



SIFL/SECT/FA/23-24/28

May 16, 2023

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

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

Dear Sirs,

**Sub: Intimation of Outcome pursuant to Regulation 33, 52 and 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015**

As intimated earlier to the Exchanges, the Reserve Bank of India ("RBI") has superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL) and Srei Equipment Finance Limited (SEFL) (a wholly owned subsidiary of Srei Infrastructure Finance Limited) (collectively "**Companies**") on 4th October, 2021 and appointed Mr. Rajneesh Sharma as the Administrator of the Companies in terms of Section 45-IE of the Reserve Bank of India Act, 1934 ("RBI Act") and accordingly the powers of the Board are vested in the Administrator. The RBI, in exercise of powers conferred under section 45-IE S(a) of the RBI Act, had constituted a three member Advisory Committee to assist the Administrator of the Company in discharge of his duties. Further, pursuant to orders dated October 08, 2021 of the National Company Law Tribunal, Kolkata Bench ("**NCLT**"), Corporate Insolvency Resolution Process ("**CIRP**") has been initiated against the Companies as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("**Code**").

Pursuant to the above, we wish to inform you that the Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held today i.e. on 16th May, 2023, which commenced at 6:00 P.M. and concluded at 10:00 P.M., have inter-alia, considered and taken on record the following:

- i. Audited Standalone and Consolidated Financial Results of the Company for the Financial Year ended on 31st March, 2023; and
- ii. Audit Report with a "Basis for Disclaimer of opinion" on the Audited Standalone and Consolidated Financial Results provided by D. K. Chhajer & Co, Chartered Accountants, Statutory Auditors of the Company pursuant to Regulation 33(3) of SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Statement of Impact of audit qualifications along with the report issued by the Statutory Auditors in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed herewith for your records.

**Srei Infrastructure Finance Limited**

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma' 88C, Topsia Road (South), Kolkata - 700 046

Tel: +91 33 2285 0112-15, 6160 7734 Fax: +91 33 2285 8501/7542

Email: corporate@srei.com Website: www.srei.com

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



A copy of the Audited Standalone and Consolidated Financial Results of the Company for the Financial Year ended on 31st March, 2023 is enclosed for your information.

We are also arranging to upload the aforesaid Financial Results on the Company's website [www.srei.com](http://www.srei.com) and publish the Consolidated Financial Results in the newspapers in the format prescribed under Regulation 47 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the details as per Regulation 54(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are marked as 'Annexure 2' in the enclosed Financial Results.

This is for your information and record.

Thanking you.

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

**Manoj Kumar**  
Company Secretary and Chief Financial Officer  
FCS 6698

Encl. as above

## **Srei Infrastructure Finance Limited**

CIN: L29219WB1985PLC055352

Registered Office : 'Vishwakarma' 86C, Topsia Road (South), Kolkata - 700 046

Tel: +91 33 2285 0112-15, 6160 7734 Fax: +91 33 2285 8501/7542

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

Independent Auditors' Report on the quarterly and year to date Audited Standalone Financial Results of Srei Infrastructure Finance Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Administrator of Srei Infrastructure Finance Limited

**Report on the Audit of the Standalone Financial Results**

**1. Disclaimer of Opinion**

We were engaged to audit the accompanying quarterly and year to date standalone financial results of **Srei Infrastructure Finance Limited** ("the Company" or "SIFL") for the year ended March 31, 2023 ("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").

We do not express an opinion on the accompanying Statement. Because of the significance of the matters described in "Basis for Disclaimer of Opinion" section of this report and the uncertainties involved, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion as to whether the 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 recognition and measurement principles laid down in 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 net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2023.

We had issued a Disclaimer of Opinion basis the observations forming part of the report for the year ended March 31, 2022 and Disclaimer of Conclusion for the quarters ended June 30, 2022, September 30, 2022 and December 31, 2022.

**2. Basis for Disclaimer of Opinion**

- a) Note No. 2 to the Statement explains that since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions prior to his appointment and regarding the information pertaining to the period prior to October 4, 2021 he has relied upon the explanations, clarifications, certifications, representations and statements made by the Company management team ("the existing officials of the Company"), who were also part of the Company prior to the appointment of the Administrator. Further, Note No. 2 to the Statement explains that the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Insolvency and Bankruptcy Code (IBC), 2016 ("the Code"). The transaction audit has been completed and necessary impact of the same have been incorporated in the financial results of the Company's subsidiary, Srei Equipment Finance Limited (SEFL). However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any in the financial results of the Company. The note explains that the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company and assets/collateral held as securities as required under the provisions of the Code. The valuation reports of the same have been submitted to the Consolidated CoC members and the



same have not been made available to us on grounds of confidentiality. Accordingly, we are unable to comment on the impact of the same on the Statement.

- (b) Note No. 3 to the Statement which explains that during the financial year 2019-20, the Company accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with SEFL, with effect from October 1, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of 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. The Note further explains that during the financial year 2020-2021, the Company had filed two separate applications under Section 230 of the Companies Act, 2013 ('the Act') before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Scheme were pending before Hon'ble NCLT/NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. Both the schemes of arrangement were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in this matter which has been allowed by the Tribunal vide order dated February 11, 2022.

As stated in the said note, the Company is in the process of consolidated resolution of SIFL and SEFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of Corporate Insolvency Resolution Process ('CIRP'), has been maintained. In view of the uncertainties that exist in the matter of BTA, we are unable to comment on the accounting of BTA, as aforesaid, done by the Company and accordingly on the impact of the same, if any, on the Statement.

- (c) Note No. 5 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8, 2021. As per the said Note, admission of claims of the financial/ operational/ other creditors received by the Administrator is completed and the effect of the same has been given in the books of account. However, the figures of the claims admitted in the books of account might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/ operational/ other creditors. Hence, adjustments, if any, arising out of such additional information, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Statement.
- (d) Note No. 6 (i) to the Statement which explains Trinity Alternative Investments Managers Limited (Trinity) has not provided NAV as on March 31, 2023 of two funds managed by them in which the Company has invested. The Company has valued its investments in these funds at Rs. 3900 lakhs which is the NAV that existed as on September 30, 2022. In the absence of NAV of the funds as on March 31, 2023, we are unable to comment on the impact of such valuation on the Statement.

Note No. 6 (iii) to the Statement which explains the valuation of investment in the equity shares of India Power Corporation Limited (IPCL) and units in Infra Construction Fund (ICF) where ICF has made investments in equity shares of IPCL. Since the allotment of these equity shares of IPCL is pending due to non-compliance of SEBI Regulations by IPCL, the consequent change in fair value, if any, is not ascertainable at this stage. Accordingly, we are unable to comment on the impact on valuation of such investment on the Statement.

- (e) Note No. 7 (a) (ii) and Note No. 7 (b) (ii) to the Statement which states that pursuant to its admission under the CIRP, the Company has not provided for Rs. 642 lakhs and Rs. 825 lakhs for the quarter and Rs. 2,574 lakhs and Rs. 3300 lakhs for the year ended March 31, 2023 in respect of its obligations for interest on Inter Corporate Deposit and interest on non-convertible perpetual bond respectively since the insolvency commencement date i.e., October 8, 2021. Had the Company provided its obligation for interest, as aforesaid, the loss before tax for the quarter ended March 31, 2023 would have



increased by Rs. 1,467 lakhs and loss before tax for year ended March 31, 2023 would have increased by Rs. 5,874 lakhs.

- f) Note No. 8 to the Statement which explains the reasons owing to which the Company is not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated, in the said note, the Company has written to MCA seeking exemption from the obligations of the Company under provisions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.
- (g) Note No. 10 to the Statement which explains that the Company, as per the specific directions from Reserve Bank of India (RBI) in relation to certain borrowers referred to as 'probable connected parties/related parties', was advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to SEFL and also whether these were in line with arm's length principles. The erstwhile management obtained legal and accounting views on the matter which stated that the said transactions were not related party transactions. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's directions since these pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator got conducted transaction audit/review relating to the process and compliance of the Company and had also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. Out of Accounts referred by the RBI in the directions, the Administrator has received account wise transaction audit reports, which has identified some of the transactions as fraudulent in nature under section 66 of the Code, including undervalued transactions. In respect of such accounts, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till May 05, 2023 for adjudication. Further, the Note also states that the entire loan portfolio was transferred by SIFL to SEFL under BTA and the afore-mentioned transactions are appearing in the books of SEFL as on date. The transaction audit has been completed and the necessary impact of the same has been incorporated by SEFL in their financial results. However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any in the financial results of the Company.
- (h) Note No. 11 to the Statement which explains the reasons owing to which the Company is not able to comply with the requirements of Section 125 of the Act in relation to transfer of certain amounts lying unpaid for 7 years to Investor Education and Protection Fund ('IEPF'). As stated, in the said note, the Company has written to IEPF authorities and requested guidance in the matter. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance on the Statement.
- (i) Note No. 12 to the Statement which explains the reasons owing to which the Company is not able to comply with the requirements of Section 124 of the Act in relation to transfer of shares, due for transfer to the IEPF. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.
- (j) The Company has not filed the Annual Return- GSTR 9C for the financial years 2020-21 and 2021-22. The GST liabilities arising thereon including the amount of interest and penalty on the above is not ascertainable and accordingly, we are unable to comment on the impact of the same on the Statement.
- (k) We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee, Joint Lenders and transaction audit reports are confidential in nature and has not been shared with us. Accordingly, we are unable to comment on the possible financial effects on the Statement, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.



- (l) In view of the possible effects of the matters described in paragraph 2(a) to 2(k) above, we are also unable to comment on the Company's compliance on various regulatory ratios/limits and consequential implications including disclosures, if any.
- (m) In view of the possible effects of the matters described in paragraph 2(a) to 2(l) above, we are also unable to comment on the ratios disclosed by the Company in Annexure 1 to the Statement.

### 3. Material Uncertainty Related to Going Concern

We draw attention to Note No. 9 to the Statement which states that the Company has been admitted to CIRP and that the Company has reported net loss during the year ended March 31, 2023 and earlier year / periods as well. As a result, the Company's net worth has eroded and it has not been able to comply with various regulatory ratios/limits etc. All these have impacted the Company's ability to continue its operations in normal course in future. 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 Company's ability to continue as a 'going concern' in the foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Statement on a going concern basis.

### 4. Emphasis of Matter

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

- a) Note No. 4 to the Statement which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and its subsidiary, SEFL, the Administrator, after adopting proper procedure, has filed applications before the Hon'ble NCLT, Kolkata Bench, seeking, amongst other things, consolidation of the corporate insolvency processes of the Company and SEFL. The application in this matter was admitted and the final order received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The approved resolution plan of NARCL was filed before Adjudicating Authority on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.
- b) Note No. 7 (a) (i) to the Statement which explains that considering the restrictions imposed by the lenders on the related party payments, the Company had received consent for waiver of interest on Inter Corporate Deposit taken by SIFL from SEFL. Accordingly, the Company has not accounted for interest of Rs. 2,686 lakhs for the year ended March 31, 2022.

Note no. 7 (b) (i) to the Statement which explains that the Company had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, the Company has not accrued interest of Rs. 3,300 lakhs for the year ended March 31, 2022.

- c) Note No. 13 to the Statement which explains that the Company during the quarter and year ended March 31, 2022 on behalf of SEFL, had invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL') which were pledged as security against the loan availed by one of the borrowers of SEFL. As on March 31, 2023, these shares appear in the demat statement of the Company, whereas the borrower was transferred to SEFL pursuant to BTA. Further, the entire shares have been sold on April 11, 2023 and the same has been transferred to the demat account of purchaser on April 26, 2023. SEFL never had any intention to exercise any control/significant influence over STPL in terms of Ind AS 110 / Ind AS 28. SEFL has taken an expert opinion, which confirms that since SEFL is not exercising any



significant influence/control over STPL, hence, STPL is not a subsidiary/associate in terms of Ind AS 110/ Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.

- d) Note No. 14 to the Statement which explains that SEBI vide its Adjudication Order No. Order/DS/DK/2022-23 /20903- 20964 dated October 31, 2022 ('Order'), in the matter of Religare Enterprises Limited had imposed a penalty of Rs. 35 lakhs on the Company payable within 45 days from the date of receipt of the Order. However, vide its Corrigendum to Order dated November 30, 2022, SEBI has clarified that the said period of 45 days shall not be applicable in respect of the Company due to the CIRP proceedings pending against it. The said penalty is payable subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Dewan Housing Finance Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020). Hence, no provision has been made in the books of account.
- e) Note No. 15 to the Statement which states that based on the information available in the public domain, forensic audit was conducted on the Company and few lenders have declared the bank account of the Company as fraud. However, in case of one of the lenders, on the basis of petition filed by the ex-promoters before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated April 22, 2022, restraining the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the bank account as fraud. The interim order dated April 22, 2022 continued till the next date of hearing i.e., May 15, 2023. However, further update is not available on public domain as on date.
- f) Note No. 16 to the Statement which states that the Enforcement Directorate (ED) on January 31, 2023 conducted simultaneous investigations on office premises of the Company and SEFL. The outcome of the same is pending.
- g) Note No. 17 to the Statement which states that the Ministry of Corporate Affairs (MCA) vide its letter dated April 18, 2023 has initiated inspection in to the affairs of the Company under Section 206(5) of the Act and the same is in progress.

## 5. Administrator's Responsibilities for the Standalone Financial Results

The Reserve Bank of India ('RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45-1E (5) (a) of the RBI Act, has constituted a three-member Committee of Advisors for advising the Administrator.

The RBI had also filed application for initiation of Corporate Insolvency Resolution Process (CIRP) against the Company under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Code read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench Hon'ble NCLT', Hon'ble NCLT vide its order dated October 8, 2021 admitted the application filed by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of the Company shall vest in the Administrator. Further, RBI has also retained the three-member Committee of Advisors, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

We refer to Note No. 2 to the Statement which states that the Statement has been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI and subsequently by the Hon'ble NCLT vide its order dated October 8, 2021. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of the Company, who were also part of the Company prior to the appointment of the Administrator.



