D. K. CHHAJER & CO.
CHARTERED ACCOUNTANTS

NILHAT HOUSE
11, R. N. MUKHERJEE ROAD
GROUND FL., KOLKATA - 700 001
PHONES : 033 - 2262 7280 / 2262 7279
TELE - FAX : 033 2230 - 6106
E-mail : dkchhajer@gmail.com
kolkata@dkcindia.com

Independent Auditor's Report on the Audit of Annual Standalone Financial Results

To the Board of Directors of Srei Infrastructure Finance Limited

Opinion

We have audited the accompanying annual standalone financial results of **Srei Infrastructure Finance Limited** ("the Company") for the quarter and year ended 31 March, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, and other accounting principles generally accepted in India of the net loss, total comprehensive loss and other financial information of the Company for the quarter and year ended 31 March, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the annual standalone financial results for the year ended 31 March, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the notes to the Statement:

i. Note 2 to the Statement, which explains that the Company has transferred the business of lending, interest-earning and leasing together with its associated employees and related assets and liabilities by way of slump exchange pursuant to a Business Transfer Agreement (BTA) with its subsidiary, Srei Equipment Finance Limited (SEFL) with effect from 01 October, 2019 after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks.

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

One of the debenture holders of SEFL holding debentures amounting to Rs. 75 crores have objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. Pending the approvals, as stated above, the Company accounted BTA on 01 October, 2019, as stated above. The Company obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. As stated in Note No. 3 to the Statement (Scheme of Arrangement), pending final decision in the matter and further based on a legal opinion, the Company has maintained status quo for BTA.

ii. Note 4 to the Statement, which explains that the outbreak of COVID-19 pandemic and extended lockdown across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets with consequent slowdown in economic activities. The impact of COVID-19 pandemic (including the ongoing second wave) and the extent to which the pandemic may further impact the operations of the Company and its subsidiaries depends on future developments, which are still unascertainable at this point in time.

iii. Note 5 to the Statement, which explains that the investment of the Company in its material subsidiary Srei Equipment Finance Limited ("SEFL") has been impacted owing to COVID-19 pandemic. The collection of SEFL from the borrowers and the lessees were severely impacted during the year and which also adversely affected the cash flows of SEFL during the said period. Based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has done accelerated ECL provision which is over and above normal ECL provision. SEFL has incurred losses during the year ended 31 March, 2021 due to which its net worth has eroded.

Considering the above facts, the Company has assessed the carrying amount of its investment in SEFL in compliance to Ind AS and has made an impairment provision of Rs. 310,455 Lakhs during the quarter and year ended 31 March, 2021 bringing down the book value of its investment in SEFL to Re. 1 as a prudent measure.

The Company feels that with gradual improvement in the economy, the SEFL will recover significant part of the loan given to its borrowers resulting in reversal of provision made in the books by SEFL in the current year. Accordingly, the impairment on investment will be reviewed in future.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Statement

This Statement has been prepared on the basis of the annual standalone financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and total comprehensive loss and other financial information of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, however, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

i. Attention is drawn to Note no. 8 to the Statement which states that the Statement includes the results for the quarter ended 31 March, 2021, being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which was subject to limited review by us.

ii. The standalone financial results for the quarter and year ended 31 March, 2020 were audited by the then Statutory auditors of the Company who have expressed an unmodified opinion vide their report dated 28 July, 2020 and we have relied on the same.

Our opinion is not modified in respect of these matters.

For **D. K. Chhajer& Co.**
Chartered Accountants
FRN: 304138E

Niraj K Jhunjhunwala
Partner
Membership No: 057170
UDIN: 21057170AAAADS7111

Place: Kolkata
Date: 30 June, 2021

SREI INFRASTRUCTURE FINANCE LIMITED

Regd Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046, Website: www.srei.com, Email for Investors: investor.relations@srei.com
(CIN): L29219WB1985PLC055352

AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

	Particulars	Quarter ended			Year ended	
		31-Mar-21 (Audited)	31-Dec-20 (Unaudited)	31-Mar-20 (Audited)	31-Mar-21 (Audited)	31-Mar-20 (Audited)
	Revenue from Operations					
	Interest Income	5	5	7	28	32
	Dividend Income	-	-	-	-	91
	Rental Income	328	356	355	1,391	1,436
	Fees and Commission Income	558	416	521	2,494	5,234
	Net gain on fair value changes	(1)	1	-	-	-
	Net gain on derecognition of financial instruments under fair value through profit or loss	-	1	-	3	2,128
	Net gain/ (loss) on derecognition of financial instruments	-	(1,500)	-	274	-
(I)	**Total Revenue from Operations**	**890**	**(721)**	**883**	**4,190**	**8,921**
(II)	Other Income	570	233	1,946	811	2,525
(III)	**Total Income (I+II)**	**1,460**	**(488)**	**2,829**	**5,001**	**11,446**
	Expenses					
	Finance Costs	649	824	1,924	3,282	8,681
	Fees and Commission Expense	401	201	364	1,178	1,059
	Net loss on derecognition of financial instruments under amortised cost	-	-	1,211	-	1,211
	Impairment on Financial Instruments (Net)	369	1,196	(1,570)	1,472	(217)
	Employee Benefits Expenses	283	269	75	813	586
	Depreciation, Amortisation and Impairment	193	192	194	773	800
	Administrative and Other Expenses	343	215	290	1,000	1,102
(IV)	**Total Expenses (IV)**	**2,238**	**2,897**	**2,488**	**8,518**	**13,222**
(V)	Profit / (Loss) Before Exceptional items and Tax from continuing operations (III-IV)	(778)	(3,385)	341	(3,517)	(1,776)
(VI)	Exceptional Items (Refer Note 5)	310,455	-	-	310,455	-
(VII)	Profit / (Loss) Before Tax (V-VI)	(311,233)	(3,385)	341	(313,972)	(1,776)
(VIII)	Tax Expense of continuing operation:					
	(a) Current Tax	-	-	-	-	-
	(b) Income Tax in respect of earlier year	(54)	-	-	(54)	-
	(c) Deferred Tax	(19,306)	(375)	127	(19,446)	(1,002)
(IX)	Profit / (Loss) after tax from continuing operations (VII-VIII)	(291,873)	(3,010)	214	(294,472)	(774)
(X)	Profit before Tax from discontinued operations	-	-	-	-	3,769
(XI)	Tax Expenses of discontinued operations:					
	(a) Current Tax	-	-	-	-	-
	(b) Income Tax in respect of earlier year	-	-	-	-	-
	(c) Deferred Tax	-	-	-	-	1,639
(XII)	Profit after Tax from discontinued operations (X-XI)	-	-	-	-	2,130
(XIII)	**Total Profit Before Tax for the period (VII+X)**	**(311,233)**	**(3,385)**	**341**	**(313,972)**	**1,993**
(XIV)	Total Tax for the period:					
	(a) Current Tax	-	-	-	-	-
	(b) Income Tax in respect of earlier year	(54)	-	-	(54)	-
	(c) Deferred Tax	(19,306)	(375)	127	(19,446)	637
(XV)	**Total Profit/ (Loss) after Tax for the period (XIII-XIV)**	**(291,873)**	**(3,010)**	**214**	**(294,472)**	**1,356**
(XVI)	**Other Comprehensive Income**					
	Items that will not be reclassified to Profit or Loss					
	- Remeasurement Gains/ (Losses) on Defined Benefit Plan	50	-	35	29	46
	- Gains/ (Losses) on Equity Instruments through Other Comprehensive Income	12,640	2,809	(12,670)	17,627	(20,621)
	- Tax related to above	(2,636)	(648)	2,817	(3,729)	4,778
	Total Other Comprehensive Income (XVI)	**10,054**	**2,161**	**(9,818)**	**13,927**	**(15,797)**
(XVII)	**Total Comprehensive Income for the period (XV+XVI)**	**(281,819)**	**(849)**	**(9,604)**	**(280,545)**	**(14,441)**
	Paid-up Equity Share Capital (Par Value Rs. 10/- per Equity Share)	50,309	50,309	50,309	50,309	50,309
	Other Equity excluding Revaluation Reserves				(46,587)	233,958
	Earnings per Equity share for continuing operations (Basic and Diluted) (in Rs.) (*Not annualised) (Par Value Rs. 10/- per Equity Share)	***(58.02)**	***(0.60)**	***0.04**	**(58.53)**	**(0.15)**
	Earnings per Equity share for discontinued operations (Basic and Diluted) (in Rs.) (*Not annualised) (Par Value Rs. 10/- per Equity Share)	-	-	-	-	**0.42**
	Earnings per Equity share for continuing and discontinued operations (Basic and Diluted) (in Rs.) (*Not annualised) (Par Value Rs. 10/- per Equity Share)	***(58.02)**	***(0.60)**	***0.04**	**(58.53)**	**0.27**

