



SEFL/SECT/AA/20-21/10

June 29, 2020

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

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

Dear Sir(s),

Sub: Disclosure under Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of COVID-19 pandemic on the Company

Pursuant to Regulation 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020, please find attached a note on material impact of the COVID-19 pandemic and the resultant lockdown, on the Company.

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

Srei Equipment Finance Limited

CIN: U70101WB2006PLC109898

Head Office : Plot No. Y-10, Block EP, Sector-V, Salt Lake City, Kolkata-700091
Tel: +91 33 6639 4700 / 6602 2000 Fax: +91 33 6602 2200 / 2600 / 18002667734 (Toll Free)
Email: sefpl@srei.com Website: www.sreiequipment.com
Registered Office : 'Vishwakarma' 86C, Topsia Road (South), Kolkata-700046



Disclosure on CoVID-19 impact

Sr. No.	Disclosure	Remarks
1.	Impact of the CoVID-19 pandemic on the business	<p>➤ Business Operations:</p> <ul style="list-style-type: none">• Pursuant to the imposition of National Lockdown, the Company had suspended operations in its offices from March, 24, 2020. Partial operations have resumed since mid of May, 2020. <p>Slowdown in construction activities has resulted in lower demand for financing Construction, Mining & Allied Equipment (CME). With the lockdown being gradually lifted and business activities resuming in smaller towns and semi urban areas, we are now witnessing some uptick in business in these segments. However, in the Metros and Tier 1 cities, the business is slow and, in some cases, yet to pick up due to higher number of containment zones, restrictions on movement of materials, and shortage of labour. However, we expect that the demand will pick up once the lockdown restrictions are further relaxed.</p> <ul style="list-style-type: none">• Our Collections too, have been adversely impacted due to liquidity issues at our customer's end and inability of our collection team to meet our customers. <p>➤ Customers:</p> <p>The impact of Covid-19 has been more severe for Infrastructure & Construction segment as the crisis came at a time when the legacy of liquidity crisis and slower demand was already weighing on public and private sector balance sheets of this segment. The exodus of migrant labour and disruption in supply-chain of key materials has further aggravated the situation.</p> <p>With the pick-up in construction activities in some</p>

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		<p>pockets of semi-urban & rural India, the overall capacity utilisation is now around 30%. Demand is expected to pickup once the lockdown restrictions are further relaxed. Further, liquidity challenge faced by the MSME sector is expected to ease by the support announced by the Finance Minister as a part of the special economic package.</p> <p>➤ Original Equipment Manufacturers (OEMs):</p> <p>Most of the OEMs are currently focussing on maintenance services. Our OEM partners have started operating at 20-30% capacities. We expect the market to contract by about 30-35% in terms of volume during the current year. The expected sales ratio for H1 as compared to H2 is 30:70 for this financial year.</p>
2.	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down	<ul style="list-style-type: none">• The Company is taking various measures to ensure safety and well-being of all the employees and is ensuring compliance with the directives issued by the Central, State Government and local administration in this regard.• Our Company has been following a dynamic Work-from-Home Policy. All our employees have been advised to Work from Home where their role permits, until further notice by the Management.• Further, we have restricted the staff attendance on a single day at each office in a manner so as to commensurate with the mandatory guidelines and rules laid by the Statutory Authority(s).



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3.	Schedule, if any, for restarting the operations	<ul style="list-style-type: none">• Partial operations have resumed since mid of May, 2020. Currently, 50% of our branches are operational, and we are operating with approximately 33% of employee strength across locations.• Those who are required to work from office locations, are doing so upon obtaining approval of the management and adhering to the guidelines prescribed by the specific Regulatory Bodies.• Field-visits are being conducted after taking into account the lockdown restriction in the respective area and strict adherence to mandatory guidelines laid by the Statutory Authorities.• Our Company has laid Standard Operating Procedures (“SOPs”) for all staffs on maintaining social distancing, hygiene and employee safety. All staff attending office or making field-visits, have been strictly advised to maintain social distancing and take adequate protection by wearing masks and using sanitizers. A convenient e-handbook mentioning all precautions, Dos & DON'Ts etc. have been made available to all employees.



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4.	Steps taken to ensure smooth functioning of operations	<ul style="list-style-type: none">• Our Company is following a gradual transition from: “Work-from-Home” to “Work-from-Workplace”, so that, stakeholders are served to the best of the ability of the Company and the same time, the health and safety of the employees is also not compromised with.• The Company has taken all necessary steps to adhere to the guidelines for social distancing provided by Ministry of Home Affairs along with the various directives issued by relevant Government authorities.• All our operational offices are being regularly sanitized to ensure workplace hygiene and safety. All safety protocols like temperature sensing, wearing of safety gears, social distancing, sanitizing and washing hands are being adhered to very stringently.
5.	Estimation of the future impact of CoVID-19 on its operations	Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to ascertain with certainty, the impact on its operations. With the resumption of economic activities and ease of liquidity in market, we expect operations to normalize and are preparing ourselves for the “New Normal”. The Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers and stakeholders. We expect to have a fair evaluation of the impact by the 3rd Quarter of the Fiscal.
6.	Details of impact of CoVID-19 on listed entity's –	



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Sr. No.	Disclosure	Remarks
	<p>a) Liquidity position</p> <p>b) Capital and financial resources</p> <p>c) Profitability</p> <p>d) Ability to service debt and other financing arrangements</p> <p>e) Assets</p> <p>f) Internal financial reporting and control</p> <p>g) Supply chain</p> <p>h) Demand for its products/services</p>	<p>Our liquidity position has been adversely impacted. A large section of borrowers opted for the moratorium as per RBI guidance; but NBFCs have not been able to fully obtain reciprocal moratorium on their Banks and Capital Market borrowings. The liquidity position is expected to improve as the lockdown restrictions are relaxed. Further, the Special Liquidity Scheme and Partial Credit Guarantee Scheme 2.0 announced by the Finance Minister as a part of the Special Economic Package will also provide liquidity support to the NBFC's sector. However, we are yet to experience the positive impacts of any of these announcements.</p> <p>We have elaborated our feedback in the liquidity section.</p> <p>The Company has implemented stringent cost control measures across the organization to conserve cash, and to address any evolving situation resulting from the pandemic. The full impact of Covid-19 pandemic on profitability cannot be ascertained at present.</p> <p>In spite of a decline in our liquidity position and remedial financial support announcements not meeting its desired results; our ability to service capital market debts has not been affected.</p> <p>We are expecting rise in Non-Performing Assets due to financial crunch being witnessed by our customers. However, while the impact cannot be ascertained at present; customers are increasingly making requests for one-time restructuring. Similar requests have already been made to the RBI Governor by us since the pandemic is equivalent to a major natural calamity.</p> <p>Internal financial reporting and control continue to remain functional; as per laid down guidelines by our regulators and our board.</p> <p>Not Applicable</p> <p>Not Applicable</p>



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7.	Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business	The Company endeavors to perform its duties as agreed to in various executed operational contracts / agreements. There has been no failure in performance by the Company of its obligations envisaged in contract/agreement entered into by it. Presently, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfillment of obligations by any party.
8.	Other relevant material updates about the listed entity's business	Nil



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