The Statement has been prepared on the basis of the annual financial statements. The Administrator and the existing officials of the Company are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in 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 is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Administrator and the existing officials of the Company 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 Administrator either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Administrator and the existing officials of the Company are also responsible for overseeing the Company's financial reporting process.

#### **6. Auditor's Responsibilities for the Audit of the Standalone Financial Results**

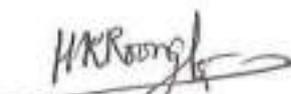
Our responsibility is to conduct an audit of the Statement in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the Statement.

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 Statement, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

#### **7. Other Matter**

The Statement includes the results for the quarter ended March 31, 2023, being the balancing figures between the audited figures in respect of full financial year and published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



**Manoj K Roongta**  
Partner  
Membership No.: 057761

UDIN: 23051761867DZC3063  
Place: Kolkata  
Date: May 16, 2023



**SREI INFRASTRUCTURE FINANCE LIMITED**

Head Office: 'A' Wing, Topsta Road (South), Kolkata - 700 046, West Bengal, India. Email: [info@sreiinfra.com](mailto:info@sreiinfra.com)  
CIN: U26209WB1965PLC155152

**AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2023**

₹ in Lakhs

Particulars	Quarter ended			Year ended	
	31-Mar-23 (Audited)	31-Dec-22 (Unaudited)	31-Mar-22 (Audited)	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>Revenue from Operations</b>					
Interest Income	46	16	5	139	14
Dividend Income	-	-	-	100	-
Rental Income	105	104	94	403	395
Fees and Commission Income	355	211	609	1,390	2,361
<b>(I) Total Revenue from Operations</b>	<b>506</b>	<b>331</b>	<b>708</b>	<b>1,932</b>	<b>2,771</b>
(II) Other Income	207	1	13	211	459
<b>(III) Total Income (I+II)</b>	<b>713</b>	<b>332</b>	<b>721</b>	<b>2,143</b>	<b>3,230</b>
<b>Expenses</b>					
Finance Costs	18	-	-	19	158
Fees and Commission Expense	222	140	526	764	1,849
Impairment on Financial Instruments (Net)	13	7	141	194	457
Employee Benefits Expenses	50	71	71	276	484
Depreciation, Amortisation and Impairment	58	59	59	235	615
Administrative and Other Expenses	383	126	267	931	1,072
<b>(IV) Total Expenses (IV)</b>	<b>744</b>	<b>403</b>	<b>1,064</b>	<b>2,419</b>	<b>4,583</b>
(V) Profit / (Loss) Before Exceptional items and Tax (III-IV)	(31)	(71)	(343)	(276)	(1,353)
(VI) Profit / (Loss) Before Tax (V-VI)	(31)	(71)	(343)	(276)	(1,353)
(VII) Tax Expense:					
(a) Income Tax in respect of earlier year	5	-	(1,082)	5	(2,926)
(VIII) Profit / (Loss) after tax (VII-VIII)	(36)	(71)	739	(281)	(1,273)
<b>(IX) Other Comprehensive Income</b>					
Items that will not be reclassified to Profit or Loss					
- Remeasurement Gains/ (Losses) on Defined Benefit Plan	21	1	1	24	23
- Gains/ (Losses) on Equity Instruments through Other Comprehensive Income	(5,927)	1,188	(58,462)	15,602	(32,730)
- Tax related to above	-	-	-	-	-
<b>Total Other Comprehensive Income (XVI)</b>	<b>(5,906)</b>	<b>1,189</b>	<b>(58,461)</b>	<b>15,626</b>	<b>(32,707)</b>
<b>(X) Total Comprehensive Income for the period (XV+XVI)</b>	<b>(5,942)</b>	<b>1,118</b>	<b>(57,722)</b>	<b>15,345</b>	<b>(31,134)</b>
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				(62,376)	(77,721)
Earnings per Equity share (Basic and Diluted) (in Rs.) (*Not annualised) (Par Value Rs. 10/- per Equity Share)	<b>*0.01</b>	<b>*0.01</b>	<b>*0.15</b>	<b>*0.06</b>	<b>*0.31</b>

**For Srei Infrastructure Finance Limited**

(a Company under Corporate Insolvency Resolution Process by an order dated October 8, 2021 passed by Hon'ble NCLT, Kolkata)



**RAJNEESH SHARMA**

**ADMINISTRATOR APPOINTED UNDER IBC**

**Place: Kolkata**

**Date: May 16, 2023**

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

Address for Correspondence - Vishwakarma 86C, Topsta Road (South), Kolkata, West Bengal, 700046

Email ID for Correspondence - [sreiaadministrator@srei.com](mailto:sreiaadministrator@srei.com)

## BALANCE SHEET

(₹ in Lakhs)

Particulars	As at	
	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>ASSETS</b>		
<b>1. Financial Assets</b>		
(a) Cash and Cash Equivalents	3,719	1,100
(b) Bank Balance other than (a) above	265	253
(c) Trade Receivables	663	1,078
(d) Investments	44,048	28,446
(e) Other Financial Assets	144	566
	<b>48,839</b>	<b>31,443</b>
<b>2. Non-Financial Assets</b>		
(a) Current Tax Assets (Net)	5,352	7,990
(b) Deferred Tax Assets (Net)	-	-
(c) Property, Plant and Equipment	9,187	9,421
(d) Right-of-use Assets	1	1
(e) Intangible Assets	1	3
(f) Other Non-Financial Assets	45	157
	<b>14,566</b>	<b>17,542</b>
<b>TOTAL ASSETS</b>	<b>63,405</b>	<b>48,985</b>

(₹ in Lakhs)

Particulars	As at	
	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>1. Financial Liabilities</b>		
(a) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	40	35
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	641	1,100
(b) Borrowings (Other than Debt Securities)	35,671	25,723
(c) Subordinated Liabilities	33,000	33,000
(d) Lease Liabilities	2	2
(e) Other Financial Liabilities	16,044	16,377
	<b>75,398</b>	<b>76,237</b>
<b>2. Non-Financial Liabilities</b>		
(a) Provisions	6	12
(b) Deferred Tax Liabilities (Net)	-	-
(c) Other Non-Financial Liabilities	68	148
	<b>74</b>	<b>160</b>
<b>3. Equity</b>		
(a) Equity Share Capital	50,309	50,309
(b) Other Equity	(62,375)	(77,221)
	<b>(12,067)</b>	<b>(27,412)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>63,405</b>	<b>48,985</b>



## For Srei Infrastructure Finance Limited

(a Company under Corporate Insolvency Resolution Process by an order dated October 8, 2021 passed by Hon'ble NCLT, Kolkata)

RAJNEESH SHARMA

ADMINISTRATOR APPOINTED UNDER IBC

Place: Kolkata

Date: May 16, 2023

The Administrator has been appointed under Rule 5(a)(ii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

Address for Correspondence - Vishwakarma 86C, Topsia Road (South), Kolkata, West Bengal, 700046

Email ID for Correspondence - sreadministrator@srei.com

## STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	Year ended	
	31-Mar-23	31-Mar-22
	(Audited)	(Audited)
<b>A. Cash Flows from Operating Activities</b>		
Profit Before Tax from continuing operations	(276)	(1,353)
Profit Before Tax from discontinued operations	-	-
<b>Total Profit/ (Loss) Before Tax</b>	<b>(276)</b>	<b>(1,353)</b>
Adjustments for :		
Interest on Income Tax Refund	(149)	(207)
Liabilities No Longer Required written back	(58)	(237)
Impairment on Financial Instruments (Net)	194	457
Foreign exchange (Gain)/ Loss	(2)	-
Depreciation, Amortisation and Impairment	235	613
<b>Operating profit before working capital changes</b>	<b>(56)</b>	<b>(727)</b>
<b>Changes in Working Capital</b>		
Adjustments for :		
(Increase) / Decrease in Trade Receivables and Others Assets	755	(715)
Increase / (Decrease) in Trade Payables and Others Liabilities	(790)	(1,266)
Increase / (Decrease) in Other Bank Balances	(12)	1,745
<b>Cash generated / (used) in operations</b>	<b>(103)</b>	<b>(963)</b>
Direct Taxes Paid (net of refund)	2,774	2,661
<b>Net Cash (used in) / generated from Operating Activities</b>	<b>2,671</b>	<b>1,698</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment, and Intangible Assets	-	(1)
(Increase) / Decrease in Investments (Other than Subsidiaries)	-	9
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>-</b>	<b>8</b>
<b>C. Cash Flows from Financing Activities</b>		
(Repayment of) / Proceeds from intercorporate deposit	(52)	(2,331)
Dividend Paid (including Corporate Dividend Tax)	-	(6)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(52)</b>	<b>(2,337)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>2,619</b>	<b>(631)</b>
Cash & Cash Equivalents at the beginning of the year	1,100	1,731
<b>Cash and Cash Equivalents at the end of the year</b>	<b>3,719</b>	<b>1,100</b>

Cash and Cash Equivalents at the end of the year comprises of:

(₹ in Lakhs)

Particulars	As at	
	31-Mar-23	31-Mar-22
	(Audited)	(Audited)
<b>Cash and Cash Equivalents at the end of the year</b>		
(a) Cash on hand	-	-
(b) Balances with Banks - in Current Account	106	599
(c) Fixed Deposits with original maturity period less than three months	3,613	501
	<b>3,719</b>	<b>1,100</b>






**Notes:**

**1. Supersession of Board of Directors and Implementation of Corporate Insolvency Resolution Process**

The Reserve Bank of India ('RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Srei Infrastructure Finance Limited ('the Company' or 'SIFL') and its wholly owned subsidiary, Srei Equipment Finance Ltd. ('SEFL') and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, the RBI in exercise of powers conferred under section 45-IE (5) (a) of the RBI Act, constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties. Thereafter, the RBI filed applications for initiation of Corporate Insolvency Resolution Process ('CIRP') against the Company under section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code') read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application made by the RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajnesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of the Company shall vest in the Administrator. Further, Hon'ble NCLT also retained the three-member Advisory Committee, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP. There have been changes in the composition of the Advisory Committee on June 22, 2022 and January 31, 2023. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated Committee of Creditors (CoC) took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by COC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA).

The approved resolution plan of NARCL was filed before Adjudicating Authority i.e., Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

2. The audited financial results of the Company for the quarter and year ended March 31, 2023 have been taken on record by the Administrator on May 16, 2023 while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI press release dated October 4, 2021 and subsequently, powers conferred upon him in accordance with Hon'ble NCLT order dated October 8, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company as a going concern.

Since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial results of the Company as they existed on October 4, 2021. Regarding information pertaining to period prior to October 4, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by the Company management team ('the existing officials of the Company'), who were also part of the Company prior to the appointment of the Administrator.

As a part of the CIRP, the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. The transaction audit has been completed and necessary impact of the same have been incorporated in these financial results of SEFL.

As part of the CIRP, the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company and assets/collateral held as securities as required under the provisions of the Code. The valuation reports of the same have been submitted to the Consolidated CoC members.

The above financial results for the quarter and year ended March 31, 2023 were subjected to audit by the Statutory Auditors, D.K. Chhajer & Co., Chartered Accountants of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

**3. Business Transfer Agreement and Scheme of Arrangement**

During the year 2019-20, the Company and its Subsidiary Company, Srei Equipment Finance Limited ('SEFL') entered into a Business Transfer Agreement ('BTA') to transfer the Lending Business, Interest Earning Business and Lease Business of the Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL pursuant to the BTA, subject to all necessary approvals. Accordingly, the Company and SEFL passed the relevant accounting entries in their respective books of account to reflect the slump exchange w.e.f. October 1, 2019 while allotment of shares by SEFL was made on December 31, 2019. The superseded Board of directors and erstwhile management of the Company, as existed prior to the appointment of the Administrator, had obtained external 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 Indian Accounting Standard (Ind AS) and the underlying guidance and framework.



During the year 2020-2021, SEFL had filed two (2) separate applications under Sec. 230 of Companies Act, 2013 (the Act) before the Hon'ble NCLT, Kolkata vide applications no. CA 1106/KB/2020 and CA 1492/KB/2020 proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). BTA constituted an integral part of the Schemes.

The first scheme (i.e. CA 1106/KB/2020) sought for amongst other things "formal consent to be obtained from the required majority of the creditors of SEFL to the completed acquisition by way of slump exchange of the Transferred Undertaking from SIFL in terms of the BTA and consequential formal novation of the loans and securities already forming part of SEFL's liabilities and outstanding to the creditor."

The second scheme (i.e. CA 1492/KB/2020) sought for amongst other things restructuring of the debt due to certain creditors of the Company and SEFL including secured debenture holders, unsecured debenture holders, perpetual debt instrument holders, secured ECB lenders and unsecured ECB lenders and individual debenture holders.

Pursuant to the directions of Hon'ble NCLT vide order dated October 21, 2020, the superseded Board of directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. The final order/s in connection with the Schemes was awaited from Hon'ble NCLT at that time.

Both the schemes of arrangement were rejected by the majority of the creditors during the meetings held pursuant to the Hon'ble NCLT's directions dated October 21, 2020 and December 30, 2020 respectively. Further, certain appeals were filed by rating agencies in the matter relating to the second scheme of arrangement (i.e. CA 1492/KB/2020). An application of withdrawal was filed by the Administrator in this matter in National Company Law Appellate Tribunal (NCLAT) which has been allowed by NCLAT by an order dated February 11, 2022. As stated in Note-4 below, the Company is in the process of consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes as stated above. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained.

#### 4. Consolidated Resolution under CIRP

In view of the in practicability for preparing the resolution plan on individual basis in the case of the Company and SEFL, the Administrator, after adopting proper procedure, had filed applications before the Hon'ble National Company Law Tribunal- Kolkata Bench (Hon'ble NCLT) in the insolvency resolution processes of SIFL and SEFL (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021) seeking the following prayers:

- Directing the consolidation of the corporate insolvency resolution processes of SIFL and SEFL;
- Directing formation of a Consolidated CoC for the consolidated corporate insolvency resolution processes of SIFL and SEFL;
- Directing and permitting the conduct of the corporate insolvency resolution processes of SIFL and SEFL in terms of the provisions of the Code in a consolidated manner including audit of transactions in relation to Section 43, Section 45, Section 50 and Section 66 of the Code, issuance of single request for submission of resolution plans by the Administrator and the submission and consideration of single resolution plan, for the consolidated resolution of SEFL and SIFL in terms of the provisions of the Code; and
- Directing and permitting the submission and approval of one consolidated resolution plan for the resolution of SEFL and SIFL in terms of the provisions of the Code.

