53,89,301.00	54,11,801.00	-
ICICI Bank	1,42,28,608.39	1,48,95,041.78	6,66,433.39	-
UCO Bank	16,51,36,738.00	16,53,20,316.00	1,83,578.00	-
Union Bank of India	1,82,47,77,042.00	36,215.00	11,215.00	1,82,47,52,042.00
<b>Total</b>	<b>2,61,13,93,727.39</b>	<b>78,70,18,515.78</b>	<b>64,47,170.39</b>	<b>1,83,08,22,382.00</b>

- iii. The overall amount payable to the Secured Assenting FCs is computed based on the total admitted claim of the Secured Assenting FCs. As detailed above, this overall amount includes CD Cash, Cash Portion of Assignment Portion, SRs backed by SEFL NCDs (derived by computing entitlement in FV of NCDs), SEFL OCDs and SIFL Equity. Accordingly, as per the ratio above, the overall payouts under CD Cash, Cash Portion of Assignment Portion, FV of SEFL NCDs (and thereby derived share in SRs), SEFL OCDs and SIFL Equity would be computed. Thereafter, payouts for each lender under the

various categories of Secured Assenting FCs (i.e., Secured Assenting NCD Holders, Secured Assenting ECB Lenders, Secured Assenting Other Lenders and BG Set Aside) would be computed based on the overall amount payable in the ratio of their admitted claims.

- iv. Since Cash is being distributed in two tranches, i.e., Cash available for Interim Distribution (Tranche 1 Cash) and Cash Portion of Assignment Payments (Tranche 2), this payout is also proposed to be undertaken in two tranches.
- v. Hence, the same is to be done in proportion of Cash available for Interim Distribution after Point 4.8: Available Cash Portion of Assignment Payments after Point 4.8: Future Value of NCDs: SEFL OCDs. SIFL Equity is to be distributed to all Secured FCs in proportion to their admitted claims.
- vi. Thereafter, payouts to each FC under their respective category would be computed. Rounding off principle as detailed below would be applied for each FC at this stage.
  - a. Cash has been rounded off to the nearest rupee.
  - b. Tentative Face Value of SRs is to be considered at Rs 1,000.
  - c. Tentative Face Value of SEFL OCDs is to be considered at Rs 1,000.

As mentioned above, the workings for the instruments are draft workings with the final allotment of instruments to be undertaken at the time of Final Distribution.

- vii. **NCD Holders:** It is being reiterated that for the above Tranche 1 cash attributable to NCD Holders is temporarily based on latest available BENPOS, that is August 11, 2023 (that is, individual PAN holders (without aggregation) attribution based on latest available BENPOS, that is August 11, 2023, rounded off to the nearest rupee). Final NCD holder wise entitlement would be worked out based on the Record Date of October 6, 2023. It may be noted that payouts will not be made to any NCD Holders who is identified as a related party by the Administrator Team. Based on the BENPOS data as on the Record Date, the payouts for the NCD Holders has been computed in line with the principle outlined above. It is reiterated that the Erstwhile Administrator has provided clarification on the Related Parties appearing in the BENPOS Sheet and accordingly, there are no related party exposures in the final list of NCD Holders as on the Record Date of October 6, 2023.
- viii. **Alternate Mechanism for the Assenting ECB Lenders**
  - a. The assenting ECB Lenders shall get paid in cash for their share of the security receipts backed by committed SEFL NCDs out of the Available Cash and Bank Balance.
  - b. The payout against the security receipts shall be computed based on the net present value (“NPV”) of the underlying committed SEFL NCDs against the security receipts and the NPV shall be calculated in terms of the Evaluation Matrix issued by the erstwhile Administrator along with the request for resolution plans dated September 24, 2022.
  - c. The Approving Financial Creditors shall reallocate the amounts payable to the assenting ECB Lenders towards Cash Portion of Assignment Payments from the AFCs’ Cash Portion as detailed below:

