**SIFL/SECT/EA/21-22/18**
April 16, 2021

The Secretary
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Fax: 022-2272 2037/2039/2041/3121
**BSE Scrip Code: 523756**

The Secretary
**National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor, Plot no. C/1
G Block, Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
Fax: 022-2659 8237/38; 2659 8347/48
**NSE Symbol: SREINFRA**

Dear Sir,

**Sub: Notice issued to Debenture Trustees w.r.t. meeting of the Debenture Trustees representing the Secured Debenture Holders of Srei Equipment Finance Limited (SEFL)**

Please find attached herewith a copy of the intimation made to the Stock Exchanges by Srei Equipment Finance Limited (SEFL), material wholly owned subsidiary of the Company.

This is for your information and record.

Thanking you.

Yours faithfully,
For **Srei Infrastructure Finance Limited**



**Manoj Kumar**
**Company Secretary**
**FCS 6698**

Encl. as above

**SEFL/SECT/AA/21-22/10**
April 16, 2021

The Secretary
**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

The Secretary
**National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor, Plot no. C/1, G Block
Bandra - Kurla Complex
Bandra (E), Mumbai – 400 051

Dear Sirs,

**Sub: Disclosure pursuant to Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to inform that pursuant to the Order dated 30th December, 2020 of the Hon'ble National Company Law Tribunal, Kolkata Bench passed in Company Application CA (CAA) No.1492/KB/2020, a meeting of the Debenture Trustees representing the Secured Debenture Holders of the Company will be held on Saturday, 15th May 2021.

A Notice issued to the said Debenture Trustees is enclosed herewith.

This is for your information and record.

Thanking you.

Yours faithfully,
For **Srei Equipment Finance Limited**

**Ritu Bhojak**
**Company Secretary**
**FCS 8532**

Encl: As above

Before the National Company Law Tribunal
Kolkata Bench
Company Application (CAA) No.1492/KB/2020
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In the Matter of the Companies Act, 2013 - Section 230(1)
And
In the Matter of:
Srei Equipment Finance Limited, a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013, having Corporate Identification No. U70101WB2006PLC109898 and its registered office at Vishwakarma, 86C, Topsia Road, Kolkata 700 046.

. . . . . Applicant Company

**NOTICE CONVENING MEETING OF DEBENTURE TRUSTEES REPRESENTING SECURED DEBENTURE HOLDERS OF SREI EQUIPMENT FINANCE LIMITED COVERED UNDER THE PROPOSED SCHEME OF ARRANGEMENT**

**To,**

**The Debenture Trustees representing the Secured Debenture Holders of Srei Equipment Finance Limited**

Srei Equipment Finance Limited, the Applicant Company abovenamed ("**SEFL**") has proposed a Scheme of Arrangement with its Creditors under Section 230 and other applicable provisions of the Companies Act, 2013 ("**Scheme**" or "**Scheme of Arrangement**"). The said Scheme contemplates arrangement with Creditors of SEFL covered under and as defined in Part II of the Scheme including the Secured Debenture Holders, the Unsecured Debenture Holders, the Secured ECB Lenders, Unsecured ECB Lenders, PDI Holders and Individual Debenture Holders. The said Scheme is a natural consequence of the First Scheme (as defined under Part II of the Scheme) that SEFL has proposed with its banks and financial institutions.

**NOTICE** is hereby given that by an Order dated 30 December 2020, the Hon'ble National Company Law Tribunal, Kolkata Bench ("**Tribunal**") has directed inter alia, a meeting of the Debenture Trustees representing the Secured Debenture Holders of SEFL (whose names are appearing in Schedule I of the Scheme) to be held for the purpose of their considering, and if thought fit, approving, with or without modification, the proposed Scheme. The names of the Secured Debenture Holders of SEFL who are covered under Part III of the proposed Scheme of Arrangement and on whose behalf the Debenture Trustees are eligible to attend and vote at the meeting will appear from Schedule I of the said Scheme of Arrangement enclosed here with this Notice convening Meeting.

In pursuance of the said order, and as directed therein, **further notice** is hereby given that a meeting of the Debenture Trustees representing the Secured Debenture Holders of SEFL (whose names are appearing in Schedule I of the Scheme) will be held at "The Westin", International Financial Hub, CBD/II Action Area II, New Town, Kolkata 700156 on Saturday, 15th May 2021 at 11:30 AM to consider, and, if thought fit, to pass the following resolution for approval of the Scheme by requisite majority as prescribed under the provisions of the Companies Act, 2013:-

*"**RESOLVED THAT** pursuant to the provisions of Section 230 of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions, if any, of the Companies Act, 2013, the Securities and Exchange*

*Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and subject to the sanction of the Kolkata Bench of the Hon'ble National Company Law Tribunal ("**Tribunal**") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary, the Scheme of Arrangement of Srei Equipment Finance Limited ("**SEFL**") contemplated with its Secured Debenture Holders covered under Part III of the Scheme presented in Company Application (CAA) No.1492/KB/2020 filed by SEFL before the Hon'ble Tribunal, be and is hereby approved.*

***RESOLVED FURTHER THAT** the Board of Directors of SEFL (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee(s) constituted by the Board or any other person authorized by it to exercise its power including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to the above resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble Tribunal or its appellate authority(ies)/while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise in giving effect to the Scheme of Arrangement, as the Board may deem fit and proper."*

In terms of the said Order dated 30 December 2020 of the Hon'ble Tribunal and in accordance with Section 230(4) of the Companies Act, 2013 read with the Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 and the Companies (Management and Administration) Rules, 2014, the Debenture Trustees representing the Secured Debenture Holders of SEFL shall have the facility of voting on the resolution for approval of the Scheme by casting their votes through their respective authorised representative at the venue of the meeting on Saturday, 15th May 2021 at 11:30 AM.