The application in this matter was admitted and the final order received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The approved resolution plan of NARCL was filed before Adjudicating Authority on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority.

The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

#### 5. Payment to lenders/others and claims under CIRP

CIRP has been initiated against the Company, as stated in Note No. 1 and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8, 2021 (i.e. date of commencement of CIRP). As per the Code, the Administrator has to receive, collate and verify all the claims submitted by the creditors of the Company.

Admission of claims of the financial/ operational/ other creditors received by the Administrator is complete and the details of the claims has been given in the books of account. However, the figures of the claims admitted in the books of account might undergo change in the



subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/ operational/ other creditors.

#### 6. Fair value of Investment

i. Trinity is managing various funds in which the Company has invested. As a practice, Trinity was providing NAV of all the funds on quarterly basis till March 31, 2022. However, as on June 30, 2022, Trinity has not provided NAV of any funds. As per explanation given by Trinity Management, as per Clause 23 (1) of AIF Regulations, 2012, Investment Managers are mandated to provide NAV at least once in every six months. So, next NAV of the funds was due on March 31, 2023. However, in spite of several follow-ups, Trinity has provided NAV of three Funds out of five funds in which SIFL has invested. The Company has taken NAV impact of three Funds provided by Trinity and continuing to value the investments in remaining two Funds at the NAV provided as on September 30, 2022 amounting to Rs. 3900 lakhs. The Company is unable to ascertain the impact on valuation of investments in Funds, had the NAV of remaining two funds as on March 31, 2023 would have been provided by Trinity.

#### ii. Fair value on units of Infra Construction Fund

The Company is holding 18,80,333 units in Infra Construction Fund (ICF), managed by Trinity Alternative Investments Managers Limited (Trinity). The Company arrives at the fair valuation of units of ICF based on the NAV of the units provided by Trinity. ICF has made investments in equity shares of India Power Corporation Limited (IPCL) which are pending allotment. Till December 31, 2021, Trinity considered the quoted price of shares of IPCL as on balance sheet date for arriving the NAV of ICF.

As on March 31 2022, the valuation provided by Trinity to the Company, considered the fair value of equity instrument in equity shares of IPCL at NIL, considering prolonged delay in allotment of equity shares of IPCL till date since 2013. However, as per the NAV provided by Trinity as on September 30, 2022, the fair valuation of units of ICF was considered as Rs. 19,952 lakhs under the same legal circumstances as existed on previous reporting periods. For the purpose of accounting, such impact has been considered in the financial results resulting into loss in Investment in ICF by Rs. 53,065 lakhs for the quarter ended March 31, 2022 and again resulting into gain in Investment in ICF and Other Comprehensive Income by Rs.19,952 lakhs during the quarter ended September 30, 2022. The Company has enquired with the Trinity management regarding such frequent change in approach for valuation of these shares and no response has been received till date. The Company considered the fair value of units of ICF as Rs.19,335 lakhs as on March 31, 2023 as per the NAV provided by Trinity.

iii. As on March 31, 2023, based on amalgamation process of DPSC Ltd with erstwhile IPCL, the Company is entitled to an allotment of 10,55,24,100 equity shares of India Power Corporation Limited (IPCL). However, allotment of the Company's holdings is pending since 2013 as the matter relating to the allotment of equity shares of IPCL is pending due to non-compliance of SEBI Regulations by IPCL. The market value of IPCL shares as on March 31, 2023 i.e., Rs. 10922 lakhs have been considered as Fair value in the books of account of the Company. The matter relating to the allotment of equity shares of IPCL to the Company and ICF is pending due to non-compliance of SEBI Regulations by IPCL.

#### 7. Non provisioning of Interest on:

##### a) Intercorporate Deposit (ICD)

i. The domestic lenders of the Company and SEFL had stipulated Trust and Retention Account (TRA) mechanism w.e.f November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on approval in the TRA mechanism and accordingly considering the restrictions imposed by the lenders on the related party payments, the Audit Committee of SIFL and SEFL in their meeting dated August 14, 2021 and August 11, 2021 respectively approved waiver of interest on ICD taken by SIFL from SEFL. The Company had not accounted for interest of Rs.2,686 Lakhs for the year ended March 31, 2022 (including Rs.644 lakhs for the quarter ended March 31, 2022).

ii. Pursuant to the admission of the Company under the CIRP, SIFL has not provided for interest amount for Rs. 642 lakhs for the quarter ended March 31, 2023 and Rs. 2574 lakhs for the year ended March 31, 2023 in respect of SIFL's obligation for interest on ICD. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.

##### b) Non-convertible Perpetual Bond

i. Considering the significant impact of COVID-19 on business activity, the Company had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, the Company had not accrued interest of Rs.3300 lakhs for the year ended March 31, 2022 (including Rs.825 lakhs for the quarter ended March 31, 2022).



- ii. Pursuant to the admission of the Company under the CIRP, SIFL has not provided for interest amount of Rs. 825 lakhs for the quarter ended March 31, 2023 and Rs. 3300 lakhs for the year ended March 31, 2023 in respect of SIFL's obligation for interest on Non-convertible Perpetual Bond. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.

Had the interest been accrued on borrowings, as aforesaid in (a) and (b) above, the profit/loss before tax for the quarter ended March 31, 2023 would have resulted in a loss before tax of Rs. 1498 lakhs and the profit/loss before tax for the year ended March 31, 2023 would have resulted in a loss before tax of Rs. 6150 lakhs.

8. As at March 31, 2021 the Company was having funds amounting to Rs. 53 lakhs in relation to the Corporate Social Responsibility ("CSR") which were unspent. These unspent amounts as per the requirements of Section 135 of the Act were to be transferred to funds specified under Schedule VII to the Act within a period of 6 months. However, the domestic lenders of the Company had stipulated TRA mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ("MCA") seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regard is still awaited.

#### 9. Going Concern

The Company has reported losses for the quarter and year ended March 31, 2023 and earlier year / periods as well. Hence, the net worth of the Company has fully eroded.

There is persistent strain on the working capital and operations of the Company and it is undergoing significant financial stress. As stated in Note No. 1, CIRP was initiated in respect of the Company w.e.f. October 8, 2021. The Company has assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial results has been prepared on a going concern assumption basis as per below:

- i) The Code requires the Administrator to, among other things, run the Company as a going concern during CIRP.  
ii) The Administrator, in consultation with the Consolidated CoC of the Company, in accordance with the provisions of the IBC, is making all endeavours to run the Company as a going concern. Considering the future business outlook, SIFL is hopeful of improvement in its cash flows in due course of time.

CIRP is undergoing and as per the process, the Consolidated CoC took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA).

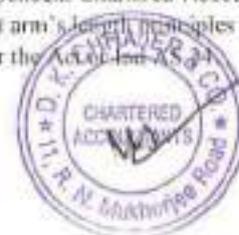
The approved resolution plan of NARCL was filed before Adjudicating Authority i.e., Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

Pending the completion of the said process under CIRP, these financial results have been prepared on a going concern basis.

#### 10. Probable Connected / Related Companies

The RBI in its inspection report and risk assessment report (the directions) for the year ended March 31, 2020 had identified 'certain borrowers' as probable connected/ related companies. In the directions, the Company and SEFL have been advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to SEFL and also whether transactions with these connected parties are on arm's length basis.

It has been brought to the Administrator's notice that the superseded Board of Directors and the erstwhile management had taken legal view to determine whether such borrowers are related parties to the Company or SEFL. Based on the legal view, the erstwhile management was advised and had therefore come to the conclusion that the Company or SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013, Ind AS) over such borrowers and are not under common control and accordingly, are not a related party of the Company or SEFL. The erstwhile management had also obtained an assessment report on the review and verification of the transactions with the aforesaid probable connected / related parties from an independent Chartered Accountant firm, which states that the transactions of the Company / SEFL with probable connected parties were done at arm's length principles and are in the ordinary course of business and that such parties are not related parties of the Company / SEFL under the Act.



However, the Administrator is not in a position to comment on the views adopted by the erstwhile management of the Company in relation to the findings of the directions since these pertain to the period prior to the Administrator's appointment. As a part of the CIRP, the Administrator got conducted transaction audits/reviews relating to the process and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code.

Out of Accounts referred by the RBI in the directions, the Administrator has received account wise transaction audit reports, which has identified certain transactions as fraudulent in nature under section 66 of the Code, including undervalued transactions. In respect of such accounts, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till May 5, 2023 for adjudication. Since, the entire loan portfolio was transferred by SIFL to SEFL under BTA (referred in note 3 above), the afore-mentioned transactions are appearing in the books of SEFL currently. SEFL has also made 100 % impairment on such accounts. The transaction audit has been completed and the necessary impact of the same has been incorporated by SEFL in their financial results.

11. As per section 125 of the Act, a Company is required to transfer certain amount lying unpaid, for 7 years, to Investor Education Protection Fund ("IEPF"). Post commencement of CIRP, an amount of Rs 4,84,877/- payable by the Company pertaining to unpaid dividend was transferable to IEPF in terms of section 125 of the Act till March 31, 2023.

The Company is unable to comply with the provision of Section 125 of the Act as the Company needs to comply with the General Circular No. 08/ 2020 issued by the Ministry of Corporate Affairs (MCA) dated March 6, 2020 captioned "Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016)" which states that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form No.MGT-7) and Financial Statement (e-form AOC-4) and other documents under the provisions of the Act, in accordance with directions issued by the NCLT/ NCLAT / Courts, shall be filed as attachments with e-form GNL-2 against the payment of one time normal fee only, till such time the Company remains under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/ RP. However, since the GNL -2 form is not linked with IEPF -1 the Company is unable to generate SRN for payment to IEPF authorities. Due to said technical difficulty the Company could not comply with the provisions of Section 125 & other applicable provisions of the Act. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.

12. The Company is unable to transfer 66,215 Equity shares pertaining to the Financial Year 2014-15, due for transfer to the Investor Education and Protection Fund in accordance with the applicable provisions of section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 because of inability of the Company to file GNL -2 form due to technical reasons as stated in Note 11 above. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.

13. During the quarter and year ended March 31, 2022, the Company on behalf of SEFL had invoked 49% equity shares of Sanjvik Terminals Private Limited ("STPL"), which were pledged as security against the loan availed by one of the borrowers of SEFL. As at March 31, 2023, these shares appear in the demat statement of the Company, whereas the borrower was transferred to SEFL pursuant to BTA, as stated in Note No. 3 above. Further, the entire shares have been sold on April 11, 2023 and the same has been transferred to the demat account of purchaser on April 26, 2023.

SEFL never had any intention to exercise any control/significant influence over STPL in terms of Ind AS 110 / Ind AS 28. SEFL has taken an expert opinion, which confirms that since SEFL is not exercising any significant influence/control over STPL, hence, STPL is not a subsidiary/associate in terms of Ind AS 110 Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.

14. SEBI vide its Adjudication Order No. Order/DS/DK/ 2022-23 /20903- 20964 dated October 31, 2022 ("Order"), in the matter of Religare Enterprises Limited had imposed a penalty of Rs. 35 lakhs on the Company payable within 45 days from the date of receipt of the Order. However, vide its Corrigendum to Order dated 30th November, 2022, SEBI has clarified that the said period of 45 days shall not be applicable in respect of the Company due to the CIRP proceedings pending against it. The said penalty is payable subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Diwan Housing Finance Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020). Hence, no provision has been made in the books of account.

15. Based on the information available in the public domain, some of the lenders have declared the bank accounts of the Company and SEFL as fraud. However, in case of one of the lenders, on the basis of petition filed by the ex-promoter before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated April 22, 2022, restraining the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the bank account as fraud. The interim order dated April 22, 2022 shall continue till the next date of hearing i.e., May 15, 2023. Further update on this is not available in public domain.



16. The Enforcement Directorate (ED) on January 31, 2023 conducted simultaneous investigation on office premises of the Company and its subsidiary, Srei Equipment Finance Ltd. The Company and its officials are co-operating and providing the required information/documents as available.
17. The Ministry of Corporate Affairs (MCA) vide its letter dated April 18, 2023 has initiated inspection into the affairs of the Company and has sought information and documents under Section 206(5) of the Act. The Company is in the process of providing necessary documents as required by MCA.
18. In accordance to Ind AS 108 - "Operating Segments", the required disclosure is done in the Consolidated Financial Results of the Company.
19. Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, has been given in Annexure 1.
20. Since, the Company does not have Listed Secured Non-Convertible Debentures as on March 31, 2023, the Security Cover for Secured debt securities, in terms of Regulations 54(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) is not applicable. The Security Cover Certificate, pursuant to Regulations 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), is attached in Annexure 2.
21. The figures for the quarter ended December 31, 2022 are balancing figures between reviewed amounts in respect of the nine months ended December 31, 2022 and the reviewed amounts of half year ended September 30, 2022 of the current financial year.
22. The figures for the quarter ended March in each of the financial years are the balancing figures between figures in respect of the year and the year-to-date figures upto the end of the first nine months of the respective financial year.
23. Previous period/year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification of the current period / year.