1. Secured Assenting FCs other than Secured Assenting ECB Lenders shall earmark share in Cash Portion of Assignment Payments of Secured Assenting ECB Lenders amounting to Rs 16,71,45,464/- rounded off to the nearest rupee. *It may be noted that this amount mentioned is based on the Interim Distribution workings as on September 22, 2023, and is subject to change based on the updated information (including Interim Distribution workings for the NCD Holders) and subsequent adjustments. Accordingly, the final share for the Secured Assenting ECB lenders in the Cash Portion of Assignment Payments shall be reworked at the time of Final Distribution.*
  2. The same shall be set aside from the share of Secured Assenting Lenders (other than Secured Assenting ECB Lenders) in Cash available for Interim Distribution (Tranche 1) on a pro-rata basis of their admitted claims.
  3. Such set aside shall be distributed to the Secured Assenting ECB Lenders upon Final Distribution on a pro-rata basis their admitted claims.
  4. Further, share of Secured Assenting FCs in the Cash Portion of Assignment Payments shall be redistributed among the remaining Secured Assenting FCs other than Secured Assenting ECB Lenders.
  5. In line with the CoC Reallocation Notice, FV of SEFL NCDs amounting Rs 85,36,80,886.71/- (equivalent to NPV of the underlying committed SEFL NCDs against the security receipts to be issued to ECB Lenders as detailed above) is not expected to be issued by SEFL and SEFL NCDs are to reduce to such extent. Since SRs to be issued by ARC Trust to FCs is expected to remain at Rs 1,800 Crore (and not be reduced on account of reduction in SEFL NCDs), the Revised Conversion Ratio is computed at ~1.89 as detailed subsequently. *It may be noted that the figures mentioned above are based on the Interim Distribution workings as on September 22, 2023 and are subject to change based on the updated information (including Interim Distribution workings for the NCD Holders) and subsequent adjustments. Accordingly, the final FV of SEFL NCDs for the Secured Assenting ECB Lenders shall be reworked at the time of Final Distribution.*
  6. Based on the Revised Conversion Ratio, the SRs attributable to all Secured Assenting FCs other than Secured Assenting ECB Lenders shall undergo an upward change. However, the underlying instruments and NPV of such revised SRs shall remain unchanged.
- d. **SEFL OCDs:** SEFL OCDs shall be issued to an escrow trustee who shall hold and pass through the realizations out of the OCDs for the benefit of the assenting ECB Lenders. Upon any realization of the SEFL OCDs in terms of the Approved Resolution Plan, the amounts received by the escrow trustee shall be passed through to the assenting ECB Lenders (as beneficiaries) subject to receipt of necessary RBI approvals.
- e. **SIFL Equity:** Equity shares of SIFL shall be issued to an escrow trustee who shall hold and pass through the realizations out of the equity shares for the benefit of the assenting ECB Lenders. Upon receipt of any cash on sale of such equity shares, the amounts received by the escrow trustee shall be passed through to the assenting ECB Lenders (as beneficiaries) subject to receipt of necessary RBI approvals.

- ix. Further, the discussion on alternative mechanism for other financial creditors ineligible to hold instruments offered under the approved resolution plan is ongoing and changes, if any, on account of finalization of the same shall be done at the time of Final Distribution.
- x. It may be noted that upon reverification of the Interim Distribution workings vis-à-vis the approved distribution resolution, it was found that the claims pertaining to the BGs backed by 100% FD Margin were also inadvertently included in the Admitted Claims for those banks by ex-CoC advisors. The same shall be taken care of during the final distribution and the excess amount paid to the respective financial creditors shall be adjusted, as applicable.

**1.8. Rounding-off impact**

- i. Based on the rounding-off done at various steps as detailed in the note above, there is overall rounding off impact based on the Interim Distribution workings, the treatment of which shall be finalized in discussion with the Ex-CoC and NARCL Team.

