



October 20, 2023

Note on Details of Distribution of Resolution Amount to NCD Holders

As you are aware, the Resolution plan of the Successful Resolution Applicant, National Asset Reconstruction Company Limited (“NARCL”) was approved by the Hon’ble NCLT Kolkata vide order dated August 11, 2023. In accordance with the terms of the Approved Resolution Plan, an Implementation and Monitoring Committee (“IMC”), which is *inter alia* empowered to supervise the implementation of the Approved Resolution Plan and oversee the management of the affairs of the Companies, was duly constituted and the same was intimated vide intimation dated August 17, 2023.

In terms of the Approved Resolution Plan, the implementation notice was issued by NARCL on September 22, 2023. Further, the IMC members (Lender representative & RA) resolved in the 7th meeting of the IMC held on September 22, 2023, to authorize and direct the Administrator to process the payments as per the approved resolution plan and approved distribution matrix. During the course of the 7th meeting of IMC, the committee also resolved to authorize the Administrator for commencement of the distribution of the AFC’s Cash Portion (excluding Cash Portion of Assignment Payments) in accordance with the Approved Resolution Plan, Implementation Notice and CoC Re-allocation Notice (“**Interim Distribution**”).

In order to undertake the Interim Distribution for NCD holders, an intimation in accordance with Regulation 60 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”) was published on September 22, 2023, and the record date was set as October 06, 2023. Further, an intimation to all the stakeholders of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited (together referred to as “**Srei**” or “**Corporate Debtors**”) was published on October 16, 2023, highlighting the principle/ formulae for payment of debt to the various classes of creditors. The annexure to the intimation further provided details of the total resolution amount.

Now therefore, in accordance with the Approved Resolution Plan, Distribution Mechanism approved by the CoC, the resolutions passed by the IMC and the various intimations issued by the Corporate Debtors from time to time, the resolution plan payments and the schedule of payments to the classes of NCD holders shall be as under:

Table 1: Cash and Instruments to be issued in terms of the Approved Resolution Plan

#	Particulars	Units	Number
1	AFC Cash Portion:		
(a)	Estimated Cash and Cash Equivalents of Corporate Debtor	INR Cr	2580
(b)	Cash Portion of the Assignment Payments	INR Cr	600
2	Deferred Payment		
(a)	Security Receipts	INR Cr	1800
(b)	Optionally Convertible Debentures (OCDs) from SEFL	INR Cr	8000
3	Equity stake in SIFL to Financial Creditors	%	20%

As stated above, the IMC in the 7th meeting of the IMC resolved to undertake the commencement of the distribution of the AFC’s Cash Portion (excluding Cash Portion of Assignment Payments) i.e. 1 (a) in the table above.

Table 2 (a): Distribution to Classes of NCD Holders – Assenting Secured NCD Holders

As per the process agreed in the 8th meeting of the IMC and confirmed by the respective debenture trustees for debenture holders pay out, and in accordance with the Approved Resolution Plan and the Approved Distribution Mechanism, the total admitted claims of the secured NCD holders shall be treated as under:

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Particulars	Units
A. Total Admitted Claim of Secured NCD Holders – having voted in favour of the Approved Resolution Plan	INR 2,453 Cr
B. Proportion of Admitted Claims to be distributed i.e. percentage of A above:	
a. Estimated Cash and Cash Equivalents of Corporate Debtor – Already Distributed considering the record date of Oct 06, 2023	~7.3%
b. Cash Portion of the Assignment Payments	~2.1%
c. Security Receipts	~5.6%
d. Optionally Convertible Debentures (OCDs) from SEFL	~29.6%
C. Proportion of 20% Equity Stake to be distributed	
Equity Stake in SIFL	1.83%

Points B. (b), (c), (d) and C. above are as per the draft calculations shared with the Administrator and the final amount shall be distributed/ issued on the basis of the final distribution calculation on implementation of Approved Resolution Plan.

Table 2 (b): Distribution to Classes of NCD Holders – Assenting Unsecured NCD Holders

As per the process agreed in the 8th meeting of the IMC and confirmed by the respective debenture trustees for debenture holders pay out, and in accordance with the Approved Resolution Plan and the Approved Distribution Mechanism, the total admitted claims of the unsecured NCD holders shall be treated as under:

Particulars	Units
A. Total Admitted Claim of Unsecured NCD Holders – having voted in favour of the Approved Resolution Plan	INR 1,412 Cr
B. Proportion of Admitted Claims to be distributed i.e. percentage of A above:	
e. Estimated Cash and Cash Equivalents of Corporate Debtor – Already Distributed considering the record date of Oct 06, 2023	~0.7%
f. Cash Portion of the Assignment Payments	~0.3%
g. Security Receipts	~0.5%
h. Optionally Convertible Debentures (OCDs) from SEFL	~2.9%
C. Proportion of 20% Equity Stake to be distributed	
Equity Stake in SIFL	NIL

Points B. (b), (c), (d) and C. above are as per the draft calculations shared with the Administrator and the final amount shall be distributed/ issued on the basis of the final distribution calculation on implementation of Approved Resolution Plan.

Table 3: Dissenting NCD Holders

In compliance with Section 30(2)(b) of the Code and Regulation 38 of the CIRP Regulations, the Financial Creditors who do not vote in favour of this Resolution Plan (“Dissenting Financial Creditors”) will be paid the amount that they would have received in accordance with sub-section (1) of Section 53 of the Code in the event of a liquidation of the Corporate Debtors (“Liquidation value”).

Class of Creditor	Treatment in accordance with the Insolvency and Bankruptcy Code, Approved Resolution Plan, Distribution Mechanism approved by the CoC, the resolutions passed by the IMC
Dissenting Secured NCD holders	<ul style="list-style-type: none"> The Dissenting Secured NCD holders shall be paid their share of the Liquidation Value of the Corporate Debtors read along the approved distribution mechanism



	<ul style="list-style-type: none">• The total admitted claims of Dissenting Secured NCD holders is ~INR 146.87 Cr• The share of liquidation value to be distributed is ~13.7% of the admitted claims
Dissenting Unsecured NCD holders	<ul style="list-style-type: none">• The Dissenting Unsecured NCD holders shall be paid their share of the Liquidation Value of the Corporate Debtors read along the approved distribution mechanism• However, as the Liquidation Value is insufficient to even satisfy the Claims of the Secured Financial Creditors in full and therefore, the amounts payable to Unsecured Financial Creditors in compliance with Section 30(2)(b) of the Code would be NIL.

Thanking you.

Sd/-

Rajneesh Sharma

Administrator (Acting as a member of the Implementation and Monitoring Committee of SEFL and SIFL constituted pursuant to the Order dated 11th August 2023 passed by the Hon'ble NCLT, Kolkata)

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