BALANCE SHEET

(Rs. in Lakhs)

Particulars	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (Audited)
ASSETS		
1. Financial Assets		
(a) Cash and Cash Equivalents	1,731	1,078
(b) Bank Balance other than (a) above	1,998	303
(c) Derivative Financial Instruments	-	-
(d) Receivables		
(i) Trade Receivables	1,204	2,389
(ii) Other Receivables	-	-
(e) Loans	-	-
(f) Investments	61,185	355,301
(g) Other Financial Assets	496	137
	66,614	**359,208**
2. Non-Financial Assets		
(a) Current Tax Assets (Net)	7,488	14,454
(b) Deferred Tax Assets (Net)	-	-
(c) Property, Plant and Equipment	9,655	9,865
(d) Right-of-use Assets	1,775	2,160
(e) Capital Work-in-Progress	-	-
(f) Other Intangible Assets	4	6
(g) Other Non-Financial Assets	213	369
	19,135	**26,854**
TOTAL ASSETS	**85,749**	**386,062**

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

Srei Infrastructure Finance Ltd. Kolkata

(Rs. in Lakhs)

Particulars	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (Audited)
LIABILITIES AND EQUITY		
LIABILITIES		
1. Financial Liabilities		
(a) Derivative Financial Instruments	-	-
(b) Payables		
(I) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	14	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	367	337
(c) Debt Securities	-	-
(d) Borrowings (Other than Debt Securities)	28,055	45,351
(e) Subordinated Liabilities	33,000	36,075
(f) Lease Liabilities	1,994	2,271
(g) Other Financial Liabilities	18,351	1,324
	81,781	**85,358**
2. Non-Financial Liabilities		
(a) Provisions	51	142
(b) Deferred Tax Liabilities (Net)	-	15,716
(c) Other Non-Financial Liabilities	195	579
	246	**16,437**
3. Equity		
(a) Equity Share Capital	50,309	50,309
(b) Other Equity	(46,587)	233,958
	3,722	**284,267**
TOTAL LIABILITIES AND EQUITY	**85,749**	**386,062**

STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	Year ended 31-Mar-21 (Audited)	Year ended 31-Mar-20 (Audited)
A. Cash Flows from Operating Activities		
Profit Before Tax from continuing operations	**(313,972)**	**(1,776)**
Profit Before Tax from discontinued operations	**-**	**3,769**
Total Profit/ (Loss) Before Tax	**(313,972)**	**1,993**
Adjustments for :		
Net unrealised fair value (gain) / loss	-	-
Net (gain) / loss on derecognition of Property, Plant and Equipment	-	(202)
Interest on Income Tax Refund	(791)	(541)
Liabilities No Longer Required written back	(7)	(2,059)
Impairment on Financial Instruments (Net)	1,472	8,202
Exceptional items	310,455	-
Depreciation, Amortisation and Impairment	773	2,565
Operating profit before working capital changes	**(2,070)**	**9,958**
Changes in Working Capital		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	(591)	(63,885)
(Increase) / Decrease in Loans Assets	-	(15,925)
Increase / (Decrease) in Trade Payables and Others Liabilities	16,362	3,728
Increase/ (Decrease) in Other Bank Balances	(1,695)	(7,975)
Cash generated / (used) in operations	**12,006**	**(74,099)**
Direct Taxes Paid (net of refund)	7,811	(164)
Net Cash (used in) / generated from Operating Activities	**19,817**	**(74,263)**
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment, and Intangible Assets	(30)	(75)
Proceeds from Sale of Property, Plant and Equipment	-	202
(Increase) / Decrease in Investments (Other than Subsidiaries)	1,061	2,850
(Increase) / Decrease of Investments in Subsidiaries	182	10
Net Cash (used in) / generated from Investing Activities	**1,213**	**2,987**
C. Cash Flows from Financing Activities		
Proceeds from issuance of Debt securities (including subordinated debt securities)	-	11,576
Repayment of Debt securities (including subordinated debt securities)	(3,075)	(24,912)
(Repayment of) / Proceeds from Working Capital facilities (Net)	-	73,476
Proceeds from intercorporate deposit	33,375	87,081
Repayment of intercorporate deposit	(13,721)	(60,469)
Proceeds from Term Loans	-	35,000
(Repayment of) / Proceeds from Other Borrowings (Net)	(36,950)	(56,129)
Dividend Paid (including Corporate Dividend Tax)	(6)	(16)
Net Cash (used in) / generated from Financing Activities	**(20,377)**	**65,607**
Net Increase / (Decrease) in Cash and Cash Equivalents	**653**	**(5,669)**
Cash & Cash Equivalents at the beginning of the year	**1,078**	**9,100**
Cash & Cash Equivalents transferred under slump exchange	-	(2,353)
Cash and Cash Equivalents at the end of the year	**1,731**	**1,078**

Net Cash (used in) / generated from Operating Activities includes:

Interest Received	28	27
Interest Paid	4,043	6,952
Dividend Received	-	91

(Rs. in Lakhs)

Components of Cash and Cash Equivalents:	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (Audited)
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	-	1
(b) Balances with Banks - in Current Account	1,731	1,077
	1,731	**1,078**

Srei Infrastructure Finance Ltd. ★ Kolkata

D. K. CHHAJER & CO. ★ CHARTERED ACCOUNTANTS ★ 111, R.N. Mukherjee Road

Notes:

1. The above audited standalone financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 30th June, 2021 and subjected to audit by the Statutory Auditors, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. **Business Transfer Agreement**

During the Financial Year 2019-20, the Board of Directors of the Company and its wholly-owned subsidiary, Srei Equipment Finance Limited ("SEFL") at their respective meetings held on 4th July, 2019 approved the transfer of Lending Business, Interest Earning Business & Lease Business of the Company together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (the "Transferred Undertaking"), as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement ("BTA"), in exchange of fully paid up equity shares to be issued and allotted by SEFL, subject to all necessary approvals.