**Annexure 1: RBI's comments on the approvals sought**

S.N.	Approval Sought	Comments from RBI
1.	Assignment of debt owed to financial creditors, being lenders of the External Commercial borrowings (ECBs), to the ARC trust and issuance of Security Receipts by ARC trust to those financial creditors who are not “qualified buyers” as defined under the SARFAESI Act, 2002	The proposal is not acceded to since the ARC trust cannot acquire debt from those ECB lenders that are not banks or financial institutions in terms of Section 5 of the SARFAESI Act. Also, ARC trust cannot issue SRs to ECB lenders that are not qualified buyers, as per the SARFAESI Act.
2.	Prepayment/repayment of ECBs by issuing Optionally Convertible Debentures (OCDs) and equity shares to the financial creditors of ECBs availed by SIFL/SEFL	<p>Since the ARC Trust cannot acquire debt from those ECB lenders that are not banks or financial institutions in terms of Section 5 of the SARFAESI Act, the subsequent action of prepayment/repayment of ECBs by issuing OCDs and equity shares cannot be materialized.</p> <p>2. However, in the case of ECB lenders that are banks or financial institutions in terms of Section 5 of the SARFAESI Act, the company is advised as follows:</p> <p>(a) Issuance of OCDs OCDs issued as a part of the resolution plan against the ECBs raised by SIFL/SEFL should not result in any new foreign exposure. Further, the company is required to report the changes to Department of Statistics and Information Management, RBI through the AD Bank in revised Form ECB.</p> <p>(b) Issuance of equity The company is advised to be guided by the Para 7.4 of RBI's Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 (updated as on September 30, 2022) which inter alia states that conversion of ECB into equity, including those that are matured but unpaid, is permitted subject to conditions and compliance with FDI policy.</p>
3.	SEFL to issue Non-Convertible Debentures (NCDs) to the ARC trust for restructuring of the financial debt owed to the financial creditors of SIFL/SEFL	SEFL has been permitted to issue NCDs to the ARC trust for restructuring of the financial debt owed to the financial creditors of SIFL/SEFL.

**Annexure 2: Details of the Assenting ECB Lenders and their facilities**

<b>Name of Lender</b>	<b>Nature of Security</b>	<b>Admitted Claim (Rs. Cr)</b>
Bank of Ceylon	Secured	117.69
DEG Germany	Secured	259.03
People's Bank	Secured	117.69
Canara Bank*	Secured	313.82
<b>Total Assenting Secured ECB Lenders</b>		<b>808.23</b>
Export Import Bank of United States	Unsecured	27.14
Global Climate Partnership Fund S.A, SICAV- SIF	Unsecured	143.50
ING Bank -- A branch of ING-DIBA AG	Unsecured	317.65
European Investment Bank (SACE)	Unsecured	81.14
<b>Total Assenting Unsecured ECB Lenders</b>		<b>569.43</b>
<b>Total Assenting ECB Lenders</b>		<b>1,377.66</b>

*The above Admitted Claim is as per the data and clarifications received from the erstwhile Administrator.*

*\* We understand that Canara Bank has applied to the RBI to transfer its exposure to an Indian Bank. However, it is yet to receive the approval from the RBI for the same.*