TAKE FURTHER NOTICE that you shall have the facility of voting on the resolution for approval of the Scheme by casting your votes at the venue of the meeting on 15th May 2021 at 11:30 AM upon voting being announced by the Chairperson appointed for the said meeting by the Hon'ble Tribunal.

For those Debenture Trustees representing the Secured Debenture Holders , votes may be cast, as aforesaid, at the venue of the meeting by such Debenture Trustees representing the Secured Debenture Holders, provided a certified copy of the resolution of its Board of Directors or other governing body authorizing such representative to attend and vote at the meeting on its behalf is deposited at the registered office of SEFL not later than 48 (forty eight) hours before the time for holding the meeting.

The Hon'ble Tribunal has appointed Mr. Shaunak Mitra, Advocate, to be the Chairperson of the said meeting of the Secured Debenture Holder of SEFL and Ms. Madhuri Pandey, ACS, Practicing Company Secretary (Membership Number: ACS 55836/Certificate of Practice No. 20723), to be the Scrutinizer for the said meeting.

A copy each of the said Scheme of Arrangement; attendance slip; Explanatory Statement pursuant to Section 230(3) of the Companies Act, 2013 along with all annexures to such statement are enclosed herewith.

The votes cast by the Debenture Trustees representing the Secured Debenture Holders (whose names are appearing in Schedule I of the Scheme) shall be reckoned with reference to 30th November, 2020 ("**Relevant Date**").

The Chairperson shall declare results of the meeting after submission of the report of the Scrutiniser to him upon conclusion of the meeting and submit his report on the meeting before the Hon'ble Tribunal accordingly.

The abovementioned Scheme of Arrangement, if approved at the aforesaid meeting, will be subject to the subsequent sanction of the Hon'ble Tribunal.

Dated: 12th April 2021

Sd/-
Shaunak Mitra
Advocate
Chairperson appointed for the Meeting of
the Debenture Trustees representing the
Secured Debenture Holders of SEFL

Drawn on behalf of Applicant by
Sd/- Pulak Bagchi
General Counsel and Key Managerial Personnel
Srei Equipment Finance Limited
Vishwakarma, 86C, Topsia Road, Kolkata 700 046

**NOTES FOR MEETING OF THE DEBENTURE TRUSTEES REPRESENTING THE SECURED DEBENTURE HOLDERS OF SREI EQUIPMENT FINANCE LIMITED ("SEFL")**

1. Only Debenture Trustees representing the eligible Secured Debenture Holders whose names appear in Schedule I of the proposed Scheme may attend through their authorised representative at the said meeting of the Debenture Trustees representing the Secured Debenture Holders. This notice is being despatched to the Debenture Trustees representing the Secured Debenture Holders (whose names are appearing in Schedule I of the Scheme) only. Votes of the Debenture Trustees representing the Secured Debenture Holders shall be cast by authorised representative(s) only.

2. Kindly refer to Schedule I of the Scheme enclosed herewith to confirm eligibility of the Secured Debenture Holders on whose behalf you will attend and vote.

3. The authorised representative of a Debenture Trustee may attend the Meeting provided that a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is deposited at the Registered Office of SEFL not later than 48 hours before the scheduled time of the commencement of the Meeting.

4. The authorised representative of a Debenture Trustee is requested to bring copy of the notice to the Meeting and produce at the entrance of the Meeting venue, the attendance slip duly completed and signed.

5. In case of any queries relating to the meeting, as aforesaid, the Debenture Trustees can send a request to SEFL at secretarial.sefl@srei.com.

6. The Chairperson shall declare results of the meeting after submission of the report of the Scrutiniser to him upon conclusion of the meeting to the Hon'ble Tribunal and submit his report on the meeting before the Hon'ble Tribunal accordingly. The result shall be posted on the website of SEFL at www.srei.com.

7. Relevant documents referred to in the Notice and the Explanatory Statement are open for inspection by the Debenture Trustees representing the Secured Debenture Holders at the registered office of SEFL as mentioned in the Explanatory Statement.

Before the National Company Law Tribunal
Kolkata Bench
Company Application (CAA) No.1492/KB/2020
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In the Matter of the Companies Act, 2013 - Section 230(1)

And

In the Matter of:

Srei Equipment Finance Limited, a Company incorporated under the provisions of the Companies Act, 1956 and being a Company within the meaning of the Companies Act, 2013, having Corporate Identification No. U70101WB2006PLC109898 and its registered office at Vishwakarma, 86C, Topsia Road, Kolkata 700 046.

