

Frequently Asked Questions (FAQs) for individual debenture holders on SREI proposed Scheme of Arrangement and E-Voting

1. Please provide the background and details of the SREI matter? We do not have the copy of NCLT Order, Scheme and other documents, where can we get the same?

The background and important updates are summarised and available on our website www.axistrustee.in under the “[Click here](#) Scheme of Arrangement – Srei Equipment Finance Limited” tab. Copies of all the necessary documents can be accessed from the updates.

2. What is the Scheme about?

Srei Equipment Finance Limited (“**Srei**”) has proposed a scheme of arrangement with its creditors for its dues (“**Scheme**”). The Scheme is filed before the Hon’ble National Company Law Tribunal, Kolkata Bench (“**NCLT**”) by SREI for approval as per the provisions of Companies Act, 2013. The Scheme includes the terms and conditions of arrangement/restructuring of dues with creditors. The Scheme is subject to approval by creditors of SREI.

The terms of restructuring /arrangement proposed for individual debenture holders is provided at pg.no. 5 to 9 of the Scheme.

3. As a debenture trustee were you involved in filing the said Scheme?

No, ATSL was not engaged /involved in the process of drafting or filing of the Scheme.

The Scheme is drafted and filed by SREI unilaterally before NCLT for approval from its creditors. The Scheme is being put up to debenture holders [as creditor] for consent/dissent through voting.

In case of specific queries in relation to provisions of the Scheme, debenture holders may directly write / contact Srei or write / contact us (we will endeavour to seek clarity from Srei at our earliest). The contact details of Srei are available on their website.

4. What happened after the Scheme was filed by Srei? / What is NCLT Order? What are the important provisions of the NCLT Order?

After the Scheme was filed before NCLT, NCLT passed an order dated 30 December 2020 (“**NCLT Order**”). The dates, venue, agenda etc. of the creditor meetings were fixed by the NCLT in the said NCLT Order which also included the following -

Until the Scheme is considered by the creditors and Hon’ble NCLT and to protect the interest of stakeholders, in the meantime till further orders, the creditors (including representative security or debenture trustees) of Srei 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 the Srei from being a standard asset which will prejudicially affect Srei and/or sanctioning and/or implementation of the Scheme. However, you are requested to peruse the entire NCLT Order.

According to us, paragraph 20.1, 20.2, 20.3, 20.4, 20.5 and 20.6 are important provisions of the NCLT Order which may be perused by the debenture holders.

5. What are the details and background of the meetings prescribed under the NCLT Order?

According to the NCLT Order, the meetings of creditors of Srei are scheduled for them to consider the Scheme and if thought fit, approving, with or without modification, the said Scheme. The dates, venue, agenda etc. of the meetings were fixed by NCLT. Please also refer to FAQ no. 5.

6. What was the e-voting exercise you have undertaken?

As per the NCLT Order, Debenture Trustees are required to be present in the creditors meetings to cast vote as a representative of debenture holders. Thus, as debenture trustee we had provided an online voting facility to the debenture holders to consider the Scheme and cast their vote. Based on the votes received, we will cast corresponding vote in the creditors meeting.

7. How would debenture holders be informed about the results of the meetings conducted by SREI?

The results of the meetings of creditors are being uploaded by SREI on their website as and when declared. You can visit <https://www.srei.com/sefi-creditors-meeting-notice> and peruse the same.

8. What is moratorium period and what are the payment timelines proposed by Srei?

Srei has proposed the following payment timelines in the Scheme under consideration. This is proposed and subject to approval of creditors and NCLT order, thus should not/ shall not be treated as confirmation by us on payment timelines of Srei. As per the Scheme, Srei has proposed a moratorium period from January 01, 2021 to June 30, 2021 and has proposed following timelines for payment of its dues in relation to the Individual NCD Holders whose name is appearing in Schedule VI of the Scheme:

Sr. No	Category	Coupon/Interest or Redemption/Principal	Proposed Payment timelines
1	Secured Debenture Holders	Accrued coupon interest of Moratorium Period: Accrued coupon interest from 1 January, 2021 to 30, June, 2021 [Moratorium Period] will be payable on or before 15, July 2021 i.e. within 15 days from the expiry of the Moratorium Period.	Payable on or before 15, July 2021
		Coupon/Interest post Moratorium Period Coupon/interest payment obligations will recommence after 30 June, 2021, and will continue till the end of the extended tenor of the secured Debentures.	To recommence as per agreed frequency after 30 June, 2021
		One time/Bullet Redemption: Redemption date shall stand postponed by a period of 2 years from the said redemption date.	Postponed by 2 years
		Instalment /Part Redemptions: 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 years from the due date of the said instalment payment.	Postponed by 2 years
2	Unsecured Debenture Holders	Accrued coupon interest: Any coupon/interest accrued and payable during – 1 January, 2021 to 30 June, 2021 shall be payable on or before 15, July 2021 i.e. within 15 days from the expiry of the Moratorium Period.	Payable on or before 15, July 2021
		Coupon/interest: Coupon/interest payment obligations will recommence after 30 June, 2021, and will continue till the end of the extended tenor	To recommence as per agreed frequency after 30 June, 2021

		One time/Bullet Redemption: Redemption dates of the unsecured Debentures shall stand postponed by a period of 3 years from the said redemption date.	Postponed by 3 years
		Instalment /Part Redemptions: Any and all instalment payments towards the principal component of the unsecured Debentures shall stand postponed by a period of 3 years.	Postponed by 3 years
3.	Individual Debenture Holders	Accrued coupon interest: Any coupon/interest accrued and payable during – 1 January, 2021 to 30 June, 2021 shall be payable on or before 15, July 2021 i.e. within 15 days from the expiry of the Moratorium Period.	Payable on or before 15, July 2021

9. As per the proposed Scheme, moratorium has ended on 30 June, 2021 and the interest was payable by 15 July 2021, however, the same has not been paid. When would the interest be paid to debenture holders by SREI and what are the payment timelines proposed by Srei?

The moratorium period forms part of proposed Scheme which is subject to approval of creditors. As the matter is sub-judice we cannot confirm exact dates on which Srei will make payment of its dues. In case of specific queries in relation to provisions of the Scheme or timelines of payments, debenture holders may directly write / contact Srei or write / contact us (we will endeavour to seek clarity from Srei at our earliest). The contact details of Srei are easily available on their website.

10. SREI states that out of the 6 meetings of creditors to be conducted as per the NCLT Order, only 4 meetings have been conducted and the remaining 2 meetings would be conducted on 25th September, 2021 and 8th October, 2021. When would the dues be paid to the debenture holders since the dates of the meetings have been extended?

As the Scheme is under consideration by creditors, we cannot confirm on exact dates on which Srei will make payment of its dues. Further, you may please note that the above mentioned 2 meetings that have been extended are of Secured and Unsecured ECB Lenders. ATSL is not representing the said ECB Lenders and thus was not privy to the said meetings. According to Srei, the meeting dates for said 2 meetings were extended by the chairperson of said meetings on request of the Secured/Unsecured ECB Lenders.

11. By when can we get to know regarding future course of action and clarification of interest / redemption payment to debenture holders by SREI?

As the matter is sub-judice we cannot confirm on the same. However, we will provide you the developments in the matter.

12. How would debenture holders be informed of the developments in the matter?

You are requested to visit ATSL website and check the developments in the matter as we would keep the important information on our website.