Place: Kolkata  
Date : May 16, 2023



**For Srei Infrastructure Finance Ltd.**  
(A Company under Corporate Insolvency  
Resolution Process vide NCLT Order dated October 08, 2021)

**RAJNEESH SHARMA**  
ADMINISTRATOR APPOINTED UNDER IBC

**SREI INFRASTRUCTURE FINANCE LIMITED**  
 Regd Office: 'Vishwakarma', 80C, Topola Road (South), Kolkata- 700 046, Website: www.srei.com  
 CIN: L70141WB2006PLC109891

Annexure I

Ratios disclosed w.r.t. Srei Infrastructure Finance Ltd. pursuant to regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

Particulars	Quarter ended			Year ended	
	31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
	Audited	Unaudited	Audited	Audited	Audited
1 Debt equity ratio (No. of times) (Note 1)	N.A.	N.A.	N.A.	N.A.	N.A.
2 Debt service coverage ratio (Note 6)	N.A.	N.A.	N.A.	N.A.	N.A.
3 Interest service coverage ratio (Note 6)	N.A.	N.A.	N.A.	N.A.	N.A.
4 Outstanding unsecured preference shares (₹ in Lakhs)	-	-	-	-	-
5 Outstanding redeemable preference shares (Values)	-	-	-	-	-
6 Capital redemption reserve	-	-	-	-	-
7 Defective redemption reserve (₹ in Lakhs)	NIL	NIL	NIL	NIL	NIL
8 Net worth (₹ in Lakhs) (Note 2)	(4,596)	(4,667)	(4,452)	(4,596)	(4,452)
9 Net Profit/Loss after tax (₹ in Lakhs)	(36)	(7)	739	(28)	1,273
10 Earnings per share (₹)	%(0.01)	%(0.01)	%(0.15)	%(0.06)	0.51
11 Current ratio (Note 6)	N.A.	N.A.	N.A.	N.A.	N.A.
12 Long term debt to working capital (Note 6)	N.A.	N.A.	N.A.	N.A.	N.A.
13 Bad debts to account receivable ratio (Note 6)	N.A.	N.A.	N.A.	N.A.	N.A.
14 Current liability ratio (Note 6)	N.A.	N.A.	N.A.	N.A.	N.A.
15 Total debts to total assets (%) (Note 3)	92.51%	94.64%	119.88%	92.51%	119.88%
16 Debtor turnover ratio (Note 6)	N.A.	N.A.	N.A.	N.A.	N.A.
17 Inventory turnover (Note 6)	N.A.	N.A.	N.A.	N.A.	N.A.
18 Operating margin (%) (Note 1)	N.A.	N.A.	N.A.	N.A.	N.A.
19 Net profit/loss margin (%) (Note 4)	(7.11)%	(2.45)%	104.38 %	(34.54)%	36.77 %
<b>Sector Specific Ratios</b>					
20 Gross Non Performing Assets % ("GNPA") (Note 3)	N.A.	N.A.	N.A.	N.A.	N.A.
21 Net Non Performing Assets % ("NNPA")(Excl. Impairment Reserve)	N.A.	N.A.	N.A.	N.A.	N.A.
22 Net Non Performing Assets % ("NNPA")(Incl. Impairment Reserve)	N.A.	N.A.	N.A.	N.A.	N.A.
23 Provision Coverage Ratio % ("PCR")(Excl. Impairment Reserve)(Note 5)	N.A.	N.A.	N.A.	N.A.	N.A.
24 Provision Coverage Ratio % ("PCR")(Incl. Impairment Reserve) (Note 5)	N.A.	N.A.	N.A.	N.A.	N.A.

\* Not Applicable

**Notes**

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Formulae for Computation of Ratios are as follows:

- Debt equity ratio is not determinable as equity is negative.
- Net worth has been calculated as defined in Section 2(57) of the Companies Act, 2013.
- Total debts to total assets (%) = (Debt Securities + Drawings (other than debt securities) + Subordinated Liabilities) / Total Assets.
- Net profit/loss margin (%) = Profit/loss after Tax / Total Revenue from Operations.
- The Company does not have any lending business presently, hence not applicable.
- The Company is Non Banking Financial Company registered under the Reserve Bank of India Act 1934. Hence these Ratios are generally not applicable.

Place: Kolkata  
Date: 16th Mar 2023



**Srei Infrastructure Finance Ltd.**  
 (a Company under Corporate Insolvency Resolution Process by an order dated October 8, 2021 passed by the Hon'ble NCLT, Kolkata)

  
**Rajneesh Sharma**  
 Administrator appointed under IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

Address for Correspondence - Vishwakarma 80C, Topola Road (South), Kolkata, West Bengal, 700046

Email ID for Correspondence - [raidead@infinitasrei.com](mailto:raidead@infinitasrei.com)



SREI INFRASTRUCTURE FINANCE LIMITED

Registered Office: 'VidyaKarnal', 3rd, Topis Road (South), Kolkata - 700046, Website: www.sreiinfra.com, Email: forcust@securitiesboardindia.com  
 (CIN) L24196WB1997PLC095352

Column A	Column B	Column C (i)	Column D (i)	Column E (i)	Column F (i)	Column G (i)	Column H (i)	Column I (i)	Column J (i)	Column K (i)	Column L (i)	Column M (i)	Column N (i)	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Part-Pass Charge	Part-Pass Charge	Part-Pass Charge	Assets not offered as security**	Debit/credit (amount in negative)	(Total C to H)	**Related to only those assets covered by this certificate				
		Debt for which this certificate being issued*	Other Secured Debt	Debt for which this certificate being issued	Assets shared by self-passed debt holder (Exclude debt for which this certificate is issued & other debt with part-pass charge)	Other assets on which there is part-pass charge (including items covered in column F)				Market Value For Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, CDRs market value is not applicable)	Market Value for Part pass charge Assets**	Carrying /book value for part pass charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, CDRs market value is not applicable)	Total (C to H) + (K to N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
<b>LIABILITIES</b>														
	Debt securities to which this certificate pertains (Bank/Financial Institution/Securities Issuer/Corporate)	-	-	-	-	-	-	1,000.00	1,000.00	-	-	-	-	-
	Other debt having part-pass charge with other debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Debt	-	-	-	-	-	-	-	-	-	-	-	-	-
	Guarantee with Subordinated Promoted entities (Bank/Non-Bank / Depository - Assets subordinated term loan)	-	-	-	-	-	-	12,900.00	12,900.00	-	-	-	-	-
	Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
	Bank	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Depositor	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other/Other Depositor	-	-	-	-	-	-	25,871.00	25,871.00	-	-	-	-	-
	Trade Receivables	-	-	-	-	-	-	551.00	551.00	-	-	-	-	-
	Current liabilities	-	-	-	-	-	-	1.00	1.00	-	-	-	-	-
	Provisions	-	-	-	-	-	-	6.00	6.00	-	-	-	-	-
	Others (Other financial & Non financial liabilities)	-	-	-	-	-	-	18,111.00	18,111.00	-	-	-	-	-
	Total	-	-	-	-	-	-	76,479.00	76,479.00	-	-	-	-	-
	Cover in Market Value*	NA	-	-	NA	-	-	-	-	-	-	-	-	-
		Exclusive Security Cover Ratio	-	-	Part-Pass Security Cover Ratio	-	-	-	-	-	-	-	-	-

NOTES:  
 \* Listed unsecured subordinated debt (Part of) of principal outstanding of Rs. 1000 lacs for which this Certificate is being issued are given in Column H  
 \*\* Assets held considered subordinated debt (Part of) of principal outstanding of Rs. 3000 lacs for which this Certificate is being issued  
 \*\*\* Srei Infrastructure Finance Limited had acquired borrowings (including secured borrowing and NCDs) from SFI, and charges created with ROC in relation to such borrowings were to be transferred in the name of SREI, in relation to the above, cases where the relation agreements are signed by the lender / issuer pursuant to Bank Exchange Transaction between SFI to SREI, necessary e-filings w.r.t. charges were filed by SFI, with the Registrar of Companies, Kolkata (ROC) except for one debt whereby principal outstanding is Rs. 570 crores only. However, above charges filed by SFI, have not been approved by the ROC, Hence, the charges which were originally created in the name of SFI, for such debt, are borrowings are still reflecting in the records of ROC.

Place: Kolkata  
 Date: May 16, 2023











RAJESH SHARMA  
 ADMINISTRATOR APPOINTED UNDER ROC

For Srei Infrastructure Finance Limited  
 (A Company with Corporate Identification Number Registered in an office at Kolkata - 700046)

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results**

**Statement on Impact of Audit Qualifications for the Financial Year ended 31st March, 2023**  
[See Regulation 33 of the SEBI (I ODR) Regulations, 2015]

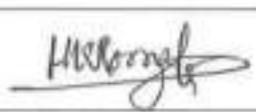
Sl. No.	Particulars	Audited Figure (as reported before adjusting for qualifications) Rs. in Lakhs	Audited Figure (as reported after adjusting for qualifications) Rs. in Lakhs *
1	Total Income	2,143	2,143
2	Total Expenses (including tax expense)	2,424	8,798
3	Net Profit/Loss	(281)	(6,155)
4	Earnings Per Share		
	- Basic	0.06	(1.22)
	- Diluted	0.06	(1.22)
5	Total Assets	63,405	63,405
6	Total Liabilities	75,472	87,332
7	Net Worth	(4,596)	(11,471)
8	Any Other financial item (to be appropriate to the management)	None	None

\* Refer comment given by Management in Item No. II (ii) herein below

**II. Audit Qualification track audit qualification separately:**

- Details of Audit Qualification: Refer Annexure - A
- Type of Audit Qualification: Disclaimer of Opinion
- Frequency of qualification: Quarterly from Sep, 2021 onward
- For audit Qualification (a) where the impact is quantified by the auditor, Management's views:  
The impact of the quantification has been given in (i) above. The said Audit qualification is reproduced in Sl no (c) of Annexure-A. Refer comment given by management in Sl no. (c) under 'Management's view' of Annexure-A in this regard.
- For Audit Qualification (a) where the impact is not quantified by the auditor :
  - Management's estimation on the impact of audit qualification : In view of management's views given in Annexure A, Sl. No. (a) to (k) except (e) the financial impact is not ascertainable.
  - If management is unable to estimate the impact, reasons for the same: Please refer management's views in Annexure A Sl. No. (a) to (k) except (e)
  - Auditors' Comments on (i) or (ii) above : Our views remains unchanged considering the matter referred to in paragraph 2(a) to 2(i) and the matter referred to in the "Material Uncertainty related to Going Concern" section of our Independent Auditors Report dated May 16, 2023 on the Financial Results of the Company for the year ended March 31, 2023.

**Signatories:**

Mr. Rajnesh Sharma : Administrator	
Mr. Manoj Kumar : Company Secretary & Chief Financial Officer	
Statutory Auditors: For: D.K. Chhajjer & Co. Chartered Accountants Manoj K Banerjee Partner Membership No.: 457761	
Place: Kolkata Date: May 16, 2023	

NS



Details of Audit Qualification (s)	Management's Views *
<p><b>Basis for Disclaimer of Opinion</b></p> <p>a) Note No. 2 to the Statement explains that since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions prior to his appointment and regarding the information pertaining to the period prior to October 4, 2021 he has relied upon the explanations, clarifications, certifications, representations and statements made by the Company management team ('the existing officials of the Company'), who were also part of the Company prior to the appointment of the Administrator. Further, Note No. 2 to the Statement explains that the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code'). The transaction audit has been completed and necessary impact of the same have been incorporated in the financial results of the Company's subsidiary, Srei Equipment Finance Limited (SEFL). However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any in the financial results of the Company. The note explains that the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company and assets/collateral held as securities as required under the provisions of the Code. The valuation reports of the same have been submitted to the Consolidated CoC members and the same have not been made available to us on grounds of confidentiality. Accordingly, we are unable to comment on the impact of the same on the Statement.</p>	<p><b>a) Management's View</b></p> <p>The CIRP of the Company has been initiated on 8th October, 2021. As a part of the CIRP, the Administrator initiated audits/reviews relating to the processes and compliances of the Company and had also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. The Transaction Audit has been completed and the impact has been incorporated in the financial results of the Company's subsidiary, Srei Equipment Finance Limited (SEFL). Since the report is of a confidential nature, the same cannot be shared with the Auditors. The valuation reports being of confidential nature cannot be shared with the Auditors.</p>
<p>b) Note No. 3 to the Statement which explains that during the financial year 2019-20, the Company accounted for the slump exchange transaction and consequently recognized the relevant assets and liabilities in its books of account, pursuant to the Business Transfer Agreement ('BTA') with SEFL, with effect from October 1, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of 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. The Note further explains that during the financial year 2020-2021, the Company had filed two separate applications under Section 230 of the Companies Act, 2013 ('the Act') before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Scheme were pending before Hon'ble NCLT/NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. Both the schemes of arrangement were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in</p>	<p><b>b) Management's View</b></p> <p>The Company in the past gave effect to the BTA based on expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment is in accordance with the relevant Ind AS and the underlying guidance and framework.</p> <p>The accounts for the quarter and year ended March 31, 2023 have been taken on record in the manner and form in which it existed on the insolvency commencement date in view of the initiation of the CIRP in accordance with the obligations imposed on the Administrator under Section 18(f) of the Code and this fact has been also been informed by the Administrator to the lenders and other stakeholders.</p> <p>The Company is in the process of consolidated resolution of SIFL and SEFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise.</p>