. . . . . Applicant Company

**Explanatory Statement pursuant to Section 230(3) of the Companies Act, 2013**

1. **Order directing convening of Meeting to consider Scheme of Arrangement**

   a. By an Order dated 30 December 2020, the Hon'ble National Company Law Tribunal, Kolkata Bench ("**Tribunal**") in Company Application No.(CAA) No.1492/KB/2020, has directed inter alia, a meeting of the Debenture Trustees representing the Secured Debenture Holders of Srei Equipment Finance Limited ("**SEFL**") to be held for the purpose of their considering and if thought fit approving, with or without modification(s), the proposed Scheme of Arrangement of SEFL with its Creditors under Section 230 and other applicable provisions of the Companies Act, 2013 ("**Scheme**" or "**Scheme of Arrangement**"). The said Scheme covers 6 set of creditors of the Applicant Company which are covered under and as defined in Part II of the Scheme including the Secured Debenture Holders, Unsecured Debenture Holders, the Secured ECB Lenders, Unsecured ECB Lenders, PDI Holders and Individual Debenture Holders. The said Scheme is a natural consequence of the First Scheme (as defined under Part II of the Scheme) that SEFL has proposed with its banks and financial institutions. This is a Statement accompanying the Notice convening such meeting of Debenture Trustees representing the Secured Debenture Holders of SEFL. The said Scheme proposes to obtain required majority as prescribed under the provisions of the Companies Act, 2013 (the **"Act"**) of the Secured Debenture Holders (defined in Part II of the Scheme and also as appear in Schedule I of the Scheme) through their Debenture Trustees for arrangement in the manner and on the terms and conditions stated in Clause 3.6.1 of the said Scheme.

   b. The salient features of the Scheme of Arrangement are given in paragraph 5 of this Statement. The detailed terms of the arrangement will appear from the enclosed draft of the Scheme.

2. **Date, time and venue of Meeting**

   In terms of the said order of the Hon'ble Tribunal, the said meeting of representative Debenture Trustees of the Secured Debenture Holders of SEFL will be held at "The Westin", International Financial Hub, CBD/II Action Area II, New Town, Kolkata 700156 on Saturday, 15th May 2021 at 11:30 A.M.

3. **Rationale and benefits**

The circumstances which justify and/or have necessitated the said Scheme of Arrangement and the benefits of the same are, inter alia, as follows:-

(i) The said Scheme is a natural consequence of the First Scheme (*defined under Part II of the Scheme*) that SEFL has proposed with its creditors who are banks and financial institutions, which is pending as of now before the Hon'ble Tribunal. The present Scheme together with the First Scheme will help SEFL to protect the interests of both the creditors covered under the First Scheme and the creditors covered under the said Scheme in order to achieve the required harmony and synergy among those creditors for maintaining SEFL as a going concern.

(ii) The said Scheme will create an opportunity for SEFL and its creditors covered under the said Scheme to efficiently deal with asset liability mismatch of SEFL caused due to the economic downturn on account of the pandemic created by COVID 19 and the RBI August Circulars (*as defined in Part II of the Scheme*) on mutually agreed terms.

(iii) The said Scheme will enable SEFL to, *inter alia,* focus on operational flexibility and respond to the present environmental challenges faced due to the severe Novel Coronavirus (COVID-19) pandemic spreading across the globe.

(iv) The said Scheme will act as a catalyst in supporting the MSME (*as defined in Part II*) sector and infrastructure sector borrowers of SEFL by extending to them, as mandated by the RBI August Circulars (*as defined under Part II of the Scheme*), the much needed moratorium/one-time restructuring support to sustain their business and indirectly sustaining the livelihood of numerous individuals directly/ indirectly dependent on borrowings from SEFL.

(v) The said Scheme in conjunction with the First Scheme shall ensure an orderly payment structure to the Creditors in consonance with the cash flows of SEFL and thereby achieving the synergy with the cash flow management being implemented by the term loan and working capital lending banks of SEFL.

It is clarified that the said Scheme does not involve any arrangement with the shareholders of SEFL. The Scheme is in the best interests of all the stakeholders of SEFL.

4. **Background of the Company**

**A. Particulars of SEFL**

a. Srei Equipment Finance Limited (SEFL) was incorporated on the 13th day of June, 2006 under the provisions of the Companies Act, 1956 by the name and style of "Srei Infrastructure Development Limited" as a Company limited by shares. The name of SEFL was changed over the years. With effect from 1 November, 2013, the name of SEFL was changed to its present one. SEFL is a company within the meaning of the Act. During the last five years, there has been no change in the name and registered office of SEFL. SEFL is registered with the Registrar of Companies, West Bengal ("ROC") having CIN U70101WB2006PLC109898. Its PAN with the Income Tax Department is AAKCS3431L. The email id of SEFL is secretarial.sefl@srei.com and website is www.srei.com. SEFL is a 'Systemically important non-deposit taking non-banking financial company' registered with the Reserve Bank of India ("RBI") under the category "Asset Finance Company". Non-Convertible Debentures of SEFL are listed on the wholesale debt segment of BSE Limited and National Stock Exchange of India Limited (hereinafter collectively referred to as the "**Stock Exchanges**"). The equity shares of SEFL are not listed on any Stock Exchange.

ii. The main objects of SEFL are contained in Clause – III of its Memorandum of Association. They are, inter alia, as follows:-