Pursuant to this, the Company signed BTA on 16th August, 2019 and an amendment to the, aforesaid, BTA on 14th November, 2019 with SEFL, pursuant to which it has entered into various assignment agreements, in connection with the Transferred Undertaking, with SEFL to give effect of the slump exchange and accordingly the Company and SEFL has passed the relevant accounting entries in their respective books of account effective 1st October, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. One of debenture holders of SEFL holding debentures amounting to Rs. 75 crores has objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. Pending the approvals as stated above, the Company had accounted for the slump exchange transaction on 1st October, 2019, as stated above. The Company has obtained expert legal and accounting opinions in relation to the accounting of the Slump Exchange Transaction which confirms that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and frame work.

As stated in Note No. 3 (Scheme of Arrangement), pending final decision in the matter and further based on a legal opinion, the Company has maintained status quo for BTA.

3. **Scheme of Arrangement**

SEFL has proposed the Schemes with its Creditors and the application to that effect has been filed with the Hon'ble National Company Law Tribunal (NCLT). BTA, inter alia, constitutes an integral part of the Scheme.

Pursuant to the direction of Hon'ble NCLT, a meeting of a particular class of Creditors was held on December 16, 2020. In the meeting held on December 16, 2020, 86% of certain class of creditors who attended the meeting voted against the BTA. The matters covered in the Schemes are pending for final decision before Hon'ble NCLT/NCLAT.

4. **Impact of Covid-19 pandemic**

The outbreak of COVID-19 pandemic, extended lockdown across the globe and in India has contributed to a significant impact and volatility in global and Indian financial markets and slowdown in economic activities. The impact of COVID-19 pandemic (including the ongoing second wave) and the extent to which the pandemic may further impact the operations of the Company and its subsidiaries depends on future developments, which are still unascertainable at this point in time.

5. **Impairment of Investment**

The investment of the Company in its material subsidiary Srei Equipment Finance Limited ("SEFL") has been impacted owing to COVID-19 pandemic. The collection of SEFL from the borrowers and the lessees were severely impacted during the year and which also adversely affected the cash flows of SEFL during the said period. Based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has done accelerated ECL provision which is over and above normal ECL provision. SEFL has incurred losses during the year ended 31 March 2021 due to which its net worth has eroded.

Considering the above facts, the Company has assessed the carrying amount of its investment in SEFL in compliance to Ind AS and has made an impairment provision of Rs. 310,455 Lakhs during the quarter and year ended 31st March, 2021 bringing down the book value of its investment in SEFL to Re. 1 as prudent measure.

The Company feels that with gradual improvement in the economy, the SEFL will recover significant part of the loan given to its borrowers resulting in reversal of provision made in the books by SEFL in the current year. Accordingly, the impairment on investment will be reviewed in future.

6. Considering the significant impact of COVID-19 on business activity, the Company had approached Non-convertible Perpetual Bond holders for waiver of interest for F.Y. 2020-21. The Company has received their consent. Accordingly, the Company has not accrued interest on such bonds for year ended 31st March, 2021 totalling to Rs.3,294 lakhs.

7. In accordance to Ind AS 108 - "Operating Segments", the required disclosure is done in the Consolidated Financial Results of the Company.

8. The figures for the quarter ended 31st March, 2021 and 31st March, 2020 are balancing figures between the audited figures of the full financial year and the reviewed year-to-date figures upto the third quarter of the respective financial years.

9. Figures pertaining to the previous period have been rearranged/ regrouped, wherever considered necessary, to make them comparable with those of the current period.

For and on behalf of the Board of Directors

Chairman
DIN: 00193015

Place: Kolkata
Date: 30th June, 2021

D. K. CHHAJER & CO.
CHARTERED ACCOUNTANTS
11, R.N. Mukherjee Road

Srei Infrastructure Finance Ltd.
Kolkata

D. K. CHHAJER & CO.

CHARTERED ACCOUNTANTS

NILHAT HOUSE
11, R. N. MUKHERJEE ROAD
GROUND FL., KOLKATA - 700 001
PHONES : 033 - 2262 7280 / 2262 7279
TELE - FAX : 033 2230 - 6106
E-mail : dkchhajer@gmail.com
kolkata@dkcindia.com

Independent Auditor's Report on the Audit of Annual Consolidated Financial Results

To the Board of Directors of Srei Infrastructure Finance Limited

Opinion

We have audited the accompanying annual consolidated financial results of **Srei Infrastructure Finance Limited** ("hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and trust for the quarter and year ended 31 March, 2021 ("the Statement"), attached, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements and other financial information of the subsidiaries, associate and trust, the aforesaid Statement:

i. includes the annual financial results of the following entities:

S.No.	Name of the Entities	Relationship
1.	Srei Equipment Finance Limited ("SEFL")	Wholly owned Subsidiary
2.	Srei Capital Markets Limited	Wholly owned Subsidiary
3.	Srei Asset Leasing Limited (Formerly Srei Finance Limited)	Wholly owned Subsidiary
4.	Controlla Electrotech Private Limited	Wholly owned Subsidiary
5.	Srei Mutual Fund Asset Management Private Limited	Wholly owned Subsidiary
6.	Srei Mutual Fund Trust Private Limited	Wholly owned Subsidiary
7.	Srei Insurance Broking Private Limited	Wholly owned Subsidiary
8.	Bengal Srei Infrastructure Development Limited	Subsidiary
9.	Trinity Alternative Investment Managers Limited (Formerly Srei Alternative Investment Managers Limited)	Subsidiary
10.	Hyderabad Information Technology Venture Enterprises Limited	Step-down Subsidiary
11.	Cyberabad Trustee Company Private Limited	Step-down Subsidiary
12.	Srei Mutual Fund Trust	Trust
13.	IIS International Infrastructure; Services GmbH, Germany*	Associate

* Liquidated w.e.f. 29 July, 2020

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

(iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss, total comprehensive income and other financial information of the Group, its associate and trust for the quarter and year ended 31 March, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Statement section of our report. We are independent of the Group, its associate and trust in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 7 of the Statement which indicates the factors that have resulted into net loss and liquidity mismatch during the year ended March 31, 2021. As a result, the Group's net worth has eroded as at that date and has not been able to comply with various regulatory ratios/limits. All this may have an impact on the Group's ability to continue its operations in normal course in future and to meet its financial commitments as and when due. As stated in the said note, the Group's ability to meet its financial commitments is dependent on the final outcome of the Scheme of Arrangement ("Schemes"), which are pending before Hon'ble NCLT/NCLAT. The Group is also exploring the infusion of equity capital from prospective investors from whom it has received expression of interest/ term sheets. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Group's ability to continue as "going concern" in foreseeable future. However, for the reasons stated in the said note, the Group has considered it appropriate to prepare the Statement on a going concern basis.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to the following matters in the notes to the Statement:

1. Note No. 2 to the Statement, which explains the extent to which COVID-19 Pandemic has impacted the operations of the Group, owing to which and based on the information available at this point of time, as stated in the note, SEFL has made ECL provision aggregating to Rs. 4685 crore for year ended March 31, 2021. The extent to which the pandemic may further impact the operations of the financial results of the Group is dependent on future developments, which are highly uncertain at this point of time.
   The note further explains that SEFL has, with reference to specific directions from RBI, as a prudent measure and out of abundant caution, accounted for impairment reserve under Income Recognition, Asset Classification and Provisioning (IRACP) Norms amounting to Rs. 4475 crore which is over and above ECL provision of Rs. 6240 crore.

2. Note No. 3 to the Statement which explains that during the financial year 2019-20, the Parent Company and its wholly owned subsidiary, SEFL has accounted for the slump exchange

CHARTERED ACCOUNTANTS
11, R.N. Mukherjee Road

transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with effect from October 1, 2019 after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. On the date of giving effect to BTA, the consent or otherwise, of other lenders was awaited. The note also explains that SEFL has filed Schemes under Section 230 of the Act with the Hon'ble National Company Law Tribunal (NCLT). Pending final decision on the matters covered in the Schemes, as stated in Note No 4 to the Statement, and based on a legal opinion , the Company has maintained status quo for BTA.

3. Note No. 4 to the Statement which explains that SEFL filed the Schemes under Section 230 of the Act with the Hon'ble NCLT and the final decision on the matters covered in the Schemes is pending as on date and hence, no impact/adjustment has been considered in the books of account. Necessary adjustments, if any, will be done as and when the matter is finally decided by Hon'ble NCLT/NCLAT.

4. Note No. 5 to the Statement explains that SEFL has, considering the interim orders of the Hon'ble NCLT and based on a legal opinion, not considered non-payment to Creditors as an event of default and SEFL's borrowings have been reflected in the accounts as per contractual terms and no impact/adjustment has been considered in the books of account. Necessary adjustments, if any, will be done as and when the matter is finally decided by Hon'ble NCLT/NCLAT.

5. Note No. 6 to the Statement, which explains the reasons owing to which SEFL was not able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to Rs. 230 crores as at March 31, 2021. The material impact of such non-compliance, if any, on the Statement is unascertainable.

6. Note No. 8 to the Statement, explains that the Parent Company and SEFL, as per specific directions from Reserve Bank of India (RBI) in relation to certain parties referred to as ' probable connected parties/related parties', based on the assessment, re-evaluation and legal opinion obtained, has concluded that such parties do not fall in the definition of 'related parties' as defined under the Companies Act, 2013 or the Indian Accounting Standards-24 and has disclosed the total exposure (net of impairment) with such parties in the said note. The note also explains that, in view of the RBI directions, in line with arm's length principles, the Parent Company and SEFL is in the process of re-assessing & re-negotiating terms and conditions with such borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project. Necessary disclosures/ adjustments, if any, will be done upon completion of the re-assessment of and the re-negotiations with the respective borrowers.

   Considering the fact that identification of related parties (or connected parties) and ensuring arm's length principle for related party (or connected party) transactions is a subject matter of judgement and interpretation and further considering the complexities and legal aspects involved in the matter, we have solely relied on the assessment and re-evaluation carried out, the legal opinions obtained and the disclosures made by the Parent Company and SEFL as per the aforesaid note. Any further comment/s in the matter will depend upon completion of re-assessment and re-negotiation as stated above.

Our opinion is not modified in respect of these matters.

D. K. CHHAJER & CO.
CHARTERED ACCOUNTANTS
11, R.N. Mukherjee Road

Management's Responsibilities for the Consolidated Financial Results:

This Statement has been prepared on the basis of the annual consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the consolidated net loss, total comprehensive income and other financial information of the Group including its associate and trust in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate and the trustees of the trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act / other relevant regulations applicable for safeguarding of the assets of the Group and its associate and trustand for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate and trustees of the trust are responsible for assessing the ability of the Group and its associate and trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and trustees of the trust respectively are responsible for overseeing the financial reporting process of the companies and of its associate and trust.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial reporting in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Parent Company.

- Conclude on the appropriateness of the Board of Directors' and Trustees respectively use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and trust to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial results / financial information of the entities within the Group and its associate and trust to express an opinion on Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

C.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

Other Matters

i. The Statement includes the audited financial results of 11 subsidiaries whose financial statements reflect Group's share of total assets of Rs. 28,81,971 lakhs as at 31 March, 2021, Group's share of total revenues of Rs. 53,904 lakhs and Rs. 3,43,049 lakhs and Group's share of total net loss after tax of Rs. 3,38,169 lakhs and Rs. 7,13,889 lakhs for the quarter and year ended 31 March, 2021 respectively and net cash inflows amounting to Rs. 4371.78 lakhs for the year ended 31 March, 2021, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of the such auditors and the procedures performed by us are as stated in Auditor's Responsibilities section above.

ii. The Statement includes the unaudited financial statement of 01 trust whose financial results reflect Group's share of total assets of Rs. 1 lakhs as at 31 March, 2021, Group's share of total revenues of Rs. Nil and Rs. Nil and Group's share of total net profit after tax of Rs. Nil and Rs. Nil for the quarter and year ended 31 March, 2021 respectively and net cash inflows amounting to Rs. Nil for the year ended 31 March, 2021, as considered in the Statement. These unaudited financial statements have been furnished to us by the Board of Directors and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this trust is based solely on such unaudited financial statements / financial results. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial results are not material to the Group.

The financial statements of a foreign associate company of the Company had been prepared as per IFRS, generally followed in the country of incorporation of the foreign associate company. As explained by the Management, since there are no material differences between such financial statements as per IFRS and as per Ind AS, no adjustments have been considered necessary and it has been relied upon by us.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/ financial information certified by the Board of Directors.

iii. Attention is drawn to Note no. 16 to the Statement which states that the Statement includes the results for the quarter ended 31 March, 2021, being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

iv. The Consolidated financial results for the quarter and year ended 31 March, 2020 were audited by the then Statutory auditors of the Group who have expressed an unmodified opinion vide their report dated 28 July, 2020 and we have relied on the same.

Our opinion is not modified in respect of these matters.