<p>this matter which has been allowed by the Tribunal vide order dated February 11, 2022.</p> <p>As stated in the said note, the Company is in the process of consolidated resolution of SIFL and SEFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of Corporate Insolvency Resolution Process ("CIRP"), has been maintained. In view of the uncertainties that exist in the matter of BTA, we are unable to comment on the accounting of BTA, as aforesaid, done by the Company and accordingly on the impact of the same, if any, on the Statement.</p>	<p>consequent upon the withdrawal of the Schemes.</p>
<p>e) Note No. 5 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8, 2021. As per the said Note, admission of claims of the financial/operational/ other creditors received by the Administrator is completed and the effect of the same has been given in the books of account. However, the figures of the claims admitted in the books of account might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/ operational/ other creditors. Hence, adjustments, if any, arising out of such additional information, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Statement.</p>	<p><b>e) Management's View</b></p> <p>As per provisions of the Code, Admission of claims of the financial/ operational/ other creditors received by the Administrator is completed and the effect of the same has been given in the books of accounts. However, the figures of the claims admitted in the books of accounts might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/ operational/ other creditors.</p>
<p>d) Note No. 6 (i) to the Statement which explains Trinity Alternative Investments Managers Limited (Trinity) has not provided NAV as on March 31, 2023 of two funds managed by them in which the Company has invested. The Company has valued its investments in these funds at Rs. 3900 lakhs which is the NAV that existed as on September 30, 2022. In the absence of NAV of the funds as on March 31, 2023, we are unable to comment on the impact of such valuation on the Statement.</p> <p>Note No. 6 (iii) to the Statement which explains the valuation of investment in the equity shares of India Power Corporation Limited (IPCL) and units in Infra Construction Fund (ICF) where ICF has made investments in equity shares of IPCL. Since the allotment of these equity shares of IPCL is pending due to non-compliance of SEBI Regulations by IPCL, the consequent change in fair value, if any, is not ascertainable at this stage. Accordingly, we are unable to comment on the impact on valuation of such investment on the Statement.</p>	<p><b>d) Management's View</b></p> <p>In spite of several follow-ups, Trinity has provided NAV of three Funds out of five funds in which SIFL has invested. The Company has taken NAV impact of three Funds provided by Trinity and continuing to value the investments in remaining two Funds at the NAV provided as on September 30, 2022 amounting to Rs. 3900 lakhs. The Company is unable to ascertain the impact on valuation of investments in Funds, had the NAV of remaining two funds as on March 31, 2023 would have been provided by Trinity.</p> <p>The allotment of the Company's holdings is pending since 2013 as the matter relating to the allotment of equity shares of IPCL is pending due to non-compliance of SEBI Regulations by IPCL. The matter relating to the allotment of equity shares of IPCL to the Company and ICF is pending due to non-compliance of SEBI Regulations by IPCL.</p>
<p>e) Note No. 7 (a) (ii) and Note No. 7 (b) (ii) to the Statement which states that pursuant to its admission under the CIRP, the Company has not provided for Rs. 642 lakhs and Rs. 825 lakhs for the quarter and Rs. 2,574 lakhs and Rs. 3300 lakhs for the year ended March 31, 2023 in respect of its obligations for interest on Inter Corporate Deposit and interest on non-convertible perpetual bond respectively since</p>	<p><b>e) Management's View</b></p> <p>Pursuant to the admission of the company under the CIRP and the consequent moratorium u/s 14 of the Code, the claims of the creditors of the Company have been admitted which shall be settled in terms of the Resolution Plan to be</p>

9



the insolvency commencement date i.e., October 8, 2021. Had the Company provided its obligation for interest, as aforesaid, the loss before tax for the quarter ended March 31, 2023 would have increased by Rs. 1,467 lakhs and loss before tax for year ended March 31, 2023 would have increased by Rs. 5,874 lakhs

f) Note No. 8 to the Statement which explains the reasons owing to which the Company is not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated, in the said note, the Company has written to MCA seeking exemption from the obligations of the Company under provisions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.

g) Note No. 10 to the Statement which explains that the Company, as per the specific directions from Reserve Bank of India (RBI) in relation to certain borrowers referred to as 'probable connected parties/related parties', was advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to SEFL and also whether these were in line with arm's length principles. The erstwhile management obtained legal and accounting views on the matter which stated that the said transactions were not related party transactions. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's directions since these pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator got conducted transaction audit/review relating to the process and compliance of the Company and had also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. Out of Accounts referred by the RBI in the directions, the Administrator has received account wise transaction audit reports, which has identified some of the transactions as fraudulent in nature under section 66 of the Code, including undervalued transactions. In respect of such accounts, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till May 05, 2023 for adjudication. Further, the Note also states that the entire loan portfolio was transferred by SIFL to SEFL under BTA and the afore-mentioned transactions are appearing in the books of SEFL as on date. The transaction audit has been completed and the necessary impact of the same has been incorporated by SEFL in their financial results. However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any in the financial results of the Company.

approved by the Hon'ble NCLT.

**f) Management's View**

The domestic lenders of the Company had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act because the payment was not approved by the lenders. The Company has written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited.

**g) Management's View**

The Reserve Bank of India (RBI) in its inspection report and risk assessment report (the directions) for the year ended March 31, 2020 had identified 'certain borrowers' as probable connected/ related companies. In the directions, the Company has been advised to reassess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to Srei Equipment Finance Limited ('SEFL') and also whether these are on arm's length basis. In view of the directions, the previous management had taken legal view to determine whether such borrowers are related parties to the Company or SEFL. Based on the legal view, the previous management was advised and had therefore come to conclusion that the Company or SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013, Ind AS) over such borrowers and are not under common control and accordingly, are not a related party of the Company or SEFL. The previous management had obtained an assessment report on the review & verification of the transactions with the aforesaid probable connected/related companies from an independent Chartered Accountant firm, which stated that the transactions of the Company/SEFL with probable connected parties were done at arm's length principles and are in the ordinary course of business and that such parties are not related parties of the Company/SEFL under the Companies Act, 2013 or Ind AS 24.

In accordance with above, erstwhile

20



management was 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. However, the said process was not concluded and meanwhile the Company has gone into CIRP.

As such, Administrator is not in a position to comment about the actions taken by the Company pursuant to RBI's inspection report as mentioned above since the same pertain to period prior to his appointment.

As a part of the CIRP, the Administrator got conducted an audit/reviews relating to the process and compliances of the Company and had also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. The transaction audit has been completed and the report is of a confidential nature the same cannot be shared with the Auditors.

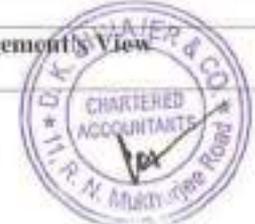
h) Note No. 11 to the Statement which explains the reasons owing to which the Company is not able to comply with the requirements of Section 125 of the Act in relation to transfer of certain amounts lying unpaid for 7 years to Investor Education and Protection Fund (IEPF). As stated, in the said note, the Company has written to IEPF authorities and requested guidance in the matter. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance on the Statement.

**h) Management's View**

The Company is unable to comply with the provision of Section 125 of the Act as the Company needs to comply with the General Circular No. 08/ 2020 issued by the Ministry of Corporate Affairs (MCA) dated March 6, 2020 captioned "Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016)" which states that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form No.MGT-7) and Financial Statement (e-form AOC-4) and other documents under the provisions of the Act, in accordance with directions issued by the NCLT/ NCLAT / Courts, shall be filed as attachments with e-form GNL-2 against the payment of one time normal fee only, till such time the Company remains under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/ RP. However, since the GNL -2 form is not linked with IEPF -1 the Company is unable to generate SRN for payment to IEPF authorities. Due to said technical difficulty the Company could not comply with the provisions of Section 125 & other applicable provisions of the Act. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.

i) Note No. 12 to the Statement which explains the reasons owing to which the Company is not able to comply with the

**i) Management's View**



<p>requirements of Section 124 of the Act in relation to transfer of shares, due for transfer to the IEPF. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.</p>	<p>The Company was unable to comply with the provision of Section 124 of the Companies Act, 2013 because of inability of the Company to file GNL -2 form(s) due to technical reasons as stated in point (h) above. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited</p>
<p>j) The Company has not filed the Annual Return- GSTR 9C for the financial years 2020-21 and 2021-22. The GST liabilities arising thereon including the amount of interest and penalty on the above is not ascertainable and accordingly, we are unable to comment on the impact of the same on the Statement.</p>	<p><b>j) Management's View</b> GST Reconciliation Statement in Form GST-9C for the FY 2020-21 and 2021-22 for SIFL, is yet to be filed and the same is expected to be complied shortly within the 1st quarter of the current Financial year ie., 2023-2024.</p>
<p>k) We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee, Joint Lenders and transaction audit reports are confidential in nature and has not been shared with us. Accordingly, we are unable to comment on the possible financial effects on the Statement, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.</p>	<p><b>k) Management's View</b> The proceedings of the CoC are in relation to the CIRP of the Company and include confidential information in relation to the CIRP of SIFL.</p>
<p>l) In view of the possible effects of the matters described in paragraph 2(a) to 2(k) above, we are also unable to comment on the Company's compliance on various regulatory ratios/limits and consequential implications including disclosures, if any.</p>	<p><b>l) Management's View</b> Refer to views given in Point (a) to (k) above</p>
<p>m) In view of the possible effects of the matters described in paragraph 2(a) to 2(l) above, we are also unable to comment on the ratios disclosed by the Company in Annexure 1 to the Statement.</p>	<p><b>m) Management's View</b> Refer to views given in Point (a) to (l) above</p>
<p><b>Material Uncertainty Related to Going Concern</b></p> <p>We draw attention to Note No. 9 to the Statement which states that the Company has been admitted to CIRP and that the Company has reported net loss during the year ended March 31, 2023 and earlier year / periods as well. As a result, the Company's net worth has eroded and it has not been able to comply with various regulatory ratios/limits etc. All these have impacted the Company's ability to continue its operations in normal course in future. 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 Company's ability to continue as a 'going concern' in the foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Statement on a going concern basis.</p>	<p><b>Management's View</b></p> <p>The Company had reported losses during the quarter and year ended March 31, 2023 and earlier year/periods as well. Hence the networth of the Company has fully eroded.</p> <p>There is persistent severe strain on the working capital and operations of the Company and it is undergoing significant financial stress. As stated in Note no 1 to the audited financial results for the quarter and year ended March 31, 2023 CIRP was initiated in respect of the Company wef October 8, 2021. The Company has assessed that the use of the going concern assumption is appropriate in the circumstances and hence these financial results has been prepared on a going concern assumption basis as per below:</p> <ol style="list-style-type: none"> <li>The Code requires the Administrator to, among other things, run the Company as a going concern during CIRP.</li> <li>The Administrator, in consultation with the Committee of Creditors ('CoC') of the Company, in accordance with the provisions of the IBC, making all</li> </ol>

*[Handwritten mark]*



endeavours to run the Company as a going concern. Considering the future business outlook the Company is hopeful of improvement in its cash flows in due course of time.

iii. Reduction in overhead expenditure

CIRP is undergoing and as per the process, the Consolidated CoC took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The approved resolution plan of NARCL was filed before Adjudicating Authority i.e., Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

Pending the completion of the said process under CIRP, these financial results have been prepared on a going concern basis

**Signatories:**

**Mr. Rajneesh Sharma :**

**Administrator**

**Mr. Manoj Kumar :**

**Company Secretary & Chief Financial Officer**

**Statutory Auditors:**

For D.K. Chhajjer & Co.  
Chartered Accountants  
ICAI Firm Registration No. : 304138E

**Manoj K. Roongta**  
Partner



Membership No.: 057761

Place: Kolkata

Date: May 16, 2023



*[Handwritten signature]*

Independent Auditor's Report on quarterly and year to date Audited Consolidated Financial Results of Srei Infrastructure Finance Limited pursuant to the Regulation 33 and Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Administrator of Srei Infrastructure Finance Limited

Report on the Audit of the Consolidated Financial Results

### 1. Disclaimer of Opinion

We were engaged to audit the accompanying quarterly and year to date consolidated financial results of Srei Infrastructure Finance Limited ("hereinafter referred to as "the Holding Company" or "SIFL") and its subsidiaries and trust (the Holding Company, its subsidiaries and trust together referred to as "the Group"), for the quarter and year ended 31 March, 2023 ("the Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The Statement includes the 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.	Srei Mutual Fund Trust	Trust

We do not express an opinion on the accompanying Statement. Because of the significance of the matters described in "Basis for Disclaimer of Opinion" section of this report and the uncertainties involved, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion as to whether the Statement:

(i) is presented in accordance with the requirements of Regulation 33 and Regulation 52 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 consolidated net loss, the consolidated other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2023.



We had issued a Disclaimer of Opinion basis the observations forming part of the report for the year ended March 31, 2022 and Disclaimer of Conclusion for the quarters ended June 30, 2022, September 30, 2022 and December 31, 2022.

## 2. Basis for Disclaimer of Opinion

- a. Note No. 2 to the Statement explains that since the Administrator has taken charge of the affairs of the Company and SEFL on October 4, 2021, the Administrator is not liable or responsible for any actions prior to his appointment and regarding the information pertaining to the period prior to October 4, 2021 he has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL, who were also part of the Company prior to the appointment of the Administrator. The Note states that the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code').

Further as stated in Note No. 2, the Administrator of SIFL and SEFL received certain account wise transaction audit reports from the professional agency appointed as the transaction auditor indicating that there are certain transactions in SEFL which are fraudulent in nature under Section 66 of the Code including undervalued transactions. Accordingly, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble NCLT on various dates till May 5, 2023 for adjudication. As mentioned in the said Note, the transaction audit has been completed and the impact of the same has been incorporated in the financial results of the Company's subsidiary, Srei Equipment Finance Limited (SEFL). However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on whether or not all impact of the same has been incorporated in the Statement.

As per Ind AS 109, for a financial asset that is credit-impaired at the reporting date, an entity shall measure the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss. Note No. 2 to the Statement explains that SEFL has considered Impairment Reserve amounting to Rs. 5,249 crores created in earlier periods as per RBI guidelines while calculating the impairment on such accounts which is not in accordance with Ind AS 109. Further, Note no. 4(i) to the Statement explains that basis revised ECL rates and the impairment reserve made in earlier periods in cases where they exceed gross exposure, SEFL made a lesser provision under the ECL, so as to restrict the net exposure at Nil, since no withdrawal from impairment reserve is permitted which is also not in accordance with Ind AS 109.

- b. Note No. 3 to the Statement which states that SEFL adopted a policy, to not recognize interest income on accounts in which transactions are determined as fraudulent by them. Had SEFL recognized the interest income, as aforesaid, interest income would have been higher by Rs. 231 crores and Rs. 592 crores for the quarter and year ended March 31, 2023 respectively and consequently, the ECL provision would also have been higher by Rs. 231 crores and Rs. 592 crores for the quarter and year ended March 31, 2023 respectively resulting in no change in the loss for the quarter and year ended March 31, 2023.
- c. Note No. 4(i) to the Statement which explains that the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Holding Company & SEFL and assets/collateral held as securities as required under the provisions of the Code. The



valuation reports of the same have been submitted to the Consolidated CoC members and the same have not been made available to us on grounds of confidentiality. Accordingly, we are unable to comment on the impact of the same on the Statement.

- d. Note No. 5(a) to the Statement which states that SEFL has not provided for interest amount of Rs. 1,209 crores and Rs. 4,661 crores for the quarter and year ended March 31, 2023 respectively, pursuant to its admission under the CIRP in respect of SEFL's obligation for interest amount on all the borrowings since insolvency commencement date i.e., October 8, 2021.