**Annexure 3: DTD & ISIN wise voting outcome**

DTD Details	Security	ISIN	Amount admitted (Rs.)	Vote
Axis Trustee Services Limited- DTD dated 02-12-2013	Secured	INE872A07SD7	4,92,36,666	Abstain
Axis Trustee Services Limited- DTD dated 04-01-2013	Unsecured	INE872A08CH0	32,39,49,900	Assent
		INE872A08CJ6	11,80,43,618	Assent
		INE872A08CL2	5,43,52,715	Assent
Axis Trustee Services Limited- DTD dated 05-03-2012	Unsecured	INE872A08BX9	75,47,90,471	Assent
		INE872A08BZ4	81,25,78,602	Assent
		INE872A08CA5	1,03,50,60,745	Assent
Axis Trustee Services Limited- DTD dated 05-07-2017 - 1	Secured	INE872A07UA9	49,08,61,203	Assent
		INE872A07UB7	1,00,80,77,478	Assent
		INE872A07UC5	39,78,91,841	Assent
Axis Trustee Services Limited- DTD dated 05-07-2017 - 2	Secured	INE872A07UI2	44,16,75,014	Assent
		INE872A07UJ0	1,32,66,61,219	Assent
		INE872A07UK8	31,78,81,233	Assent
Axis Trustee Services Limited- DTD dated 06-03-2012	Secured	INE872A07PV5	3,29,70,027	Assent
		INE872A07PY9	17,36,65,826	Assent
		INE872A07PZ6	2,49,47,560	Assent
		INE872A07QA7	17,33,60,040	Assent
Axis Trustee Services Limited- DTD dated 07-09-2012 - 1	Secured	INE872A07QD1	81,31,010	Abstain
Axis Trustee Services Limited- DTD dated 07-09-2012 - 2	Unsecured	INE872A08CD9	13,17,30,338	Assent
		INE872A08CF4	13,77,17,078	Assent
Axis Trustee Services Limited- DTD dated 07-12-2011	Secured	INE872A07PL6	11,30,61,566	Assent
		INE872A07PQ5	33,35,35,403	Assent
Axis Trustee Services Limited- DTD dated 09-08-2017	Unsecured	INE881J08573	1,92,27,66,009	Assent
		INE881J08581	1,73,97,45,170	Assent
		INE881J08599	44,88,14,729	Assent
		INE881J08607	10,17,09,550	Assent
		INE881J08615	13,33,29,048	Assent
		INE881J08623	4,10,56,718	Assent
		INE881J08631	1,27,32,16,506	Assent
INE881J08649	53,10,16,548	Assent		

DTD Details	Security	ISIN	Amount admitted (Rs.)	Vote
		INE881J08656	26,39,75,068	Assent
Axis Trustee Services Limited- DTD dated 10-09-2013	Unsecured	INE872A08DB1	11,90,52,124	Assent
		INE872A08DC9	28,61,82,991	Assent
		INE872A08DH8	26,17,46,554	Assent
Axis Trustee Services Limited- DTD dated 16-05-2015	Secured	INE881J07DX9	37,61,85,110	Assent
Axis Trustee Services Limited- DTD dated 16-10-2012	Secured	INE872A07QM2	1,48,29,347	Assent
		INE872A07QS9	22,29,29,426	Assent
Axis Trustee Services Limited- DTD dated 16-12-2014	Secured	INE872A07TP9	20,57,21,194	Abstain
Axis Trustee Services Limited- DTD dated 17-01-2017	Secured	INE881J07EK4	55,48,26,673	Assent
		INE881J07EL2	52,30,84,515	Assent
		INE881J07EM0	49,90,79,314	Assent
		INE881J07EN8	2,08,58,87,643	Assent
		INE881J07EO6	23,03,942	Assent
		INE881J07EP3	26,82,35,873	Assent
Axis Trustee Services Limited- DTD dated 20-03-2018 - 1	Secured	INE872A07UN2	24,34,45,583	Assent
		INE872A07UO0	68,57,23,496	Assent
		INE872A07UP7	41,97,64,443	Assent
		INE872A07UQ5	40,22,94,895	Assent
		INE872A07UR3	1,03,91,69,682	Assent
		INE872A07US1	42,67,28,294	Assent
Axis Trustee Services Limited- DTD dated 20-03-2018 - 2	Unsecured	INE872A08DI6	13,43,10,437	Assent
		INE872A08DJ4	13,47,51,704	Assent
		INE872A08DK2	4,38,49,146	Assent
Axis Trustee Services Limited- DTD dated 23-04-2013	Unsecured	INE872A08CO6	3,06,32,051	Assent
		INE872A08CP3	85,96,66,022	Assent
		INE872A08CQ1	74,28,19,470	Assent
		INE872A08CT5	8,55,44,021	Assent
		INE872A08CW9	20,97,19,298	Assent
		INE872A08CY5	19,60,10,020	Assent
Axis Trustee Services Limited- DTD dated 24-01-2019 - 2	Unsecured	INE881J08698	16,88,31,671	Dissent
Axis Trustee Services Limited- DTD dated 24-01-2019 -1	Secured	INE881J07FO3	19,76,24,619	Assent
		INE881J07FP0	53,39,66,935	Assent