*"III)A.1. To carry on the business of acquisition, exchange, substitution and disbursement of any and all kinds of construction and infrastructure equipment and/or any other asset in any and all manners and to deploy the same in any manner or otherwise to make available such equipment with or without additional services to the contractors, builders, promoters, projects, bodies corporate, individuals, firms or any other person or organization requiring such equipment in any manner whatsoever.*

*III)A.2. To carry on the business of assisting in the creation, expansion and modernization of infrastructure facilities including, but not limited to, power, tele-communications, roads, highways, bridges, airports, ports, railways, sanitation water, waterways, sewerage disposal, rails, industrial estates, or any other facility of similar nature in or outside the State of West Bengal and to identify projects, project ideas, to prepare project profiles, project reports, market research, feasibility studies and reports, pre-investment studies, appraisals, evaluations and investigation of infrastructure projects.*

*III)A.3. To engage in the business of financing infrastructure projects in India and/or abroad and to also engage in development of infrastructure projects.*

*III)A.4 To carry on and undertake the business of financing industrial enterprises including those engaged in and providing infrastructural facility and setting up of projects and also to provide by way of operating lease, all types of plant, equipments, machinery, vehicles, vessels, ships, all electrical and electronic equipments and any other moveable and immovable equipments and/or properties whether in India or abroad, for industrial, commercial or other uses.*

*III)A.5 To acquire, purchase, own, build, develop, design, appropriate, operate, transfer, consult, maintain, manage, control, undertake, hire, take on lease licence, exchange or hire purchase, mortgage, assign, let, sell, dispose of any type of lands, properties, estates, farms, gardens, parks, orchards, mines, buildings, flats, sheds, structures, hostels, hotels, motels, resorts, shops, commercial complexes, townships, farmhouses, roads, streets, railways, ropeways, docks, aerodromes, dams, bridges, new power plants or take over of old plants, thermal power plants, power stations, any water works, gas works, reservoirs, electric power, heat and light supply works, reservoirs, electric stations, generators, sub-stations and transfer stations, low tension networks, electric locomotives, tramways and industrial railway, electric railway lines, beautification and modifications of Railway stations, industries, barrages, valleys, stadiums, museums, tourist and picnic spots and for any other projects in the infrastructure sector including their erection, construction, demolition and rebuilding, alterations, conversion, renovation, improvement, interior and exterior decoration and to act as developers, builders, colonizers, and contractors.*

*III)A.6. To engage in infrastructure development on the Build, own, operate and Transfer format and Build, operate and Transfer format and/or any other format and for this purpose to enter into any contracts in relation to and to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly with any other companies, State/Statutory Body or persons works of all descriptions including wharves, docks, piers, railways, tramways, power projects, waterways, roads, bridges, airports, dams, warehouses, factories, mills, engines, machinery, railway carriages and wagons, ships and vessels of every description, gas works, electric works, water works, drainage and sewage works and buildings of every description including hospitals and health*

*cares and to act as advisors and consultants on matters relating to the infrastructure development.*

During the last five years, there has been no change in the objects clause of SEFL.

iii. SEFL is a NBFC-ND-SI registered with the RBI under the category "Asset Finance Company". SEFL is engaged in the following activities:

a. Leasing Business: where the ownership of the asset remains with SEFL (as lessor), while it permits the lessee (user) to use an asset pertaining to such business of SEFL. In the said Leasing Business, the lease typically spans a portion of the asset's useful life, and the lessor retains the residual risk of the asset.

b. Equipment Finance Business: where the financing is provided by SEFL to borrowers either for purchase of large assets/equipment or against security of such assets/equipment. In such Equipment Finance Business of SEFL, the ownership of assets/equipment remains with the borrowers. The Equipment Finance Business of SEFL provides funding majorly for construction and mining equipment and other assets/equipment.

c. The said Leasing and Equipment Finance Businesses of SEFL deal with companies operating in the construction, mining, technology and solutions, healthcare, ports and railways, oil and gas, agriculture and transportation sectors. Its financial products comprise loans, leases, rentals and fee-based services.

iv. The Authorised Share Capital of SEFL is Rs. 10,00,00,00,000 divided into 50,00,00,000 Equity shares of Rs.10/- each and 5,00,00,000 Preference shares of Rs.100/- each. The Issued, Subscribed and Paid up Share Capital of SEFL is Rs. 79,01,64,150/- divided into 7,90,16,415 Equity shares of Rs.10/- each fully paid up. Since, SEFL is a wholly owned (100%) subsidiary of Srei Infrastructure Finance Limited ('SIFL'), all the Equity Shares issued by SEFL are held by SIFL and its nominees.