Note No. 5(c)(ii) to the Statement which states that pursuant to its admission under the CIRP, SIFL has not provided for Rs. 8.25 crores for the quarter and Rs. 33 crores for the year ended March 31, 2023, in respect of SIFL's obligation for interest on non-convertible perpetual bond respectively since the insolvency commencement date i.e., October 8, 2021.

Had SIFL and SEFL provided their obligation for interest, as aforesaid, loss before tax for the quarter and year ended March 31, 2023 would have increased by Rs. 1,217.25 crores and Rs. 4,694 crores respectively.

- e. Note No. 6 to the Statement which explains that during the financial year 2019-20, the Holding Company and SEFL accounted for the slump exchange transaction and consequently recognized and derecognized the relevant assets and liabilities in their books of account, pursuant to the Business Transfer Agreement ('BTA') with SEFL, with effect from October 1, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of SIFL 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. The Note further explains that during the financial year 2020-2021, SEFL had filed two separate applications under Section 230 of the Act before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Schemes were pending before Hon'ble NCLT/NCLAT, the superseded Board of Directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. Both the Schemes were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in this matter which has been allowed by the Tribunal vide order dated February 11, 2022.

As stated in the said Note, consolidated resolution of SEFL and SIFL is in process and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained. In view of the uncertainties that exist in the matter of BTA, we are unable to comment on the accounting of BTA, as aforesaid, done by the Holding Company and SEFL and accordingly on the impact of the same, if any, on the Statement.

- f. Note No. 8 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims, as on October 8, 2021. As per the said Note, admission of claims of the financial/operational/other creditors received by the Administrator is completed and the effect of the same has been given in the books of account. However, the figures of the claims admitted in the books of account might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/operational/other creditors. Hence, adjustments,



if any, arising out of such additional information, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Statement.

Further Note No. 8 to the Statement also explains that SEFL as per the Code on the date of commencement of CIRP i.e., October 8, 2021 has converted foreign currency debt into INR and accordingly has not translated its foreign currency exposure as on March 31, 2023, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Statement.

- g. Note No. 9 to the Statement which explains the reasons owing to which SEFL has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to Rs. 273 crores as at March 31, 2023 as per contractual terms. As stated, in the said note, SEFL has reported the above fact to RBI and reply of the same is awaited from RBI. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.
- h. Note No. 10 (i) to the Statement which explains Trinity Alternative Investments Managers Limited (Trinity) has not provided NAV as on March 31, 2023 of two funds managed by them in which the Company has invested. The Company has valued its investments in these funds at Rs. 39 crores which is the NAV that existed as on September 30, 2022. In the absence of NAV of the funds as on March 31, 2023, we are unable to comment on the impact of such valuation on the Statement.

Note No. 10 (iii) to the Statement which explains the valuation of investment in the equity shares of India Power Corporation Limited (IPCL) and units in Infra Construction Fund (ICF) where ICF has made investments in equity shares of IPCL. Since the allotment of these equity shares of IPCL is pending due to non-compliance of SEBI Regulations by IPCL the consequent change in fair value, if any, is not ascertainable at this stage. Accordingly, we are unable to comment on the impact on valuation of such investment on the Statement.

- i. Note No. 12 to the Statement which explains that SIFL has not received Board approved financial results of 01 subsidiary, viz. Trinity and 02 subsidiaries of Trinity (step down subsidiaries of SIFL), viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited for the quarter ended June 30, 2022, September 30, 2022, December 31, 2022, March 31, 2023 and year ended March 31, 2023 despite written request and follow ups and accordingly, the financial results of these companies have not been considered for consolidation as on March 31, 2023. Accordingly, the consolidated financial results for the quarter and year ended March 31, 2023 are not comparable with the consolidated financial results for the quarter and year ended March 31, 2022. We are unable to comment on the possible impact of the same on the consolidated financial results for the year ended March 31, 2023 or any other consequences arising out of such non-compliance, if any, on the Statement.
- j. Note No. 14 to the Statement which explains that the erstwhile management of SIFL and SEFL, as per the specific directions from Reserve Bank of India (RBI) in relation to certain borrowers referred to as 'probable connected parties/related parties', in line with arm's length principles, was in the process of re-assessing and re-evaluating the relationship with the said borrowers to assess whether they are related parties to SIFL or to SEFL and also whether these are on arm's length basis. The erstwhile management of SEFL was in the process of re-assessing and 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. However, the said process was not



concluded and meanwhile SIFL and SEFL have gone into CIRP. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's direction since these pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator got conducted transaction audit/review relating to the process and compliance of SIFL and SEFL and had also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code, which is in process. Out of Accounts referred by the RBI in the directions, the Administrator has received certain account-wise transaction audit reports, which has identified some of such accounts as fraudulent in nature under Section 66 of the Code, including undervalued transactions. In respect of such accounts, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till May 05, 2023 for adjudication. Further, the Note also states that the entire loan portfolio was transferred by SIFL to SEFL under BTA and the afore-mentioned transactions are appearing in the books of SEFL as on date. The transaction audit has been completed and the necessary impact of the same has been incorporated by SEFL in their financial results. However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any in the consolidated financial results.

- k. Note No. 15 to the Statement which explains the reasons owing to which SIFL and SEFL are not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated, in the said note, SIFL and SEFL have written to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of SIFL and SEFL under provisions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.
- l. Note No. 16 to the Statement which states that SEFL has not been able to maintain the security cover as stated in the Information Memorandum/Debenture Trust Deeds etc. which is sufficient to discharge the principal and interest amount at all times for the secured non-convertible debentures issued by SEFL. Further, as stated in the said Note and paragraph (c) above, the valuation reports of the same have been submitted to the Consolidated CoC members and the same have not been made available to us on grounds of confidentiality. Accordingly, any impact on the percentage of security cover has not been considered. Hence, we are unable to comment on the impact of the same on the Statement.
- m. Note No. 17 to the Statement which explains that in relation to certain borrowings (including secured borrowings and NCDs) acquired by SEFL from SIFL pursuant to BTA as stated in Note No. 6 to the Statement, charges created on such borrowings are yet to be transferred in the name of SEFL and are still appearing in the name of the Holding Company for the reasons stated in the said Note. We are unable to comment on the impact of the same or any other consequences arising out of it, if any, on the Statement.
- n. Note No. 18 to the Statement which explains the reasons owing to which SIFL and SEFL are not able to comply with the requirements of Section 125 of the Act in relation to transfer of certain amounts lying unpaid for 07 years to Investor Education and Protection Fund ('IEPF'). As stated, in the said note, SIFL and SEFL have written to IEPF authorities and requested guidance in the matter. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance on the Statement.



- o. Note No. 19 to the Statement which explains the reasons owing to which the Holding Company is not able to comply with the requirements of Section 124 of the Act in relation to transfer of shares, due for transfer to the IEPF. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.
- p. Note No. 21 to the Statement which explains that, during the quarter ended September 30, 2021, based on the directions of RBI, SEFL has made provisions amounting to Rs. 98 crores and Rs. 50 crores in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. However, SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Hence, in absence of such assessment, we are unable to comment on any non-compliance with Ind AS and the corresponding impact of the same, if any, on the Statement.
- q. SIFL and SEFL have not filed the Annual Return- GSTR 9C for the financial years 2020-21 and 2021-22. The GST liabilities arising thereon including the amount of interest and penalty on the above is not ascertainable and accordingly, we are unable to comment on the impact of the same on the Statement.
- r. Auditors of SEFL had carried out independent balance confirmation process with respect to various parties/ lenders, responses for which are pending to be received in majority of the case as on the date of signing their Auditors' Report. Further, the project progress report and necessary documents for review from various parties are yet to be received. Hence, we are unable to comment on such balances and status and impact of the same on the Statement, if any.
- s. Property, Plant and Equipment of SEFL includes assets having gross book value of Rs. 50.18 crores and written down value of Rs. 10.18 crores as on March 31, 2023 are either not traceable or are not in possession of SEFL. No provision for the same has been made in accounts. As informed by SEFL, the management has initiated legal proceedings for recovery of the same. Since legal proceedings for recovery are pending, we are unable to comment on the impact of the same, if any, on the Statement.
- t. We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee Joint Lenders and transaction audit reports are confidential in nature and has not been shared with us. Accordingly, we are unable to comment on the possible financial effects on the Statement, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.
- u. In view of the possible effects of the matters described in paragraph 2(a) to 2(t) above, we are also unable to comment on the SEFL's compliance of the covenants in respect of all borrowings (including creation of charges) and consequential implications including disclosures etc., if any.
- v. In view of the possible effects of the matters described in paragraph 2(a) to 2(u) above, we are also unable to comment on the Holding Company's and SEFL's compliance on various regulatory ratios/ limits and consequential implications including disclosures, if any.



- w. In view of the possible effects of the matters described in paragraph 2(a) to 2(v) above, we are also unable to comment on the ratios disclosed in Annexure 1 to the Statement.

### 3. Material Uncertainty Related to Going Concern

We draw attention to Note No. 13 to the Statement which states that SIFL and SEFL have been admitted to CIRP and the Companies have reported net loss during the year ended March 31, 2023 and earlier year / periods as well. As a result, SIFL's and SEFL's net worth have eroded and they have not been able to comply with various regulatory ratios/limits. All these have impacted their ability to continue its operations in normal course in future. 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 Companies' ability to continue as 'going concern' in foreseeable future. However, for the reasons stated in the said note, SIFL and SEFL have considered it appropriate to prepare their Statement on a going concern basis.

### 4. Emphasis of Matter

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

- a) As stated in Note No. 4(i) to the Statement, SEFL on the basis of abundant prudence, has decided to make provision to the extent of interest income recognized during the respective quarter on Net Stage – III Accounts.
- b) As stated in Note No. 4(ii) to the Statement, in case of Investments / Loans which were determined as fraudulent under Section 66 of the Code, the Company has not undertaken the fair valuation as of March 31, 2023 of such Investments / Loans as the net impact on the Statement of Profit and Loss would have been Nil since the Company has already made 100% provision on such Investments / Loans.
- c) Note No. 5 (a) to the which explains that that SEFL has not provided for interest amount of Rs 2,000 crores for the year ended March 31, 2022 in respect of SEFL's obligation for interest and principal amount on all the borrowings since insolvency commencement date i.e., October 8, 2021.

Note No. 5 (b) (i) to the Statement which explains that considering the restrictions imposed by the lenders on the related party payments, SIFL had received consent for waiver of interest on Inter Corporate Deposit taken by SIFL from SEFL. Accordingly, SIFL has not accounted for interest of Rs. 27 crores for the year ended March 31, 2022.

Note no. 5 (c) (i) to the Statement which explains that SIFL had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, SIFL has not accrued interest of Rs. 33 crores for the year ended March 31, 2022.

- d) Note No. 7 to the Statement which explains that in view of the impracticability for preparing the resolution plan on individual basis in case of the Holding Company and SEFL, the Administrator, after adopting proper procedure, has filed applications before the Hon'ble NCLT, Kolkata Bench seeking, amongst other things, consolidation of the CIRP of the Holding Company and SEFL. The application in the matter is admitted and the final order was received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of the Holding Company and SEFL. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15,



2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The approved resolution plan of NARCL was filed before Adjudicating Authority on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

- e) Note No. 11 to the Statement which explains that the audited consolidated financial statements of the Group for the year ended March 31, 2022 included unaudited financial statements of 1 subsidiary, viz. Trinity Alternative Investment Managers Limited (Trinity) and two subsidiaries of Trinity (step down subsidiaries of SIFL), viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited since the audit report and audited accounts were not received within the annual account approval date of SIFL. The management of these subsidiaries had not provided audited financial statements of these aforesaid companies despite many reminders and accordingly, the financial statements of these subsidiaries were considered for consolidation based on the approved and certified financial statements provided by the management of the respective companies. Subsequently, on receipt of the Audited Financial Statements dated May 20, 2022 on June 04, 2022, material mismatch was observed between the Audited Financial Statements and the Financial Statements that were considered for consolidation. At the time of preparation of financial results for the quarter ended June 30, 2022, these discrepancies / mismatches were rectified retrospectively in accordance with the guidelines of Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors".
- f) Note No. 20 to the Statement which explains that the Holding Company during the quarter and year ended March 31, 2022 on behalf of SEFL, had invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL'), which were pledged as security against the loan availed by one of the borrowers of SEFL. As on March 31, 2023, these shares appear in the demat statement of the Company, whereas the borrower was transferred to SEFL pursuant to BTA. Further, the entire shares have been sold on April 11, 2023 and the same has been transferred to the demat account of purchaser on April 26, 2023. SEFL never had any intention to exercise any control/significant influence over STPL in terms of Ind AS 110 / Ind AS 28. SEFL has taken an expert opinion, which confirms that since the Company is not exercising any significant influence/control over STPL, hence, STPL is not a subsidiary/associate in terms of Ind AS 110/Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.
- g) Note No. 22 to the Statement which explains that SEBI vide its Adjudication Order No. Order/DS/DK/ 2022-23 /20903- 20964 dated October 31, 2022 ('Order'), in the matter of Religare Enterprises Limited had imposed a penalty of Rs. 35 lakhs on SIFL and Rs. 5 lakhs on SEFL payable within 45 days from the date of receipt of the Order. However, vide its Corrigendum to Order dated November 30, 2022, SEBI has clarified that the said period of 45 days shall not be applicable in respect of SIFL and SEFL due to the CIRP proceedings pending against it. The said penalty is payable subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Dewan Housing Finance Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020). Hence, no provision has been made in the respective books of account of the Companies.
- h) Note No. 26 to the Statement which states that based on the information available in the public domain, forensic audit was conducted on SIFL and SEFL and few lenders have declared the bank accounts of SIFL and SEFL as fraud. However, in case of some lenders, on the basis of petition



filed by the promoters before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated April 22, 2022, restraining the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the bank account as fraud. The interim order dated April 22, 2022 shall continue till the next date of hearing i.e., May 15, 2023. However, further update is not available on public domain as on date.

- i) Note No. 27 to the Statement which states that the Enforcement Directorate (ED) on January 31, 2023 conducted simultaneous investigations on office premises of the Company and SEFL. The outcome of the same is pending.
- j) Note No. 28 to the Statement which states that the Ministry of Corporate Affairs (MCA) vide its letter dated April 18, 2023 has initiated investigation into the affairs of SIFL and SEFL under Section 206(5) of the Act and the same is in progress.