For **D. K. Chhajer& Co.**
Chartered Accountants
FRN: 304138E

Niraj K Jhunjhunwala
Partner
Membership No: 057170
UDIN:21057170AAAADU9641

Place: Kolkata
Date: 30 June, 2021

SREI INFRASTRUCTURE FINANCE LIMITED

Regd Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046, Website: www.srei.com, Email for Investors: investor.relations@srei.com
(CIN): L29219WB1985PLC055352

AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

(Rs. in Lakhs)

	Particulars	Quarter ended			Year ended	
		31-Mar-21 (Audited)	31-Dec-20 (Unaudited)	31-Mar-20 (Audited)	31-Mar-21 (Audited)	31-Mar-20 (Audited)
	Revenue from Operations					
	Interest Income	58,049	44,377	107,489	285,318	386,823
	Dividend Income	-	-	-	-	91
	Rental Income	(2,665)	3,781	27,870	46,620	120,710
	Fees and Commission Income	1,650	1,223	1,959	6,186	11,823
	Net gain on fair value changes	-	-	13,716	-	37,108
	Net gain on derecognition of financial instruments	-	(1,500)	9,049	274	30,370
	Net gain on derecognition of financial instruments under fair value through profit or loss	(3)	5	-	4	18,049
	Others	(282)	(127)	10,140	4,680	12,726
(I)	**Total Revenue from Operations**	**56,749**	**47,759**	**170,223**	**343,082**	**617,700**
(II)	Other Income	2,619	888	(9,187)	5,672	(5,668)
(III)	**Total Income (I+II)**	**59,368**	**48,647**	**161,036**	**348,754**	**612,032**
	Expenses					
	Finance Costs	79,733	85,789	101,640	333,438	390,899
	Fees and Commission Expense	3,017	567	296	5,461	3,695
	Net loss on fair value changes	24,861	22,717	-	49,867	-
	Net loss on derecognition of financial instruments under amortised cost	811	1,113	4,860	3,635	18,818
	Impairment on Financial Instruments (Net)	257,895	283,266	27,539	551,312	41,224
	Purchases of Stock-in-trade	1,100	-	-	1,100	-
	Employee Benefits Expenses	3,665	3,633	4,157	14,290	19,613
	Depreciation, Amortisation and Impairment	18,597	20,515	18,455	73,456	78,502
	Administrative and Other Expenses	8,091	4,831	6,875	21,625	24,499
	Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt	730	9,285	9,178	12,451	21,833
(IV)	**Total Expenses (IV)**	**398,500**	**431,716**	**173,000**	**1,066,635**	**599,083**
(V)	**Profit before Exceptional Items & Tax (III-IV)**	**(339,132)**	**(383,069)**	**(11,964)**	**(717,881)**	**12,949**
(VI)	Adjustment on disposal / cessation of Subsidiaries and Associate	-	-	1,222	-	1,222
(VII)	**Profit/ (Loss) Before Tax (V+VI)**	**(339,132)**	**(383,069)**	**(10,742)**	**(717,881)**	**14,171**
(VIII)	**Tax Expense:**					
	(a) Current Tax	(64)	(4,731)	14,370	115	4,347
	(b) Income Tax in respect of earlier year	(54)	(4,333)	-	(4,387)	-
	(c) Deferred Tax	16,505	7,088	(18,183)	20,230	949
(IX)	**Profit/ (Loss) After Tax but before Loss of Associates (VII-VIII)**	**(355,519)**	**(381,093)**	**(6,929)**	**(733,839)**	**8,875**
(X)	Share of Profit/ (Loss) of Associates	-	-	-	-	-
(XI)	**Profit/ (Loss) After Tax (IX+X)**	**(355,519)**	**(381,093)**	**(6,929)**	**(733,839)**	**8,875**
(XII)	**Other Comprehensive Income**					
	Items that will not be reclassified to Profit or Loss					
	- Remeasurement Gains/ (Losses) on Defined Benefit Plan	(21)	30	(45)	48	2
	- Gains/ (Losses) on Equity Instruments through Other Comprehensive Income	13,664	1,784	(13,471)	17,558	(20,300)
	- Tax related to above	(2,649)	(380)	3,407	(3,495)	4,724
	Items that will be reclassified to Profit or Loss					
	- Effective portion of gains and losses on hedging instruments in a cash flow hedge	719	691	(625)	1,573	(945)
	- Gains on fair valuation of loans	(3,601)	(1,695)	6,398	(2,713)	3,871
	- Tax related to above	-	1,760	(2,018)	800	(1,023)
	Total Other Comprehensive Income (XII)	**8,112**	**2,190**	**(6,354)**	**13,771**	**(13,671)**
(XIII)	**Total Comprehensive Income for the period (XI+XII)**	**(347,407)**	**(378,903)**	**(13,283)**	**(720,068)**	**(4,796)**
	Profit/ (Loss) for the period attributable to:					
	-Owners of the parent	(355,440)	(381,258)	(6,928)	(733,920)	8,884
	-Non-controlling interest	(79)	165	(1)	81	(9)
	Other Comprehensive Income for the period attributable to:					
	-Owners of the parent	7,610	2,692	(6,354)	13,771	(13,671)
	-Non-controlling interest	502	(502)	-	-	-
	Total Comprehensive Income for the period attributable to:					
	-Owners of the parent	(347,830)	(378,566)	(13,282)	(720,149)	(4,787)
	-Non-controlling interest	423	(337)	(1)	81	(9)
	Paid-up Equity Share Capital (Par Value Rs. 10/- per Equity Share)	50,309	50,309	50,309	50,309	50,309
	Other Equity excluding Revaluation Reserves				(368,209)	351,929
	Earnings per Equity share (Basic and Diluted) (in Rs.) (*Not annualised) (Par Value Rs. 10/- per Equity Share)	***(70.67)**	***(75.75)**	***(1.38)**	**(145.87)**	**1.76**

BALANCE SHEET

(Rs. in Lakhs)

Particulars	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (Audited)
ASSETS		
1. Financial Assets		
(a) Cash and Cash Equivalents	43,511	38,889
(b) Bank Balance other than (a) above	100,818	133,150
(c) Derivative Financial Instruments	936	29,992
(d) Receivables		
(i) Trade Receivables	4,346	18,148
(ii) Other Receivables	-	-
(e) Loans	2,154,861	2,881,580
(f) Investments	164,250	130,722
(g) Other Financial Assets	92,376	93,470
	2,561,098	**3,325,951**
2. Non-Financial Assets		
(a) Inventories	-	-
(b) Current Tax Assets (Net)	18,690	20,896
(c) Deferred Tax Assets (Net)	332	23,261
(d) Investment Property	1,729	1,765
(e) Property, Plant and Equipment	265,294	366,466
(f) Rights-of-use - Assets	2,844	3,371
(g) Capital Work-in-Progress	-	233
(h) Goodwill on Consolidation	683	766
(i) Other Intangible Assets	1,177	452
(j) Other Non-Financial Assets	48,511	56,190
	339,260	**473,400**
TOTAL ASSETS	**2,900,358**	**3,799,351**