v. The latest annual accounts of SEFL have been audited for the financial year ended on 31 March 2020. SEFL has since also prepared its Limited Review (unaudited) financial results as on 31st December, 2020, copy whereof is included in **Annexure "ES-1"** attached hereto. The following summary extracted from the latest annual audited annual accounts of SEFL as at 31 March 2020, as aforesaid, indicates the financial position of SEFL as on the said date as follows:-

| **Description** | **Amount in Rs. lakhs** |
|---|---|
| Total Assets (A) | 37,03,874 |
| Total Liabilities (L) | 33,11,852 |
| **Shareholders Fund (A – L)** | **3,92,022** |

vi. The details of Directors, Key Managerial Personnel ("**KMPs**") and Promoter of SEFL as on date along with their addresses are mentioned herein below:

| **SR. No.** | **Name** | **Category** | **Address** |
|---|---|---|---|
| **A.** | **Directors** | | |
| 1. | Mr. Hemant Kanoria<br>(DIN: 00193015) | Chairman (Category – Executive) | 32Q New Road, Alipore, Kolkata – 700027, West Bengal |
| 2. | Mr. Sunil Kanoria<br>(DIN: 00421564) | Vice Chairman (Category – Executive) | 32Q New Road, Alipore, Kolkata – 700027, West Bengal |

| SR. No. | Name | Category | Address |
|---|---|---|---|
| 3. | Mr. Devendra Kumar Vyas (DIN: 00651362) | Managing Director | Shivamani, Flat - 7SD, 37 Diamond Harbour Road, Kolkata – 700038, West Bengal |
| 4. | Mr. Indranil Sengupta (DIN: 08807005) | Whole-time Director | Sonali Apartments, Flat 5C, 8/2A, Alipore Park Road, Kolkata – 700027, West Bengal |
| 5 | Mr. Shyamalendu Chatterjee (DIN: 00048249) | Independent Director | 17K, Tower - 1, SVC – 2, South City Apartments, 375, Prince Anwar Shah Road, Jodhpur Park, Kolkata – 700 068, West Bengal |
| 6. | Mr. Suresh Kumar Jain (DIN: 05103064) | Independent Director | Flat No, 201-202, Tower D, Ashok Tower, Dr. S S Rao Road, Parel, Mumbai - 400012, Maharashtra |
| 7. | Dr. (Mrs.) Tamali Sengupta (DIN: 00358658) | Independent Director | J - 1957, Chittaranjan Park, Kalkaji South Delhi, New Delhi – 110019 |
| 8. | Mr. Uma Shankar Paliwal (DIN: 06907963) | Independent Director | Flat 1305, Boulevard 1, The Address, L. B. S. Marg, Ghatkopar West, Mumbai – 400086, Maharashtra |
| 9. | Mr. Malay Mukherjee (DIN: 02272425) | Independent Director | E-135, First Floor, Kalkaji, South Delhi, New Delhi – 110019 |
| **B.** | **KMPs** | | |
| 1. | Mr. Manoj Kumar Beriwala | Chief Financial Officer | Ideal Villas, Villa No. 95, Rajarhat, Newtown, Kolkata - 700156 |
| 2. | Ms. Ritu Bhojak | Company Secretary | Flat - 702, Siddha Pines, Block - Silver I, Rajarhat, Main Road, Airport, Kolkata - 700 136 |
| 3. | Mr. Pulak Bagchi | General Counsel | 615D Lake Gardens, Kolkata - 700045 |
| **C.** | **Promoter/Promoter Group:** | | |
| 1. | Srei Infrastructure Finance Limited | Body Corporate | 'Vishwakarma', 86C Topsia Road (South), Kolkata - 700 046 |

5. **SALIENT FEATURES OF THE SCHEME INTENDED FOR SECURED DEBENTURE HOLDERS OF SEFL**

The salient features of the Scheme pertaining to Secured Debenture Holders of SEFL are, inter alia, as stated below. The capitalized terms used in the salient features shall have the same meaning as ascribed to them in Part II of the Scheme and the salient features are to be read subject to the same rules of interpretation as stated therein. The headings are inserted only for the sake of convenience:-

(a) Appointed Date: The said Scheme shall be made effective from **the Appointed Date**, which is **the Effective Date**.

(b) Scheme conditional upon approvals/ sanctions: The Scheme is conditional upon and subject to the following:

i. the sanctions and orders of the Tribunal, under Section 230 of the Act being obtained by the Company; and

ii. certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC.

(c) Effective Date: The Scheme as approved or imposed or directed by the NCLT or by any Governmental Authority shall be effective from the Appointed Date but shall be operative from the Effective Date, being the day on which the last of the approvals/ conditions specified above are obtained or complied with.

(d) "Secured Debenture Holders" are Debenture Holders specified in Schedule I acting through the concerned debenture trustee(s).

(e) Impact of COVID-19: Since the month of January 2020, the entire world, including India has been facing an unprecedented challenge in all walks of life due to the outbreak of the pandemic caused by the COVID-19. The NBFC sector as a whole has seen a downturn in the market due to this pandemic and as such has been exposed to several financial difficulties due to the overall state of the economy. Consequently, the onset of the COVID-19 outbreak and its economic consequences resulted in the RBI issuing the 27 March Circular, by which, inter alia, instructions were given to all lending institutions, including SEFL, to grant a moratorium of three months on payment of all instalments falling due between 1 March, 2020 and 31 May, 2020. The intent of RBI was to mitigate the burden of debt servicing brought about by disruptions on account of COVID 19 pandemic and to ensure the continuity of viable business. Specifically, the RBI also stated that it aimed to bring out policies that will ease the financial stress caused by the COVID-19 pandemic by relaxing repayment pressures on the borrowers. The RBI, as part of the review of the relief measures, has made a series of announcements by way of various circulars issued on 22 May, 2020 and 23 May, 2020, to inter alia extend the period of moratorium to 31 August, 2020.