#### **5. Administrator's Responsibilities for the Consolidated Financial Results**

The Reserve Bank of India ('RBI') vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Holding Company and SEFL and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, RBI, in exercise of powers conferred under section 45-1E (5) (a) of the RBI Act, has constituted a three-member Committee of Advisors for advising the Administrator.

The RBI had also filed application for initiation of Corporate Insolvency Resolution Process (CIRP) against SIFL and SEFL under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Code read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench Hon'ble NCLT). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application filed by RBI for initiation of CIRP against the SIFL and SEFL. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of SIFL/SEFL shall vest in the Administrator. Further, RBI has also retained the three-member Committee of Advisors, as aforesaid, for advising the Administrator in the operations of SIFL and SEFL during the CIRP.

We refer to Note No. 2 to the Statement which states that the Statement has been taken on record by the Administrator while discharging the powers of the Board of Directors of SIFL and SEFL which were conferred upon him by the RBI and subsequently by the Hon'ble NCLT vide its order dated October 8, 2021. Further Note No. 2 also explains that since the Administrator has taken charge of the affairs of SIFL and SEFL on October 4, 2021, the Administrator is not liable or responsible for any actions and regarding the information pertaining to the period prior to October 4, 2021 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL, who were also part of the respective Companies prior to the appointment of the Administrator.

The Statement has been prepared on the basis of the annual financial statements. The Administrator and the existing officials of SIFL and SEFL are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in 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 and Regulation 52 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 Group 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 is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Administrator and the existing officials of SIFL and SEFL are responsible for assessing the Group'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 Administrator either intends to liquidate SIFL and SEFL or to cease operations, or has no realistic alternative but to do so.

The Administrator and the existing officials of SIFL and SEFL are also responsible for overseeing the Group's financial reporting process.

## 6. Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our responsibility is to conduct an audit of the Statement in accordance with Standards on Auditing (SAs) specified under Section 143(10) of the Act and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the Statement.

We are independent of the Group 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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.

## 7. Other Matters

- i. The Statement includes the audited financial results of 08 subsidiaries whose financial statements reflect Group's share of total assets of Rs. 15,283.47 crores as at March 31, 2023, Group's share of total revenues of Rs. 247.33 crores and Rs. 1,531.33 crores, Group's share of total net loss of Rs. 217.25 crores and Rs. 11,230.25 crores and Group's share of total comprehensive income of Rs. (220.29) crores and Rs. (11,239.29) crores for the quarter and year ended March 31, 2023 respectively and net cash inflows amounting to Rs. 1,247.20 crores for the year ended March 31, 2023, 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 statements of 01 trust whose financial results reflect Group's share of total assets of Rs. 0.01 crore as at March 31, 2023, Group's share of total



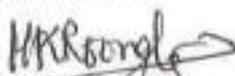
revenues of Rs. Nil and Rs. Nil, Group's share of total net profit after tax of Rs. Nil and Rs. Nil and Group's share of total comprehensive income of Rs. Nil and Rs. Nil for the quarter and year ended March 31, 2023 respectively and net cash inflows amounting to Rs. Nil for the year ended March 31, 2023, as considered in the Statement. These unaudited financial statements have been furnished to us by the existing management of the Holding Company 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. In our opinion and according to the information and explanations given to us by the existing management of the Holding Company, these financial statements are not material to the Group.

- iii. Attention is drawn to Note no. 33 to the Statement which states that the Statement includes the results for the quarter ended March 31, 2023, being the balancing figures 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.

For **D.K. Chhajjer & Co.**

Chartered Accountants

FRN : 304138E

  
Manoj K Raogta

Partner

Membership No.: 057761

UDIN: 23052261062020339

Place: Kolkata

Date: May 16, 2023



**SRE INFRASTRUCTURE FINANCE LIMITED**

Registered Office: 506/1, Topolia Road (South), Kolkata - 700046, West Bengal, India. Telephone: 9830242222, Fax: 9830242222  
CIN: L2010W150065014955342

**UNAUDITED CONDENSED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2023**

(in Lakhs)

Particulars	Quarter ended			Year Ended	
	31-Mar-23 (Audited)	31-Dec-22 (Unaudited)	31-Mar-22 (Audited)	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>Revenue from Operations</b>					
Interest Income	70,579	19,551	54,243	178,418	254,594
Rental Income	3,408	3,580	11,265	20,735	44,421
Loss and Commission Income	883	777	1,078	2,860	7,089
Net gain or loss on recognition of financial instruments under fair value through profit or loss	5	3	-	8	1
Others	208	758	793	2,670	3,396
<b>(I) Total Revenue from Operations</b>	<b>24,781</b>	<b>24,091</b>	<b>77,379</b>	<b>254,420</b>	<b>309,477</b>
(II) Other Income	536	1,280	2,080	1,860	3,720
<b>(III) Total Income (I+II)</b>	<b>25,317</b>	<b>25,370</b>	<b>79,459</b>	<b>256,280</b>	<b>313,197</b>
<b>Expenses</b>					
Finance Costs	448	278	10,489	7,624	216,918
Fees and Commission Expense	1,205	174	592	1,791	3,512
Net loss / (gain) on fair value changes	5,926	(15)	1,681	9,634	27,492
Net loss on derecognition of financial instruments under amortised cost	2,904	913	562	5,587	12,328
Impairment on financial instruments (Net)	3,311	63,742	15,065	142,216	301,511
Employee Benefits Expenses	2,295	2,005	2,689	8,745	12,361
Depreciation, Amortisation and Impairment	9,082	10,753	13,132	43,582	56,990
Administrative and Other Expenses	2,866	6,002	3,997	19,158	25,345
Loss / write-off / (gain) on Repossessed Assets & Assets acquired in satisfaction of debt	(358)	10,650	279	13,257	4,320
<b>(IV) Total Expenses (IV)</b>	<b>27,679</b>	<b>94,482</b>	<b>48,165</b>	<b>251,554</b>	<b>589,577</b>
<b>(V) Profit before Exceptional Items &amp; Tax (III-IV)</b>	<b>(2,362)</b>	<b>(69,112)</b>	<b>31,283</b>	<b>(95,274)</b>	<b>(247,380)</b>
(VI) Exceptional Items (Profit / Loss)	(6,781)	(257,688)	-	(1,115,931)	-
<b>(VII) Profit / (Loss) Before Tax (V+VI)</b>	<b>(9,143)</b>	<b>(321,800)</b>	<b>31,283</b>	<b>(1,110,858)</b>	<b>(247,380)</b>
<b>(VIII) Tax Expense:</b>					
(a) Current Tax	13	(2)	(3)	40	252
(b) Income Tax in respect of earlier year	5	-	(1,081)	6	6,841
(c) Deferred Tax	-	(4)	(107)	(11)	(38)
<b>(IX) Profit / (Loss) After Tax but before Loss of Associates (VII-VIII)</b>	<b>(9,158)</b>	<b>(321,804)</b>	<b>32,474</b>	<b>(1,110,899)</b>	<b>(254,475)</b>
(X) Share of Profit / (Loss) of Associates	-	-	-	-	-
<b>(XI) Profit / (Loss) After Tax (IX+X)</b>	<b>(9,158)</b>	<b>(321,804)</b>	<b>32,474</b>	<b>(1,110,899)</b>	<b>(254,475)</b>
<b>(XII) Other Comprehensive Income/(Expense):</b>					
Items that will not be reclassified to Profit or Loss					
- Remeasurement Gain / (Loss) on Defined Benefit Plan	(182)	6	31	(103)	(29)
- Gain / (Loss) on Equity Instruments through Other Comprehensive Income	(5,929)	1,192	(9,410)	15,695	(3,485)
- Tax related to above	-	(1)	208	(1)	145
Items that will be reclassified to Profit or Loss					
- Effective portion of gains and losses on hedging instruments in a cash flow hedge	-	-	-	-	14
- Gain on fair valuation of loans	(94)	(117)	682	(719)	(280)
- Tax related to above	-	-	-	-	-
<b>Total Other Comprehensive Income/(Expense) (XII)</b>	<b>(6,155)</b>	<b>1,080</b>	<b>(8,429)</b>	<b>14,722</b>	<b>(33,545)</b>
<b>(XIII) Total Comprehensive Income/(Expense) for the period (XI+XII)</b>	<b>(15,313)</b>	<b>(320,724)</b>	<b>(25,965)</b>	<b>(1,096,177)</b>	<b>(288,020)</b>
<b>Profit / (Loss) for the period attributable to:</b>					
- Owners of the parent	(9,160)	(321,861)	32,607	(1,110,894)	(254,531)
- Non-controlling interest	2	(1)	(133)	5	56
<b>Other Comprehensive Income/(Expense) for the period attributable to:</b>					
- Owners of the parent	(6,155)	1,080	(8,205)	14,722	(33,572)
- Non-controlling interest	-	-	(236)	-	(173)
<b>Total Comprehensive Income/(Expense) for the period attributable to:</b>					
- Owners of the parent	(15,315)	(320,781)	(25,596)	(1,096,172)	(287,803)
- Non-controlling interest	2	(1)	(369)	5	(177)
Paid-up Equity Share Capital (Par Value Rs. 10/- per Equity Share)	50,309	50,309	50,309	50,309	50,590
Other Equity excluding Revaluation Reserves	-	-	-	(1,752,299)	(656,301)
Earnings per Equity share (Basic and Diluted) (in Rs.) (*Not annualised)					
(Par Value Rs. 10/- per Equity Share)	<b>*(-1.82)</b>	<b>*(-63.98)</b>	<b>*6.45</b>	<b>(220.82)</b>	<b>(98.58)</b>



**For Srei Infrastructure Finance Limited**  
(a Company under Corporate Insolvency Resolution Process by an order dated October 8, 2021 passed by Hon'ble NCLT, Kolkata)

*(Signature)*

**RAJNEESH SHARMA**  
**ADMINISTRATOR APPOINTED UNDER IBC**

Place: Kolkata  
Date: May 16, 2023

The Administration has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

Address for Correspondence - 506/1, Topolia Road (South), Kolkata, West Bengal, 700046

E-mail ID for Correspondence - sreiadmin@srifinance.com

*(Signature)*

## BALANCE SHEET

₹ in Lakhs

Particulars	As at	As at
	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>ASSETS</b>		
<b>1. Financial Assets</b>		
(a) Cash and Cash Equivalents	256,419	129,078
(b) Bank Balance other than (a) above	18,694	18,681
(c) Receivables		
(i) Trade Receivables	2,213	5,640
(d) Loans	949,293	2,031,067
(e) Investments	128,730	152,504
(f) Other Financial Assets	94,047	81,100
	<b>1,499,246</b>	<b>2,418,169</b>
<b>2. Non-Financial Assets</b>		
(a) Current Tax Assets (Net)	6,832	10,109
(b) Deferred Tax Assets (Net)	552	538
(c) Property, Plant and Equipment	133,194	104,535
(d) Rights-of-use - Asset	547	713
(e) Goodwill on Consolidation	683	683
(f) Other Intangible Assets	542	841
(g) Other Non-Financial Assets	23,626	39,028
	<b>145,946</b>	<b>255,537</b>
<b>TOTAL ASSETS</b>	<b>1,645,192</b>	<b>2,673,697</b>

₹ in Lakhs

Particulars	As at	As at
	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>1. Financial Liabilities</b>		
(a) Payables		
(i) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	250	210
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,954	7,369
(b) Debt Securities	259,944	250,552
(c) Borrowings (Other than Debt Securities)	2,699,340	2,676,804
(d) Subordinated Liabilities	205,458	264,583
(e) Lease Liabilities	638	830
(f) Other Financial Liabilities	15,343	19,747
	<b>3,247,867</b>	<b>3,259,154</b>
<b>2. Non-Financial Liabilities</b>		
(a) Provisions	15,348	15,836
(b) Other Non-Financial Liabilities	3,988	4,511
	<b>19,336</b>	<b>20,367</b>
<b>3. Equity</b>		
(a) Equity Share Capital	50,300	50,300
(b) Other Equity	(1,752,283)	(656,101)
	<b>(1,701,974)</b>	<b>(605,792)</b>
Non-controlling Interest	(32)	(32)
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,565,212</b>	<b>2,673,697</b>

For Srei Infrastructure Finance Limited

(a Company under Corporate Insolvency Resolution Process by an order dated October 8, 2021 passed by Hon'ble NCLT, Kolkata)


**RAJNEESH SHARMA**  
**ADMINISTRATOR APPOINTED UNDER IBC**
Place: Kolkata  
Date: May 16, 2023

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.