DTD Details	Security	ISIN	Amount admitted (Rs.)	Vote
		INE881J07FQ8	11,83,79,068	Assent
		INE881J07FR6	28,38,00,754	Assent
		INE881J07FS4	41,11,33,976	Assent
		INE881J07FT2	8,92,07,288	Assent
Axis Trustee Services Limited- DTD dated 24-05-2018	Secured	INE881J07FD6	24,59,98,798	Assent
		INE881J07FE4	69,97,22,584	Assent
		INE881J07FF1	23,42,95,961	Assent
		INE881J07FG9	30,95,81,755	Assent
		INE881J07FH7	1,29,92,51,758	Assent
		INE881J07FI5	15,08,67,204	Assent
		INE881J07FJ3	25,39,57,019	Assent
		INE881J07FK1	1,55,40,25,134	Assent
		INE881J07FL9	8,21,48,366	Assent
Axis Trustee Services Limited- DTD dated 26-06-2012	Unsecured	INE872A08CB3	1,18,95,64,234	Dissent
Axis Trustee Services Limited- DTD dated 27-06-2014	Secured	INE872A07TE3	11,60,78,067	Assent
Axis Trustee Services Limited- DTD dated 31-01-2013	Secured	INE872A07RC1	48,72,880	Abstain
		INE872A07RE7	85,27,540	Abstain
<b>Axis Total</b>			<b>33,74,21,37,777</b>	
Catalyst Trusteeship Limited- DTD dated 02-12-2016	Secured	INE881J07EA5	5,45,82,030	Abstain
Catalyst Trusteeship Limited- DTD dated 03-07-2018	Unsecured	INE881J08664	57,28,01,877	Abstain
Catalyst Trusteeship Limited- DTD dated 03-10-2017	Secured	INE881J07EU3	6,63,93,378	Abstain
Catalyst Trusteeship Limited- DTD dated 04-04-2018	Secured	INE881J07FA2	5,70,77,217.86	Abstain
Catalyst Trusteeship Limited- DTD dated 06-04-2018	Secured	INE881J07FA2	5,70,77,217.86	Abstain
Catalyst Trusteeship Limited- DTD dated 06-10-2016	Secured	INE881J07DZ4	5,57,74,786	Abstain
Catalyst Trusteeship Limited- DTD dated 09-01-2018	Secured	INE881J07ET5	2,76,45,617.38	Abstain
Catalyst Trusteeship Limited- DTD dated 10-03-2017	Unsecured	INE881J08540	88,61,78,674	Abstain
Catalyst Trusteeship Limited- DTD dated 10-07-2016	Unsecured	INE881J08441	23,27,26,142	Assent
		INE881J08458	4,04,75,252	Assent
Catalyst Trusteeship Limited- DTD dated 10-10-2018	Unsecured	INE881J08672	5,58,69,173	Assent
Catalyst Trusteeship Limited- DTD dated 12-04-2018	Secured	INE881J07FA2	4,56,61,774.29	Abstain
Catalyst Trusteeship Limited- DTD dated 13-12-2018	Unsecured	INE881J08680	1,10,52,91,612	Abstain
Catalyst Trusteeship Limited- DTD dated 14-03-2018	Secured	INE881J07EY5	5,73,19,583	Abstain