(f) Moratorium: The issuance of the abovementioned circulars granting moratorium by RBI was to ameliorate the severe effects of the COVID-19 on the borrowers. However, the said circulars on moratorium by themselves could not achieve the desired results. In view of the continued need to support the viable MSME entities on account of the fallout of COVID-19, the RBI issued the First 6 August Circular to allow the MSME sector entities to restructure their advances whose aggregate exposure to banks and NBFCs do not exceed Rs 25 crores. By the said First 6 August Circular, the RBI mandated the banks and NBFCs to restructure existing loans to MSMEs classified as 'standard' without a downgrade in the asset classification.

(g) RBI Circulars: On the same day, i.e., 6 August, 2020, the RBI also issued another circular applicable generally to all borrowers (other than those MSMEs covered under the First 6 August Circular and others) allowing all such borrowers to avail one-time restructuring of their borrowings with banks and NBFCs. By this Second 6 August Circular the RBI mandated the banks and NBFCs to provide one-time restructuring facility to their borrowers who fulfilled the conditions stated in the said Second 6 August Circular without any downgrade in asset classification.

(h) Asset-Liability Mismatch: While the purport and objective of the said RBI August Circulars appear to be noble and apt to take care of the economic downturn, neither the benefit of the said RBI August Circulars have been extended to the NBFC Sector, nor any specific circular has been released for NBFC sector providing any reliefs to tide over the severe logjam and asset-liability mismatch created because of the mandate of the RBI August Circulars. While the NBFCs are compelled to provide onetime restructuring to their own borrowers, the NBFCs themselves cannot seek any relief of their

own borrowings with the lenders of the NBFCs. While on one hand the NBFCs suffer cash flow shortage due to decrease in realisation/collection from its borrowers, however on the other hand, as a borrower they are deprived of any such benefit which ought to have been countenanced to address the issues and concerns faced by the NBFC sector because of this asset liability mismatch due to the implementation of the RBI August Circulars.

(i) Loan Moratorium: In terms of the RBI's Financial Stability Report, July 2020, impact of the loan moratorium on NBFC's can be substantial. The said report has also raised concerns over the declining share of market funding for NBFCs as it has the potential to accentuate liquidity risk for these firms as well as the financial system.

(j) Banks controlling cash flow: Pursuant to the RBI August Circulars, majority of the borrowers of SEFL have sought or are expected to seek one-time restructuring of their loans, which has resulted in and will result in severe cash flow shortage. Following the asset-liability mismatch and the fact that the cash flows of SEFL are currently being controlled by lender banks have led SEFL to enter into arrangements with the Creditors in the manner as provided in the Scheme.

(k) Arrangement with Secured Debenture Holders

1. There shall be moratorium in terms of any payment of coupon/interest, by SEFL towards the Secured Debenture Holders during the Moratorium Period. Any coupon/interest accrued and payable to the Secured Debenture Holders during the Moratorium Period shall be paid by SEFL within 15 (fifteen) days from the expiry of the Moratorium Period.

2. The redemption dates of the secured Debentures in terms of the Financing Documents concerned shall stand postponed by a period of 2 (two) years.

   *Illustration: If the Redemption Date of a secured Debenture falls on August 2023, the extended date shall be August 2025.*

3. Any and all instalment payments towards the principal component of the secured Debentures in terms of the Financing Documents concerned shall stand postponed by a period of 2 (two) years.

   *Illustration: If an instalment payment date falls in August 2021, the extended date for the instalment payment shall be August 2023.*

4. Coupon/interest payment obligations towards the Secured Debenture Holders in terms of the Financing Documents concerned, will recommence after the expiry of the Moratorium Period, and will continue till the end of the extended tenor of the secured Debentures.

   Provided further, that if the total tenor of some of secured Debentures including the extended period mentioned hereinabove, exceeds 10 (ten) years, SEFL shall redeem such secured Debentures in full and final, only at the end of 10th year calculated from the date of allotment.

   *Illustration: Secured NCDs have been issued in November 2019 with quarterly coupon payments and redemption date of October 2028. Pursuant to the arrangement proposed herein, the redemption date will now be October 2030. However, in terms of the Proviso stated hereinabove, there will be no further quarterly coupon payments and the Secured NCDs will be redeemed along with all coupon payments in October 2029 only.*

(l) Business Until Effective Date:

With effect from the date of filing of the Scheme before the Tribunal and up to and including the Effective Date:

1. It is clarified that no payment towards any interest or principal shall be made to the Creditors and the Creditors (including representative security or debenture trustees) of SEFL covered under the Scheme shall maintain status quo with respect to their respective contractual terms dues claims and rights and the Creditors (including security or debenture trustees) and all governmental or regulatory authorities shall be estopped from taking any coercive steps including reporting in any form and/or changing the account status of SEFL from being a standard asset which will prejudicially affect SEFL and/or sanctioning and/or implementation of the Scheme.

2. It is clarified that the Credit Rating Agencies shall not consider any such non-payment to be a default under the respective debt documents and shall maintain the rating(s) of SEFL at least that of investment grade.