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

Srei Infrastructure Finance Ltd. Kolkata

Particulars	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (Audited)
		(Rs. in Lakhs)
LIABILITIES AND EQUITY		
LIABILITIES		
1. Financial Liabilities		
(a) Derivative Financial Instruments	1,151	4,146
(b) Payables		
(I) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	14	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	9,248	113,491
(c) Debt Securities	244,148	262,725
(d) Borrowings (Other than Debt Securities)	2,647,553	2,684,523
(e) Subordinated Liabilities	278,531	284,811
(f) Lease Liabilities	3,136	3,563
(g) Other Financial Liabilities	24,486	30,010
	3,208,267	**3,383,269**
2. Non-Financial Liabilities		
(a) Provisions	1,384	2,015
(b) Other Non-Financial Liabilities	8,522	11,825
	9,906	**13,840**
3. Equity		
(a) Equity Share Capital	50,309	50,309
(b) Other Equity	(368,209)	351,929
	(317,900)	**402,238**
Non-controlling Interests	85	4
TOTAL LIABILITIES AND EQUITY	**2,900,358**	**3,799,351**

STATEMENT OF CASH FLOWS

	Year ended 31-Mar-21 (Audited)	Year ended 31-Mar-20 (Audited)
		(Rs. in Lakhs)
A. Cash Flows from Operating Activities		
Profit Before Tax	(717,881)	14,171
Adjustments for :		
Net unrealised fair value (gain) / loss	63,689	(35,090)
Net (gain) / loss on derecognition of Property, Plant and Equipment	5,657	2,372
Interest on Income Tax Refund	(1,627)	(869)
Liabilities No Longer Required written back	(302)	8,136
Impairment on Financial Instruments (Net)	546,322	41,224
Depreciation, Amortisation and Impairment	73,456	78,502
Impairment on Goodwill	83	-
Net (gain) / loss on derecognition of Financial Instruments under amortised cost category	3,361	(11,552)
Impairment/Write-off on Assets acquired in satisfaction of debt	17,524	21,833
Operating profit before working capital changes	**(9,718)**	**118,727**
Changes in Working Capital		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	(22,229)	61,877
(Increase) / Decrease in Loans Assets	166,080	(102,699)
(Increase) / Decrease in Inventory	-	-
Increase / (Decrease) in Trade Payables and Others Liabilities	(113,726)	(84,812)
(Increase) / Decrease in Other Bank Balances	32,332	38,058
Cash generated / (used) in operations	**52,739**	**31,151**
Direct Taxes Paid (net of refund)	8,109	(11,356)
Net Cash (used in) / generated from Operating Activities	**60,848**	**19,795**
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment/ Capital Work-in-Progress/ Intangible Assets	(1,188)	(28,834)
Proceeds from Sale of Property, Plant and Equipment/Intangible assets	23,812	84,182
(Increase) / Decrease in Investments (Other than Subsidiaries)	(17,199)	66,488
Sale of Subsidiaries	182	-
Net Cash (used in) / generated from Investing Activities	**5,607**	**121,836**
C. Cash Flows from Financing Activities		
Proceeds from issuance of Debt securities (including subordinated debt securities)	-	248,544
Repayment on redemption of Debt securities (including subordinated debt securities)	(26,437)	(392,958)
(Repayment of) / Proceeds from Working Capital facilities (Net)	158,573	208,071
Proceeds from Other Borrowings	79,750	763,806
Repayment of Other Borrowings	(273,713)	(961,482)
Dividend Paid (including Corporate Dividend Tax)	(6)	(16)
Net Cash (used in) / generated from Financing Activities	**(61,833)**	**(134,035)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**4,622**	**7,596**
Cash & Cash Equivalents at the beginning of the year	**38,889**	**31,293**
Cash and Cash Equivalents at the end of the year	**43,511**	**38,889**

Net Cash (used in) / generated from Operating Activities includes:

	Year ended 31-Mar-21 (Unaudited)	Year ended 31-Mar-20 (Audited)
		(Rs. in Lakhs)
Interest Received	118,169	384,012
Interest Paid	261,213	400,834
Dividend Received	-	91

Components of Cash and Cash Equivalents:	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (Audited)
		(Rs. in Lakhs)
Cash and Cash Equivalents at the end of the year		
(a) Cash on hand	31	15
(b) Balances with Banks - in Current Account	43,442	38,772
(c) Fixed Deposits with original maturity period less than three months	38	102
	43,511	**38,889**

CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

Srei Infrastructure Finance Ltd. Kolkata

Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended	
	31-Mar-21 (Audited)	31-Dec-20 (Unaudited)	31-Mar-20 (Audited)	31-Mar-21 (Audited)	31-Mar-20 (Audited)
1. Segment Revenue					
(a) Financial Services	56,811	47,816	170,305	343,329	618,023
(b) Others	78	83	80	316	320
Total	**56,889**	**47,899**	**170,385**	**343,645**	**618,343**
Less: Inter Segment Revenue	140	140	162	563	643
Net Income from Operations	**56,749**	**47,759**	**170,223**	**343,082**	**617,700**
2. Segment Results					
(a) Financial Services	(339,105)	(383,055)	(10,726)	(717,806)	14,232
(b) Others	(27)	(14)	(16)	(75)	(61)
Profit Before Tax	**(339,132)**	**(383,069)**	**(10,742)**	**(717,881)**	**14,171**
3. Segment Assets					
(a) Financial Services	2,879,359	3,200,059	3,776,638	2,879,359	3,776,638
(b) Others	1,947	1,964	1,929	1,947	1,929
(c) Un-allocable	19,052	40,622	20,758	19,052	20,758
Total Segment Assets	**2,900,358**	**3,242,645**	**3,799,325**	**2,900,358**	**3,799,325**
4. Segment Liabilities					
(a) Financial Services	3,218,123	3,213,013	3,397,038	3,218,123	3,397,038
(b) Others	20	6	9	20	9
(c) Un-allocable	30	30	36	30	36
Total Segment Liabilities	**3,218,173**	**3,213,049**	**3,397,083**	**3,218,173**	**3,397,083**

Notes:

1. The above audited consolidated financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 30th June, 2021 and subjected to audit by the Statutory Auditors, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. **Impact of Covid-19 pandemic**

The outbreak of COVID-19 pandemic followed by lockdown extended from time to time across India caused significant adverse impact due to halt/slowdown in economic activities during major part of the year and even thereafter.

As a measure for revival of economic activities, Reserve Bank of India (RBI) issued guidelines relating to COVID-19 Regulatory Packages on March 27, 2020, April 17, 2020 and May 23, 2020 as well as resolution framework for Micro, Small and Medium Enterprises (MSME) sector and other eligible borrowers on August 6, 2020. However, NBFCs like Srei Equipment Finance Limited ('SEFL') were not included in the August 6, 2020 guidelines.

In accordance with these guidelines and on the basis of Board approved policy, SEFL offered repayment moratorium/resolution plan to eligible borrowers to whom loan have been granted (including cases of co-lending and loans assigned) (hereinafter referred to as 'borrowers') and to eligible customers to whom assets are given on lease (hereinafter referred to as 'lessees').

