

Intimation under Regulation 39(5A) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 in Respect of Reliance Communications Infrastructure Limited

Date: February 2, 2024

To,
All claimants

You are hereby informed the following:

1. As you are aware, Reliance Communications Infrastructure Limited (“**Corporate Debtor**”) had been undergoing corporate insolvency resolution process (“**CIRP**”) under the provisions of the Insolvency and Bankruptcy Code, 2016 (“**Code**”), and the undersigned had been appointed as the resolution professional of the Corporate Debtor (“**RP**”). Please note that pursuant to the order dated December 19, 2023 passed by the Hon’ble National Company Law Tribunal, Mumbai Bench (“**NCLT**”), the resolution plan dated July 17, 2020 (as amended from time to time until June 21, 2021) read with the Addendum dated August 9, 2021 (collectively the “**Plan**”) submitted by Reliance Projects & Property Management Services Limited (formerly known as Reliance Digital Platform & Project Services Limited) through its division Infrastructure Projects (“**RA**”) has been approved by the Hon’ble NCLT (“**Approval Order**”) and the CIRP of the Corporate Debtor stands concluded. The link to the copy of the Approval Order of the NCLT is provided below:

https://nclt.gov.in/gen_pdf.php?filepath=/Efile_Document/ncltdoc/casedoc/27091380224_42020/04/Order-Challenge/04_order-Challenge_004_1703054992145860428565828e90e8514.pdf

Please note that as per Section 31 of the Code and the Approval Order, the Plan is binding on the Corporate Debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders of the Corporate Debtor.

2. Pursuant to the publication of the Approval Order, the undersigned has ceased to be the resolution professional of the Corporate Debtor and has demitted office. Pursuant to the terms of the Plan, the monitoring committee is required to oversee management of the affairs of the Corporate Debtor (“**MC**”) from the date of the Approval Order until the Effective Date (*as defined under the Plan*). The MC has been constituted and has assumed its roles and responsibilities in accordance with the terms of the Plan. The implementation of the Plan is subject to fulfilment of certain conditions precedent as set out in more detail in the Plan.
3. Pursuant to the public announcement dated September 28, 2019 issued by the interim resolution professional of the Corporate Debtor, claims had been received from various classes of creditors which have been duly verified by the interim resolution professional /the RP as per the provisions of the applicable laws. The status of verification of the claims of the creditors, as updated from time to time, has been made available on the website of the Corporate Debtor at <http://rcom.co.in/our-company/investor-relations/ibc-2019/>. Basis the claims admitted by the RP (as updated from time to time), the Plan was submitted, which was thereafter approved by the committee of creditors of the Corporate Debtor and



by the Hon'ble NCLT. It is clarified that the Plan provides that the maximum amount payable to the stakeholders under the Plan (including pursuant to any re-allocation or re-distribution), shall not exceed the Total Resolution Amount (*as defined under the Plan*). Upon payment of the Total Resolution Amount on the Effective Date, the Corporate Debtor or the Resolution Applicant shall have no liability to make any payments to any stakeholder of the Corporate Debtor or the group stakeholders and all liabilities of the Corporate Debtor towards all the stakeholders of the Corporate Debtor and the group stakeholders, shall be extinguished and settled, on and with effect from the date of the Approval Order and the RA shall acquire the Corporate Debtor on a *fresh slate* basis.

4. Pursuant to Regulation 39(5A) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the resolution professional is required, to intimate each claimant, the principle or formulae for payment of debts under the approved resolution plan. In this regard, please find attached as **Annexure I** the relevant extracts of the Approval Order which set out the principle/formulae for the purpose of payment of debt under the Plan.
5. It is further clarified that payment to creditors pursuant to admitted claims shall be strictly in accordance with the timelines and mechanism envisaged under the Plan.

It is hereby clarified that the figures provided in the table in of Annexure I are based on the position of insolvency resolution process costs and claims as on the date of submission of the application under Section 30(6) of the Code for approval of the resolution plan with the Hon'ble NCLT. The amounts payable under the resolution plan and percentages mentioned in the table are subject to reconciliation based on the final position of the CIRP costs and verified claims as on the date of approval of resolution plan (and any other changes to the claims position as may be directed by the adjudicating authority in any applications filed with the adjudicating authority in respect of the claims).