3. SEFL shall always be deemed to have been authorized to execute any pleadings, applications, forms etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of the said Scheme.

(m) Accounting Treatment: Notwithstanding anything to the contrary herein, upon the said Scheme becoming effective, SEFL shall give effect to the accounting treatment, if any, in its books of account in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015.

(n) Liberty to Withdraw: SEFL shall be at liberty to withdraw from the said Scheme. In the event the said Scheme not being sanctioned by the Tribunal, and/or the order or orders not being passed as aforesaid on or before such date as may be decided by SEFL, the said Scheme shall become null and void. In the event of revocation/withdrawal of the said Scheme no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Creditors covered under the said Scheme and SEFL.

**Note: The above details are only the salient features of the Scheme. The Secured Debenture Holders of SEFL are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.**

6. **Approval/Authority**

SEFL while proposing the said Scheme of Arrangement with its Creditors issued letter of authorisation dated 19 October 2020 for the purpose of appointing Shri Pulak Bagchi, the General Counsel and Key Managerial Personnel of the Applicant Company to take all necessary steps before the Hon'ble Tribunal for implementation of the said Scheme.

7. **Interest of Directors, Key Managerial Personnel and their relatives**

None of the Directors and Key Managerial Personnel of SEFL or their relatives have any material interest in the said Scheme of Arrangement except as shareholders in general to the extent of which will appear from the respective Register of Directors' shareholdings maintained by SEFL.

8. **Effect of Scheme on stakeholders**

The effect of the Scheme on various stakeholders is summarised below:-

A. Shareholders and Key Managerial Personnel

The Scheme shall have no effect on the Shareholders and Key Managerial Personnel, of SEFL. No compromise or arrangement is proposed by SEFL with any of its shareholders.

B. Directors

The Scheme will have no effect on the office of existing Directors of SEFL. The Directors of SEFL will continue to be Directors of SEFL as before. It is clarified that following the Scheme, the composition of the Board of Directors of SEFL may change by appointments, retirements or resignations in accordance with the provisions of the Act and Memorandum and Articles of Association of such companies but the Scheme itself does not affect the office of Directors of SEFL.

C. Employees

The Scheme will have no effect on the existing employees of SEFL. No arrangement whatsoever is contemplated in the Scheme with the employees of SEFL.

D. Creditors

The Scheme aims at addressing the severe asset liability mismatch caused due to the economic downturn caused by COVID-19 pandemic as also the mandate of the relevant RBI Circulars and lender Banks controlling the cash flows of SEFL. The Scheme is in the best interests of all the stakeholders of SEFL.

No Valuation was required to be done.

9. **No investigation proceedings**

There are no proceedings pending under Sections 210 to 227 of the Companies Act, 2013 against SEFL.

10. **Amount due to Secured Debenture Holders of SEFL**

The amount due to Secured Debenture Holders of SEFL is Rs. 2,209.47 crores as on 30th November, 2020.

11. **Shareholding pattern**

There will be no change in the shareholding pattern of SEFL consequent to the Scheme.

12. **Independent Chartered Accountant Certificate of conformity of accounting treatment in the Scheme with Accounting Standards**

Independent Chartered Accountant has confirmed that the Draft Scheme does not propose any specific accounting treatment.

13. Company Appeal (AT) No. 18 of 2021 has been filed by the Debenture Trustees being Axis Trustee Services Ltd, IDBI Trusteeship Services Ltd, Catalyst Trusteeship Ltd which was taken up for hearing on 15th February 2021, 19th February 2021, 3rd March 2021, 23rd March 2021, 26th March 2021 and 31st March 2021 and no interim orders have been granted in favour of the appellants therein till date hereof.

14. **Inspection of Documents**

In addition to the documents annexed hereto, the copies of following documents will be open for inspection to the Debenture Trustees representing the Secured Debenture Holders at the Registered Office of SEFL on any working day, (between 10:00 A.M. to 04:00 P.M.) except Saturdays, Sundays and Public Holidays prior to the date of the meeting:

a. Order dated 30 December, 2020 passed by the National Company Law Tribunal, Kolkata Bench in Company Application (CAA) No.1492/KB/2020;

b. Orders passed by Hon'ble National Company Law Appellate Tribunal in Company Appeal (AT) No. 18 of 2020, Company Appeal (AT) No. 31 of 2021, Company Appeal (AT) No. 34 of 2021 and Company Appeal (AT) No. 39 of 2021 arising out of Order dated 30 December, 2020 passed by the National Company Law Tribunal, Kolkata Bench in Company Application (CAA) No.1492/KB/2020;

c. Memorandum and Articles of Association of SEFL;

d. Latest Audited Annual Accounts of SEFL for the financial year ended 31 March, 2020;

e. Accounting Certificate on the accounting treatment in the Scheme in terms of Sec 133 of the Companies Act, 2013;

f. Register of Shareholding of Directors' and Key Managerial Personnel of SEFL; and

g. Form No GNL-2 filed by SEFL with the Registrar of Companies, along with the challan.