DTD Details	Security	ISIN	Amount admitted (Rs.)	Vote
Catalyst Trusteeship Limited- DTD dated 16-05-2019	Secured	INE872A07UY9	16,55,50,268	Assent
		INE872A07UZ6	28,36,02,188	Assent
		INE872A07VA7	8,19,37,619	Assent
		INE872A07VB5	23,14,75,602	Assent
		INE872A07VC3	25,86,21,896	Assent
		INE872A07VD1	6,59,72,120	Assent
Catalyst Trusteeship Limited- DTD dated 16-09-2017	Secured	INE881J07ET5	22,11,64,939.01	Assent
Catalyst Trusteeship Limited- DTD dated 17-01-2018	Secured	INE881J07ET5	1,10,58,246.95	Abstain
Catalyst Trusteeship Limited- DTD dated 18-01-2018	Secured	INE881J07EX7	11,71,48,339	Abstain
Catalyst Trusteeship Limited- DTD dated 20-10-2016	Unsecured	INE881J08466	33,66,94,262	Dissent
		INE881J08474	16,86,25,228	Dissent
		INE881J08482	44,93,08,523	Dissent
Catalyst Trusteeship Limited- DTD dated 20-12-2016	Secured	INE881J07EB3	10,87,13,537	Abstain
Catalyst Trusteeship Limited- DTD dated 22-06-2017	Secured	INE881J07ES7	22,70,87,492	Assent
Catalyst Trusteeship Limited- DTD dated 23-04-2015	Unsecured	INE881J08284	5,66,10,589	Dissent
Catalyst Trusteeship Limited- DTD dated 23-06-2017	Unsecured	INE881J08565	5,66,09,386.38	Abstain
Catalyst Trusteeship Limited- DTD dated 24-01-2019	Secured	INE881J07FV8	3,58,21,45,412	Assent
Catalyst Trusteeship Limited- DTD dated 26-03-2018	Secured	INE881J07EZ2	19,04,86,496	Abstain
Catalyst Trusteeship Limited- DTD dated 26-05-2017	Secured	INE881J07EQ1	22,90,80,448	Abstain
Catalyst Trusteeship Limited- DTD dated 29-12-2016	Unsecured	INE881J08490	55,44,01,749	Abstain
		INE881J08516	11,06,54,244	Abstain
Catalyst Trusteeship Limited- DTD dated 30-09-2015	Unsecured	INE881J08300	56,98,57,014	Dissent
		INE881J08318	1,70,95,71,041	Dissent
		INE881J08326	11,34,77,125	Dissent
		INE881J08334	26,50,37,097	Dissent
		INE881J08342	13,48,90,416	Dissent
		INE881J08359	5,62,56,753	Dissent
Catalyst Trusteeship Limited- DTD dated 31-03-2016	Unsecured	INE881J08367	18,02,03,099	Dissent
		INE881J08375	5,99,49,785	Dissent
		INE881J08383	8,31,26,255	Dissent
		INE881J08391	5,96,99,216	Dissent
		INE881J08409	5,91,58,717	Dissent

DTD Details	Security	ISIN	Amount admitted (Rs.)	Vote
		INE881J08417	2,35,98,022	Dissent
		INE881J08425	23,37,12,291	Dissent
Catalyst Trusteeship Limited- DTD dated 31-03-2017	Unsecured	INE881J08524	5,91,68,896	Dissent
		INE881J08532	5,75,75,343	Dissent
		INE881J08557	58,63,41,917	Dissent
Catalyst Trusteeship Limited- DTD dated 31-03-2018	Unsecured	INE881J08565	45,28,75,091.01	Assent
Catalyst Trusteeship Limited- DTD dated 31-05-2017	Secured	INE881J07ER9	11,42,31,334	Abstain
Catalyst Trusteeship limited - DTD (SIFL)	Unsecured		3,31,07,37,705	Abstain
<b>Catalyst Total</b>			<b>18,95,12,90,034</b>	
IDBI Trusteeship Services Limited- DTD dated 13-06-2014	Secured	INE881J07DG4	11,46,29,220	Assent
IDBI Trusteeship Services Limited- DTD dated 20-01-2012	Unsecured	INE881J08136	41,11,16,803	Assent
IDBI Trusteeship Services Limited- DTD dated 20-06-2014	Secured	INE881J07DH2	11,43,93,956	Assent
IDBI Trusteeship Services Limited- DTD dated 21-05-2013	Unsecured	INE881J08169	18,57,57,514	Dissent
		INE881J08177	10,74,37,131	Dissent
IDBI Trusteeship Services Limited- DTD dated 27-09-2013	Unsecured	INE881J08219	24,17,13,902	Abstain
<b>IDBI Total</b>			<b>1,17,50,48,526</b>	
<b>Grand Total</b>			<b>53,86,84,76,336</b>	

Source: Data received from the Administrator Team