The above is for your information. Should you seek to make any further correspondence in respect of any other matter pertaining to the Corporate Debtor, you are requested to reach out to the MC at the following communication address: (inrcilmc@deloitte.com)

Yours sincerely,



Mr. Anish Niranjana Nanavaty

Erstwhile Resolution Professional-Reliance Communications Infrastructure Limited

Registration no.: IBBI/IPA-002/IP-N00272/2017-18/10830

Registered Address:

2A 208 Raheja Classique New Link Road Andheri (W) Mumbai - 400053

anish.nanavaty.irp@gmail.com

Correspondence Address:

Deloitte India Insolvency Professionals LLP, One International Centre, Tower 3, 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013, India.

anishnanavaty@deloitte.com

Annexure I

“Payment under the Plan

The Plan contemplates the following overall payments for the insolvency resolution of the Corporate Debtor as a going concern pursuant to the provisions of the Code:

Sr No.	Particulars	Amount (INR)
1.	Total Resolution Amount which may be increased by an additional amount of INR 35,00,00,000. (See Note 1 below)	57,00,00,000
2.	Available cash balance and fixed deposit balances on the Effective Date (after payment of the CIRP Cost, Interim Management Cost, any other mandatory payments under the provisions of the Code and the creation of the Corpus)	Upto 123,52,00,000 (See Note 1.1 below)
3.	Assignment/transfer of the Reliance Bhutan Loan in accordance with sub-section 3.3.20 of Part B of the Plan	195,00,00,000 (See Note 2 below)
4.	Real Estate Monetization Proceeds	90,00,00,000 (See Note 3 below)
5.	Upfront Equity Infusion	5,00,00,000
6.	Interim Management Cost	Upto 5,00,00,000
Total		Upto 475,52,00,000

Notes to the table:

Note 1: As per Annexure 2 of the Plan, if the mandatory payments prescribed under the Code (including the CIRP Cost, payments to Operational Creditors and Mandatory Dissenting Financial Creditors Payments) are not sufficient to be met out of the total financial outlay set out in the Plan, the RA will infuse additional funds as may be necessary to meet the shortfall in making the mandatory payments specified under the Code of up to INR 35 crores.

Note 1.1: Available cash balance and fixed deposit balances are calculated as on February 28, 2021, and this figure is subject to updation based on the position as on the Effective Date.

Note 2 (Assignment of Reliance Bhutan Loan): The Corporate Debtor had extended certain loans to Reliance Bhutan Limited (a wholly owned subsidiary of RITL). As on 31.03.2020, the outstanding amount in relation to such loan is INR 195,00,00,000 (“Reliance Bhutan Loan”). The Resolution Applicant had provided in the Resolution Plan that -

“the Reliance Bhutan Loan would be transferred in favour of the Approving Financial Creditors on the Effective Date by way of assignment agreement. However, on or before the Effective Date, the approving financial creditors and the Resolution Applicant may agree on an alternative mechanism for transfer of the Reliance Bhutan loan in favour of the approving financial creditors or such other entity as may be identified by them, provided that there are no adverse tax implications on the Corporate Debtor or the Resolution Applicant on account of such transfer or assignment. Any amounts realised by the Approving Financial Creditors shall be distributed to the stakeholders in the manner provided in the Plan.”

However, subsequently, pursuant to the order dated October 17, 2023 and November 11, 2023 passed by the Hon'ble NCLT Mumbai in IA No. 127 of 2022, in modification of the aforesaid, the Reliance Bhutan Loan is required to be assigned / transferred to the Dissenting Financial Creditors. It may however be noted in this regard, that the said orders dated October 17, 2023 and November 11, 2023 of the Hon'ble NCLT Mumbai in IA 127 of 2022, have been challenged in appeal before the Hon'ble NCLAT by one of the Dissenting Financial Creditors and the final distribution of payments among the Financial Creditors is subject to the outcome of the aforesaid appeal, which is presently sub-judice before the Hon'ble NCLAT.

Note 3:

Real Estate Asset Monetisation: The RA has identified certain real estate assets (except Versova property) of the Corporate Debtor and proposes to monetise them through price discovery mechanism, in order to generate funds within 1 year from the issuance of the Closing Action Notice. In the event the monetisation of the identified real estate assets is not completed within 1 year from the issuance of the Closing Action Notice, the RA may request the designated financial creditor (nominated by the CoC) for a further period of 1 year which the designated financial creditor may grant at its sole discretion. The RA expects to generate an amount of approximately INR 90 crores. This amount is only estimated realization of the Real Estate Monetization Proceeds. Actual realization may depend and/or vary on account of the factors specified in the Plan. In the event the sale of any or all of the identified real estate assets is not consummated within 1 year from the issuance of the Closing Action Notice, the RA shall transfer such unsold identified real estate assets to a trust which shall be settled for this purpose and with a person chosen by the approving financial creditors as its trustee. The trustee shall hold in trust for the financial creditors the trust property, and shall be entitled to deal with the assets in any manner whatsoever.