Dated: 12th April 2021

Sd/-
Shaunak Mitra
Advocate
Chairperson appointed for the Meeting of
Debenture Trustees representing the
Secured Debenture Holders of SEFL

Drawn on behalf of Applicant by
Sd/- Pulak Bagchi
General Counsel and Key Managerial Personnel
Srei Equipment Finance Limited
Vishwakarma, 86C, Topsia Road, Kolkata 700 046

**SREI EQUIPMENT FINANCE LIMITED**
**CIN:** U70101WB2006PLC109898
**Registered Office:** Vishwakarma, 86C, Topsia Road, Kolkata 700 046
**Ph:** +91 33 6639 4700|
**Email:** secretarial.sefl@srei.com; **Website:** www.srei.com

**ATTENDANCE SLIP**
**(To be handed over at the entrance of the Meeting Hall)**

I hereby record my presence at the Meeting of Debenture Trustees representing the Secured Debenture Holder of SREI EQUIPMENT FINANCE LIMITED covered under the proposed Scheme of Arrangement of the Company and its Secured Debenture Holders and whose name is appearing in Schedule I of the said proposed Scheme of Arrangement, convened pursuant to order of the Hon'ble National Company Law Tribunal, Kolkata Bench, on Saturday, 15th May 2021 at 11:30 A.M. at "The Westin", International Financial Hub, CBD/II Action Area II, New Town, Kolkata 700156.

| | |
|---|---|
| Name of Debenture Trustee | |
| Name of Debenture Holder(s) on whose behalf appearing | |
| Registered Address of Secured Debenture Holder(s) | |
| Name of Authorised Representative | |
| Address of Debenture Trustee | |
| Address of Authorised Representative | |

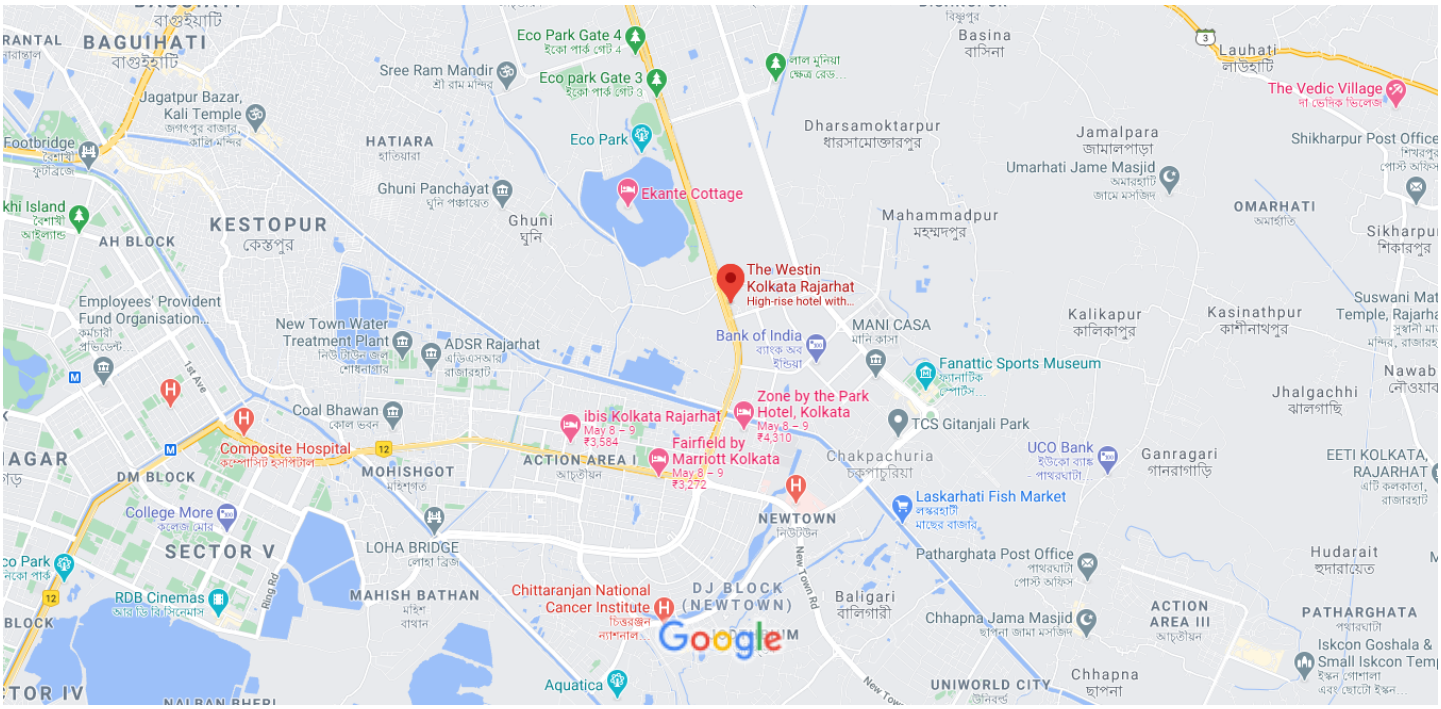
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Signature of the Authorised Representative

Notes:

1. Debenture Trustee representing the Secured Debenture Holders attending the meeting through authorized representative are requested to complete and bring the attendance slip with them and hand it over at the entrance of the meeting hall.

2. Debenture Trustee representing the Secured Debenture Holders who come to attend the meeting are requested to bring their copy of the Scheme with them.

Google Maps The Westin Kolkata Rajarhat




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