Owing to the COVID-19 pandemic (including the ongoing second wave) followed by lockdown extended from time to time, the collection of SEFL from the borrowers and the lessees were severely impacted during the year and which also adversely affected the cash flows of SEFL during the said period and has resulted in the liquidity mismatch. There is still huge uncertainty around Covid-19 pandemic and the extent to which the pandemic may further impact the Group's operational and financial results will depend on future developments, which are still unascertainable at this point in time.

Loan loss provisioning

Owing the adverse impact of Covid-19 pandemic and based on the information available at this point of time, as stated above, based on the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty due to pandemic, as a prudent measure and out of abundant caution, SEFL has made ECL provision aggregating to Rs.4,685 crore for year ended March 31, 2021.

Further, in terms of the specific directions from Reserve Bank of India (RBI), SEFL has also considered further provision amounting to Rs.4,475 crore, for the year ended March 31, 2021, under Income Recognition, Asset Classification and Provisioning Norms. Such provision is also over and above ECL provision as stated above. In terms of paragraph 2 (b) of Annex to the guidelines (DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI on Implementation of Indian Accounting Standards for Non-Banking Finance Companies and Asset Reconstruction Companies, such provision has been accounted as 'Impairment Reserve'.

In respect of borrowers/lessees, where the above provisions have been made, SEFL has adequate assets/collaterals held as securities and it is hopeful of making significant recovery in due course of time.

3. **Business Transfer Agreement**

During the year 2019-20, the Board of Directors of the Parent and its wholly-owned subsidiary, Srei Equipment Finance Limited ("SEFL") at their respective meetings held on July 4, 2019 had approved the transfer of Lending Business, Interest Earning Business & Lease Business of the Parent together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL through a Business Transfer Agreement (BTA), subject to all necessary approvals.

The Parent Company signed BTA on August 16, 2019 and an amendment to the aforesaid BTA on November 14, 2019 with SEFL and then pursuant to the same the Parent Company entered into various assignment agreements, in connection with the Transferred Undertaking, with SEFL to give effect of the slump exchange and accordingly the Parent Company and SEFL has passed the relevant accounting entries in their respective books of account effective October 1, 2019, after receiving the approval of the shareholders, debenture trustees, few lenders, stock exchanges and in-principle approval from some of the domestic lenders including lead banks. One of the debenture holders holding debentures amounting to Rs.75 crores had objected to the slump exchange. The consent, or otherwise, of other lenders is still awaited. Pending the approvals, as stated above, the Parent Company and SEFL has accounted BTA on October 1, 2019, as stated above. The Parent Company and SEFL obtained expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework. As stated in Note No. 4 (Scheme of Arrangement), pending final decision in the matter and further based on a legal opinion, the Parent Company and SEFL has maintained status quo for BTA.

4. **Scheme of Arrangement**

During the year, SEFL has filed applications under Sec. 230 of the Companies Act, 2013 ('the Act') before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT) proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). BTA, as stated in Note No. 3 (Business Transfer Agreement), constituted integral part of the Schemes.

The Hon'ble NCLT passed interim orders dated October 21, 2020, and December 30, 2020, stating inter alia that Creditors, as mentioned in the Schemes, shall maintain status quo till further orders with respect to their contractual terms dues claims and rights and that the said Creditors and all governmental and regulatory authorities are estopped from taking any coercive steps including reporting in any form and/or changing the account status of SEFL and the Parent Company from being a standard asset, which will prejudicially affect the implementation of the Schemes and render the same ineffective.

Hon'ble NCLT also directed that the meetings of Creditors to be convened in due course to decide on the Schemes. Pursuant to the said order, a meeting of a particular class of creditors (i.e. Creditors like banks/financial institutions as mentioned in Part III of one of the Scheme) was held and convened on December 16, 2020, wherein creditors constituting 86.26% (in value) of the total creditors (i.e. Creditors like banks/financial institutions as mentioned in Part III of one of the Scheme) had voted against the BTA.

In respect of the interim orders of Hon'ble NCLT, Hon'ble National Company Law Appellate Tribunal ('Hon'ble NCLAT') vide its order dated March 2, 2021 granted stay on a particular section of Hon'ble NCLT order which directed the Credit Rating Agencies against considering non-payment by SEFL and the Parent Company as default under the respective debt documents and also to maintain the rating(s) of SEFL and the Parent Company at least that of investment grade. Pursuant to the stay, the Credit Rating Agencies downgraded the rating of SEFL and the Parent Company to 'default' category. The Parent Company and SEFL contested the same as blatantly wrong, misleading and baseless and filed necessary intimation with Stock Exchanges.

Further, Hon'ble NCLAT vide its order dated March 31, 2021 further granted stay on another section of Hon'ble NCLT order which estopped all governmental or regulatory authorities from taking any coercive steps including reporting in any form and/or changing the account status of SEFL and the Parent Company.

The matters covered in the Schemes are pending for final decision before Hon'ble NCLT/NCLAT. Necessary impact/ adjustment, if any, arising in the above matter will be done as and when the matter is finally decided by Hon'ble NCLT/ NCLAT.

D. K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

Srei Infrastructure Finance Ltd. Kolkata

5. **Payment to lenders**

As stated in Note No. 2 (Impact of Covid-19 pandemic), while on one hand SEFL had to offer repayment moratorium/ resolution plan to its borrowers/lessees, on other hand SEFL was not allowed any relief from its lenders. This resulted in huge mismatch in its cash flows. SEFL, then filed Schemes of Arrangement with Hon'ble NCLT (refer Note No.4 - Scheme of Arrangement). The matters covered in the Scheme are pending for final decisions before Hon'ble NCLT/NCLAT.

In the meanwhile, SEFL has obtained legal opinion which states that till the time the above two interim orders dated October 21, 2020, and December 30, 2020 passed by Hon'ble NCLT continues to operate wherein all its secured and unsecured lenders (Creditors) are required to maintain status quo, the covenants/terms of the respective borrowing facilities availed by SEFL cannot trigger an event of default. Considering the Hon'ble NCLT order for status quo and based on legal opinion, non-payment to financial creditors are not considered as an event of default and SEFL borrowings have been reflected in the consolidated books of accounts as per contractual terms.

Necessary impact/adjustments, if any, arising in the above matter will be done as and when the matter is finally decided by Hon'ble NCLT/NCLAT.

6. **Unhedged Foreign Currency Exposure**

As per the requirements of RBI notification RBI/FED/2018-19/67 FED Master Direction No.5/2018-19 dated March 26, 2019, entities raising External Commercial Borrowings ('ECB') are required to mandatorily hedge 70 per cent of their ECB exposure in case the average maturity of ECB is less than 5 years, which SEFL complied on an ongoing basis till nine months ended 31st December 2020. However, as at 31st March, 2021, SEFL was not able to meet the requirements of the aforesaid RBI notification as domestic lenders of SEFL have stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by SEFL were being approved/released based on the TRA mechanism. This resulted in a lot of operational challenges including non-approval or delayed approval of various expenditure being incurred by SEFL. Hence, SEFL was not able to make payment of the hedging premium/cost to the concerned banks for keeping the ECB exposures hedged, as aforesaid. Therefore, the concerned banks have unilaterally unwound the currency risk hedges. This has resulted in ECB exposures amounting to Rs. 230 crores being not hedged, in terms of the aforesaid RBI notification, as at 31st March, 2021.