Note 4 – *In addition to the above, Plan also provides for recoveries from applications under Sections 43, 45, 47, 49, 50 or 66 of the Code, which shall be solely for benefit of the Financial Creditors.*

Manner of distribution under the Plan

The Plan proposes that the manner of distribution as follows –

- (i) payment of unpaid corporate insolvency resolution costs (“CIRP Costs”) in full and in priority to all other stakeholders;*
- (ii) out of the Total Resolution Amount, payment of INR 11,90,376 payable to the workmen and employees on pro-rata basis to their admitted debt* [please also refer to Note C below];*
- (iii) out of the Total Resolution Amount, payment of INR 26,46,971 payable to the operational creditors (other than workmen and employees) on pro-rata basis to their admitted debt*
- (iv) payment of mandatory amounts to dissenting financial creditors in priority to any payment to approving financial creditors in accordance with the Plan;*
- (v) the balance amount available, after making the aforesaid payments, will be distributed between and amongst the approving financial creditors on pro-rata basis to their admitted debt.*

The payments of the Total Resolution Amount, i.e. INR 57 crores, under this Plan shall be effected within 30 days from the date of issuance of the Closing Action Notice, subject to other provisions of the Plan.



Treatment of Stakeholders under the Plan

<i>(Sl . No .</i>	<i>Category of Stakeholder[Note A]</i>	<i>Sub-Category of Stakeholder</i>	<i>Amount Claimed (INR)</i>	<i>Amount Admitted (INR)</i>	<i>Amount Provided under the Plan (INR)</i>	<i>Amount Provided to the Amount Claimed (%)</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
1	Secured Financial Creditors	<i>(a) Creditors not having a right to vote under sub-section (2) of section 21</i>	NA	NA	NA	NA
		<i>(b) Other than (a) above:</i>				
		<i>(i) who did not vote in favour of the Plan</i>	1,38,11,61,65,631	1,32,27,12,64,358	3,17,49,58,996	2.30%
		<i>(ii) who voted in favour of the Plan</i>	2,98,10,39,63,891	2,81,38,69,41,758	1,37,92,12,310	0.46%
		Total[(a) + (b)]	4,36,22,01,29,522	4,13,65,82,06,116	4,55,41,68,523	1.04%
2	Unsecured Financial Creditors	<i>(a) Creditors not having a right to vote under sub-section (2) of section 21</i>	55,82,63,51,248	55,81,75,50,638	Nil	Nil
		<i>(b) Other than (a) above:</i>				
		<i>(i) who did not vote in</i>	31,53,46,962	31,53,46,962	11,91,347	0.38%

		<i>favour of the Plan</i>				
		<i>(ii) who voted in favour of the Plan</i>	-	-	-	-
		<i>Total[(a) + (b)]</i>	56,14,16,98,210	56,13,28,97,600	11,91,347	0.002 % [Note B]
3	<i>Operational Creditors</i>	<i>(a) Related Party of Corporate Debtor</i>	2,38,41,21,514	2,38,11,94,403	Nil	Nil
		<i>(b) Other than (a) above:</i>				
		<i>(i) Government</i>	1,69,18,33,028	17,38,99,347	19,40,761	0.11%
		<i>(ii) Workmen & Employees</i>	13,80,49,091	7,53,53,901	8,63,099* [Note C]	0.63%
		<i>(iii) On the behalf of Workmen & Employees</i>	2,85,73,214	2,85,73,214	3,27,276* [Note C]	1.15%
		<i>(iv) Other Operational Creditors</i>	7,57,04,975	6,32,78,920	7,06,209	0.93%
		<i>Total[(a) + (b)]</i>	4,31,82,81,823	2,72,22,99,785	38,37,347	0.09%
4	<i>Other debts and dues</i>	NA	NA	NA	NA	NA
Grand Total			4,96,68,01,09,556	4,72,51,34,03,502	4,55,92,00,000	0.92%

Notes to the above table:

- Note A: CIRP Costs: Outstanding CIRP Costs, as on 31.01.2023 (unaudited) is INR 2.85 crores, the amounts payable to all stakeholders as stated in the above table are calculated basis this amount. The CIRP Costs will be paid in full and in priority to any other creditor of the Corporate Debtor.
- Note B: The amount set out for recoveries of the financial creditors has been based on the cash balances as on 28th February, 2021, and takes into consideration the litigation corpus of INR 5 crores and CIRP costs of INR 4.60 crores. Further, subject to the terms of the

Tom

Resolution Plan the interim management costs of upto a maximum of INR 5 crores (if required) and upfront equity commitment of INR 5 crores shall be infused by the RA as per the terms of the Resolution Plan.

- *Note C: Pursuant to the judgement of Jet Aircraft Maintenance Engineers Welfare Association and Ors. Vs. Ashish Chhawchharia, RP of Jet Airways (India) Ltd. and Ors., passed by the Hon'ble NCLAT on 21 October 2022, and subsequently upheld by the Supreme Court on 31 January 2023, it has been directed that the provident fund and gratuity related dues are required to be paid to employees / workmen in full by the resolution applicant, and therefore in addition to the amount of INR 11,90,376/- (Rupees Eleven Lakhs Ninety Thousand Three Hundred and Seventy Six only) proposed to be paid to the employees / workmen, as indicated in the table above, an amount aggregating to INR 2,82,45,938/- shall also be paid towards full and final payment of the claimed provident fund and gratuity related dues. Such additional amount shall have to be paid from the Total Resolution Amount / cash balances of the Corporate Debtor.*

