



SEFL/SECT/SS/22-23/78

November 18, 2022

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

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

Dear Sir/Madam,

1. With reference to the above, this disclosure is being made pursuant to Part B of Schedule III under Regulation 51(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by the Securities and Exchange Board of India.
2. We may inform you that the Administrator of Srei Equipment Finance Limited (“**the Company**”), appointed under the Insolvency and Bankruptcy Code, 2016 (“**the Code**”), to carry out the duties under Code, obtained assistance from a reputed professional agency, BDO India LLP (BDO or Transaction Auditor) to conduct investigation of the affairs of the Company in respect of transactions qualified under sections 43 to 51, and sections 65 and 66 of the Code.
3. Accordingly, the Administrator of the Company received a report from the professional agency appointed as the transaction auditor, indicating that there are certain transactions which are fraudulent in nature, as per Section 66 of the Code. Basis the investigation and observations of the transaction auditor, the Administrator has filed an application in respect of fraudulent activities with respect to certain securitized loan assets of the Company which were assigned to lenders of the Company (“**Pool Loans**”) before the Kolkata bench of the National Company Law Tribunal (“**NCLT**”) under Section 60(5) and Section 66 of the Code on November 16, 2022 against Mr. Hemant Kanoria, and Mr. Sunil Kanoria (“**Application**”). It is to be noted that this is a filing based on the report submitted by the transaction auditor and further filings may be undertaken, in due course.
4. In accordance with Clause 6.1 of the Circular, please find below the relevant information regarding the concerned transactions:

**Srei Equipment Finance Limited**

CIN: U70101WB2006PLC109898

(A Company under Corporate Insolvency Resolution Process vide NCLT, Kolkata Order dated October 08, 2021)

Head Office: Plot No. Y-10, Block EP, Sector - V, Salt Lake City, Kolkata – 700091

Tel: +91 33 6639 4700 / 6602 2000 Fax: +81 33 6602 2200 / 2600 / 18002667734 (Toll Free)

Email: sefl@srei.com Website: [www.srei.com](http://www.srei.com)

Registered Office: "Vishwakarma", 86C Topsia Road (South), Kolkata - 700046



- (a) **Nature of the fraud:** The Application *inter alia* impugns fraudulent activity with respect to the Pool Loans under the erstwhile management, including shortfall in payment of receivables to the Company's lenders, non-cash collection entries from customers whose loans formed part of the Pool Loans, double assignment of Pool Loan contracts, non-compliance with RBI guidelines and terms of assignment agreements with the Company's lenders, and rebates given to customers (whose loans formed part of the Pool Loans), without permission of the Company's lenders. The same is subject to adjudication by the NCLT.
- (b) **Estimated impact on the listed entity:** As per the transaction auditor report shared with the Administrator, the monetary impact of the above transactions covered under the Application amounts to:
- (i) INR 847.87 Crores, being the net shortfall in payments to the Company's lenders who were assigned the Pool Loans as on September 30, 2021.
- Thus, the total impact of the transaction amounts to approximately INR 847.87 Crores.
- (c) **Time of occurrence:** As per the report prepared by the transaction auditor, the concerned transactions occurred during Financial Year 2015—2016 to 2020 -2021.
- (d) **Person(s) involved:** The Application has been filed against Mr. Hemant Kanoria, and Mr. Sunil Kanoria and the same is subject to adjudication by the NCLT.
- (e) **Estimate amount involved:** The preliminary estimation included in the Application places the monetary impact of the concerned transactions at approximately INR 847.87 Crores, on account of the net shortfall in payments to the Company's lenders who were assigned the Pool Loans, as on September 30, 2021; subject to the adjudication by the NCLT.
- (f) **Reporting to authorities:** The Application has been filed before the NCLT under Section 60(5) and Section 66 of the Code on November 16, 2022.

### **Srei Equipment Finance Limited**

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5. All relevant details regarding these proceedings have been included in the application filed before the National Company Law Tribunal, Kolkata and is presently pending consideration.

Kindly take the above on record and acknowledge receipt.

Thanking you,

Yours faithfully,

**For Srei Equipment Finance Limited**

**Sumit Kumar Surana**  
**Company Secretary**  
**ACS 19243**

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