7. **Going Concern**

Owing to the impact of Covid-19 pandemic, as explained in Note No. 2 (Impact of Covid-19 pandemic), the Group has reported net loss after tax of Rs.3,555 crores for the quarter ended March 31, 2021 and Rs.7,338 crores for the year ended March 31, 2021 and due to which the net worth of the Group has eroded.

The Group's ability to meet its financial commitments is dependent on the final outcome of the Schemes pending before Hon'ble NCLT/NCLAT (refer Note No. 4 - Scheme of Arrangement)). The Group is also in active discussions with its Creditors for the Schemes and is hopeful for viable resolution of the matter.

Considering the underlying strength of its business and future business outlook and with time bound recovery of its due from borrowers/lessees and monetization of assets/securities, the Group is very hopeful of significant improvement in its cash flows in due course of time.

The Group is also exploring the infusion of equity capital and has received expressions of interest from certain potential investors with some of whom, non-disclosure agreements have also been signed.

In view of all of the above, the Group is of the opinion that it would be able to manage its business operations as usual in future and would be able to meet its financial commitments in due course of time. Hence, in the opinion of the Board of the Parent Company, the going concern assumption of the Group is appropriate and the financial results/statements have been prepared accordingly.

8. **Probable Connected / Related Companies**

The Reserve Bank of India (RBI) in its inspection report and risk assessment report for the year ended March 31, 2020 has identified 'certain parties' as probable connected/ related companies.

RBI has directed the Parent Company and SEFL to reassess and factor the impact of certain parties during the finalisation of balance sheet for FY 2020-21 and to ensure that relevant accounting treatment and appropriate disclosures is done in Annual Accounts of March 31, 2021.

In view of the observations and directions of RBI as stated in the inspection report and risk assessment report (the directions), the Parent Companny and SEFL has been advised to reassess and re-evaluate the relationship with the said parties to assess whether they are related parties to the Parent Company or to SEFL and also whether these are on arm's length basis.

In view of the directions, the Parent Company and SEFL has taken legal view to determine whether such parties are related parties to the Parent Company or SEFL. Based on the legal view, the Parent Company and SEFL is advised and has therefore come to conclusion that the Parent Company or SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013, Ind AS 24) over such parties and are not under common control and accordingly, are not a related party of the Parent Company or SEFL.

The total exposure (net of impairment) of SEFL towards such borrowers is Rs.8,576 crores as on March 31, 2021.

Further, in view of the directions, in line with arm's length principles, SEFL is in the process of re-assessing & re-negotiating terms and conditions with the aforesaid borrowers and all other borrowers, who have been granted loans with moratorium period and at interest rate which is linked with the cash flows of the project while ensuring that the overall yield is maintained. Necessary disclosures/adjustments, if any, will be done upon completion of the re-assessment of and the re-negotiations with the respective borrowers.

9. Disclosures as required by RBI circular dated April 17, 2020 'COVID-19 Regulatory Package- Asset Classification and Provisioning' in respect of SEFL is given below:

(Rs. In Crores)

Particulars	**As at 31-Mar-21**
i. Amounts in SMA/overdue categories where moratorium/deferment was extended *	18,331
ii. Respective amount where asset classification benefit is extended **	Nil
iii. Provisions made in terms of paragraph 5 of the above circular	Nil
iv. Provisions adjusted against the respective accounting periods for slippages and residual provisions in terms of paragraph 6 of the above circular	Nil

*Outstanding as on March 31, 2021 on account of all cases where moratorium benefits is extended by the Company up to August 31, 2020.

** There are nil accounts as on March 31, 2021, where this asset classification benefit is extended for cases which were entitled to a moratorium until August, 31 2020, as the asset classification is based on the actual performance of the account post moratorium period is over.

*** The company had made adequate provision for Impairment loss under ECL model for the year ended March 31, 2021.

10. Disclosures on MSME – Restructuring of Advances (RBI/2018-19/10 DBR.No.BP.BC.18/ 21.04.048/2018-19) dated 01.01.2019 and subsequent amendment thereto dated 11.02.2020 as required by RBI guidelines on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances in respect of SEFL:

(Rs. In Crores)

No of accounts restructured	**Amount outstanding As at March 31, 2021**
1	1

11. Disclosures as required by RBI circular dated August 6, 2020 'Resolution Framework for COVID 19- related Stress' in respect of SEFL are as below:

(Rs. In Crores)

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	2	326	200	-	31
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	2	326	200	-	31

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Srei Infrastructure Finance Ltd. Kolkata

K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road

12. The Honourable Supreme Court of India (Hon'ble SC), in a public interest litigation (Gajendra Sharma Vs. Union of India & Anr.) vide an interim order dated September 3, 2020 ("Interim Order"), had directed banks and NBFC's that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders.

Basis the said interim order, until December 31, 2020, SEFL did not classify any additional borrower account as NPA as per the Reserve Bank of India or other regulatory prescribed norms after August 31, 2020 which were not NPA as of August 31, 2020, However during such period SEFL has classified those accounts as stage 3 and provision has been made accordingly as per the ECL policy.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of small scale industrial manufacturers Association vs UOI & Ors and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR STR REC 4/21.04.048/2021-22 dated April 7, 2021 issued in this connection, SEFL was already classifying the NPA accounts as stage 3 and provision was made accordingly, without considering the above mentioned asset classification benefit for accounting purpose, there is no change in asset classification on account of the interim order dated March 23, 2021.

13. In accordance with the instructions in the aforementioned RBI circular dated April 07, 2021, SEFL has put in place a Board approved policy to refund/ adjust the interest on interest charged during the moratorium period of March 01, 2020 to August 31, 2020 to the eligible borrowers under the abovementioned circular and advisory. SEFL has estimated the benefit to be extended to the eligible borrowers and credited the Borrower's account by Rs.15 crores towards the estimated interest relief and reduced the same from the interest income.

14. Considering the significant impact of COVID-19 on business activity, the Parent Company had approached Non-convertible Perpetual Bond holders for waiver of interest for F.Y. 2020-21. The Parent Company has received their consent. Accordingly, the Parent Company has not accrued interest on such bonds for year ended 31st March, 2021 totalling to Rs.3,294 lakhs.

15. The figures for the quarter ended 31st March, 2021 and 31st March, 2020 are balancing figures between the audited figures of the full financial year and the reviewed year-to-date figures upto the third quarter of the respective financial years.

16. Figures pertaining to the previous period have been rearranged/ regrouped, wherever considered necessary, to make them comparable with those of the current period.

For and on behalf of the Board of Directors

Chairman
DIN: 00193015

Place: Kolkata
Date: 30th June, 2021

Srei Infrastructure Finance Ltd. Kolkata

D.K. CHHAJER & CO. CHARTERED ACCOUNTANTS 11, R.N. Mukherjee Road