Address for Correspondence - Vishwakarma B6C, Topsia Road (South), Kolkata, West Bengal, 700046

Email ID for Correspondence - sreiaadministrator@srei.com

## STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	Year ended	Year ended
	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>A. Cash Flows from Operating Activities</b>		
Profit Before Tax	(1,110,858)	(247,380)
Adjustments for:		
Net unrealised fair value (gain) / loss	9,624	22,528
Net (gain) / loss on derecognition of Property, Plant and Equipment	7,555	7,413
Interest on Income Tax Refund	(1,493)	(384)
Liabilities No Longer Required written back	(363)	(3,094)
Impairment on Financial Instruments (Net)	142,216	201,511
Impairment on Financial Instruments (Net) on Exceptional items	937,100	-
Depreciation, Amortisation and Impairment	43,582	36,980
Net (gain) / loss on derecognition of Financial Instruments under amortised cost category	5,567	12,328
Impairment/Write-off on Assets acquired in satisfaction of debt	(3,257)	4,320
Net unrealised fair value (gain) / loss on exceptional items	78,465	-
<b>Operating profit before working capital changes</b>	<b>124,681</b>	<b>54,238</b>
<b>Changes in Working Capital</b>		
Adjustments for:		
(Increase) / Decrease in Trade Receivables and Others Assets	24,936	12,740
(Increase) / Decrease in Loans Assets	(87,189)	(86,913)
Increase / (Decrease) in Trade Payables and Others Liabilities	(2,842)	5,037
(Increase) / Decrease in Other Bank Balances	77	82,137
<b>Cash generated / (used) in operations</b>	<b>68,671</b>	<b>67,241</b>
(Direct) Taxes Paid (net of refund)	(3,784)	(7,259)
<b>Net Cash (used in) / generated from Operating Activities</b>	<b>74,455</b>	<b>59,982</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment/ Capital Work-in-Progress/ Intangible Assets	-	(7)
Proceeds from Sale of Property, Plant and Equipment/Intangible assets	30,945	9,311
(Increase) / Decrease in Investments (Other than Subsidiaries)	48,197	(44,451)
<b>Net Cash (used in) / generated from Investing Activities</b>	<b>59,142</b>	<b>(35,147)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from issuance of Debt securities (including subordinated debt securities)	1,268	-
(Repayment of) / Proceeds from Working Capital facilities (Net)	3,053	38,346
Repayment of Other Borrowings	(10,577)	22,302
Dividend Paid (including Corporate Dividend Tax)	-	(6)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(6,256)</b>	<b>60,731</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>127,341</b>	<b>85,567</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>129,078</b>	<b>43,511</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>256,419</b>	<b>129,078</b>

Cash and Cash Equivalents at the end of the year comprises of:

(₹ in Lakhs)

Particulars	As at	As at
	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>Cash and Cash Equivalents at the end of the year</b>		
(a) Cash on hand	8	21
(b) Balances with Banks - in Current Account	28,574	(8,238)
(c) Fixed Deposits with original maturity period less than three months	227,837	60,810
	<b>256,419</b>	<b>129,078</b>

## Segment wise Revenue, Results, Assets and Liabilities

Particulars	Quarter ended			Year Ended	
	31-Mar-23 (Audited)	31-Dec-22 (Unaudited)	31-Mar-22 (Audited)	31-Mar-23 (Audited)	31-Mar-22 (Audited)
<b>1. Segment Revenue</b>					
(a) Financial Services	24,835	24,142	77,363	(54,653)	309,606
(b) Others	82	(116)	156	318	139
<b>Total</b>	<b>24,917</b>	<b>24,229</b>	<b>77,519</b>	<b>(54,971)</b>	<b>309,765</b>
Less: Inter Segment Revenue	136	138	140	551	288
<b>Net Income from Operations</b>	<b>24,781</b>	<b>24,091</b>	<b>77,379</b>	<b>(54,420)</b>	<b>309,477</b>
<b>2. Segment Results</b>					
(a) Financial Services	(2,350)	(69,171)	31,302	(95,213)	(247,314)
(b) Others	(22)	(11)	(19)	(52)	(66)
<b>Profit Before Tax</b>	<b>(2,372)</b>	<b>(69,182)</b>	<b>31,283</b>	<b>(95,265)</b>	<b>(247,380)</b>
<b>3. Segment Assets</b>					
(a) Financial Services	1,555,822	1,569,397	1,651,902	1,555,822	2,651,982
(b) Others	1,946	1,939	1,953	1,946	1,971
(c) Intangible Assets	7,428	9,758	19,762	7,428	19,762
<b>Total Segment Assets</b>	<b>1,565,196</b>	<b>1,581,094</b>	<b>1,673,617</b>	<b>1,565,196</b>	<b>2,673,697</b>
<b>4. Segment Liabilities</b>					
(a) Financial Services	1,262,105	1,367,760	1,278,478	1,267,199	1,279,478
(b) Others	23	4	19	6	19
(c) Intangible	23	24	24	24	24
<b>Total Segment Liabilities</b>	<b>1,267,223</b>	<b>1,367,760</b>	<b>1,279,521</b>	<b>1,267,223</b>	<b>1,279,521</b>



**Notes:**

**1. Supersession of Board of Directors and Implementation of Corporate Insolvency Resolution Process**

The Reserve Bank of India ("RBI") vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ("RBI Act") superseded the Board of Directors of Srei Infrastructure Finance Ltd. ("the Company" or "SIFL") and its material wholly owned subsidiary, Srei Equipment Finance Ltd. ("SEFL") and appointed an Administrator under Section 45-IE (2) of the RBI Act. Further, the RBI in exercise of powers conferred under section 45-IE (5) (a) of the RBI Act, constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

Thereafter, the RBI filed applications for initiation of Corporate Insolvency Resolution Process ("CIRP") against SIFL & SEFL under section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 ("the Code") read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ("FSP Insolvency Rules") before the Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT"). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application made by the RBI for initiation of CIRP against SIFL & SEFL. Further, Hon'ble NCLT gave orders for appointment of Mr. Rajneesh Sharma, as the Administrator to carry out the functions as per the Code and that the management of SIFL & SEFL shall vest in the Administrator. Further, Hon'ble NCLT also retained the three-member Advisory Committee, as aforesaid, for advising the Administrator in the operations of the Company & SEFL during the CIRP. There have been changes in the composition of the Advisory Committee on June 22, 2022 and January 31, 2023. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated Committee of Creditors (CoC) took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA).

The approved resolution plan of NARCL was filed before Adjudicating Authority i.e., Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

**2. The above audited consolidated financial results of SIFL, its subsidiaries and trust together referred to as "the Group" for the quarter and year ended March 31, 2023 have been taken on record by the Administrator on May 16, 2023 while discharging the powers of the Board of Directors of the Company and SEFL which were conferred upon him by RBI press release dated October 4, 2021 and subsequently, powers conferred upon him in accordance with Hon'ble NCLT order dated October 8, 2021. It is also incumbent upon the Resolution Professional, under Section 20 of the Code, to manage the operations of the Company and SEFL as going concern. Since the Administrator has taken charge of the affairs of the Company and SEFL on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company or SEFL prior to his appointment and has relied on the position of the financial results of the Company and SEFL as they existed on October 4, 2021. Regarding information pertaining to period prior to October 4, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by the existing management team ("the existing officials of SIFL and SEFL"), who were / are also part of SIFL and SEFL prior to the appointment of the Administrator. As part of the CIRP, the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. The Administrator of the Company received certain account wise transaction audit reports from the professional agency appointed as the transaction auditor indicating that in SEFL there are transactions amounting to Rs 18,375 crores which are fraudulent in nature under section 66 of the Code including transactions amounting to Rs 1,270 crores determined as undervalued transactions. Accordingly, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till May 5, 2023 for adjudication. In addition to the above, basis the transaction audit reports from the professional agency appointed as the transaction auditor, the Administrator has filed an application under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on November 18, 2022 for an amount of Rs. 848 crores, being the net shortfall in payments to SEFL's lenders who were assigned the Pool Loans as on September 30, 2021 for adjudication.**

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 (Ind AS) for Non-Banking Finance Companies and Asset Reconstruction Companies, SEFL had created Impairment Reserve amounting to Rs. 5,249 crores on such accounts, wherever applicable in the earlier periods. Since no withdrawal from such reserve is permitted without the prior permission of RBI as per the notification/ circular referred above, an amount of Rs (12) crores and Rs. 9,292 crores has been provided towards loans loss provisioning and Rs. Nil and Rs. 785 crores have been provided towards loss on fair valuation for the quarter and Rs. 79 crores towards impairment loss allowance on security deposits given for lease premises for the quarter and year ended March 31, 2023 respectively after considering the impact of impairment reserve as stated above and provisions made earlier, thereby making impairment to the extent of 100% of gross exposure, despite having some underlying securities as a matter of



abundance prudence. If the loan loss provisioning would have been provided without considering the impairment reserve as mentioned above the loss before tax for the quarter and year ended March 31, 2023 would have increased by Rs.145 crores and Rs.5,249 crores respectively, and correspondingly impairment reserve of Rs.145 crores and Rs.5,249 crores respectively would have been transferred to retained earnings, thereby having no impact on shareholders' fund.

The transaction audit has been completed and the necessary impact of the same has been incorporated in these consolidated financial results.

The above consolidated financial results for the quarter and year ended March 31, 2023 were subjected to audit by the Statutory Auditors, D.K. Chhajjer & Co., Chartered Accountants of the Company as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('Listing Regulations').

**3. Non recognition of Interest Income on transactions reported under section 60(5) and section 66 of the Code**

During the quarter ended September 30, 2022, as a matter of prudence, SEFL had adopted a policy for the borrowers whose transactions with SEFL are determined as fraudulent, basis transaction audit reports, not to recognise the income on such accounts from the start of the quarter in which such transactions are reported as fraudulent by SEFL. Further, in case of transactions determined as fraudulent in previous periods prior to the adoption of this policy, no income is being recognised w.e.f. July 1, 2022 in all such cases. Had the policy not changed, the interest income would have been higher by Rs.231 crores and Rs. 592 crores for the quarter and year ended March 31, 2023 respectively. Subsequently, the ECL provision would also have been higher by Rs. 231 crores and Rs. 592 crores for the quarter and year ended March 31, 2023 respectively, resulting in no change in the loss for the quarter and year ended March 31, 2023.

**4. (i) Loan loss provisioning**

SEFL on the basis of abundant prudence, has decided to make provision to the extent of interest income recognised during the respective quarter on Net Stage - III accounts. Accordingly, SEFL has made a total provision of Rs. 238 crores on such accounts for the year ended March 31, 2023. This includes an additional provision of Rs. 76 crores as management overlay in the quarter ended September 30, 2022. This has resulted in increase in Impairment on Financial Instruments (Net) by Rs. 238 crores and thereby increase in loss by Rs. 238 crores for the year ended March 31, 2023. Based on the ECL policy, SEFL has made ECL provision aggregating to Rs. (303) crores and Rs. 9,923 crores for the quarter and year ended March 31, 2023 respectively which includes provision of Rs.(12) crores and Rs. 9,292 crores as stated in Note No. 2 above.

Further, 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 Ind AS for Non-Banking Finance Companies and Asset Reconstruction Companies, SEFL has also considered provision amounting to Rs. Nil crores and Rs. 437 crores for the quarter and year ended March 31, 2023 respectively under Income Recognition, Asset Classification and Provisioning Norms. Such provision is also over and above ECL provision as stated above and has been accounted as 'Impairment Reserve'. SEFL has revised the ECL model basis March 31, 2022, audited financial statement as on March 31, 2022 and given the effect of the same. In cases where the ECL provision basis such revised rate and the impairment reserve made in earlier periods was more than the gross exposure, SEFL made a lesser provision under the ECL, so as to restrict the net exposure at Nil, since no withdrawal from such impairment reserve is permitted. If the loan loss provisioning would have been provided without considering the impairment reserve as mentioned above, the loss before tax for the quarter and year ended March 31, 2023 would have increased by Rs. (1) crore and Rs. 316 crores respectively, and correspondingly impairment reserve of Rs. 316 crores and Rs. 316 crores respectively would have been transferred to retained earnings, thereby having no impact on shareholders' fund.

As part of the ongoing CIRP process the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company & SEFL, and assets/collateral held as securities as required under the provisions of the Code. The valuation reports of the same have been submitted to the Consolidated CoC members.

**(ii) Fair Valuation for transactions reported under section 60(5) and section 66 of the Code**

In case of transactions measured at fair value which are determined as fraudulent under section 66 of the Code, SEFL has not taken fair valuation of such aforesaid accounts as of March 31, 2023, since on a prudence basis, SEFL would have made provision in case of fair value gain, thereby net impact would have been Rs. Nil on the Statement of Profit and Loss

**5. Non provisioning of Interest on**

**a) Borrowings**

Pursuant to admission under the CIRP, SEFL has not provided for interest amount of Rs 1,209 crores and Rs.4,661 crores for the quarter and year ended March 31, 2023 respectively and Rs 2,000 crores for the year ended March 31, 2022 on Borrowings since insolvency commencement date i.e. October 8, 2021 in respect of SEFL's obligation for interest and principal amount for all the borrowings. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.



**b) Intercorporate Deposit (ICD)**

- i. The domestic lenders of the Company and SEFL stipulated Trust and Retention Account (TRA) mechanism w.e.f. November 24, 2020, pursuant to which all the payments being made by SIFL and SEFL are being approved/released based on approval in the TRA mechanism and accordingly considering the restrictions imposed by the lenders on the related party payments, the Audit Committee of SIFL and SEFL in their meeting dated August 14, 2021 and August 11, 2021 respectively approved waiver of interest on ICD taken by SIFL from SEFL. The Company has not accounted for interest of Rs. 27 crores for the year ended March 31, 2022 (including Rs. 6.44 crore for the quarter ended March 31, 2022).
- ii. Pursuant to the admission of the Company under the CIRP, SIFL has not provided for interest amount of Rs. 6.42 crores for the quarter ended March 31, 2023 and Rs. 25.74 crores for the year ended March 31, 2023 in respect of SIFL's obligation for interest on ICD. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.

**c) Non-convertible Perpetual Bond**

- i. Considering the significant impact of COVID-19 on business activity, the Company had received consent for waiver of interest on Non-convertible Perpetual Bond from the Bond Holders. Accordingly, the Company had not accrued interest of Rs. 33 crores for the year ended March 31, 2022 (including Rs. 8.25 crores for the quarter ended March 31, 2022).
- ii. Pursuant to the admission of the Company under the CIRP, SIFL has not provided for interest amount of Rs. 33 crores on Non-convertible Perpetual Bond for the year ended March 31, 2023 (including Rs. 8.25 crores for the quarter ended March 31, 2023) in respect of SIFL's obligation for interest on Non-convertible Perpetual Bond. Under the Code, the treatment of creditors under the resolution plan is as per debts due as on insolvency commencement date and therefore no interest is accrued and payable after this date.

Had the interest been accrued on borrowings, as aforesaid in (a) and (c) consolidated loss before tax for the year ended March 31, 2023 would have resulted in a loss before tax of Rs.15,803 crores, and the loss before tax for the quarter ended March 31, 2023 would have resulted in a loss before tax of Rs.1309 crores.

**6. Business Transfer Agreement and Scheme of Arrangement**

During the year 2019-20, SIFL and SEFL entered into a Business Transfer Agreement ('BTA') to transfer the Lending Business, Interest Earning Business and Lease Business of the Company together with associated employees, assets and liabilities (including liabilities towards issued and outstanding non-convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to SEFL pursuant to the BTA, subject to all necessary approvals. Accordingly, the Company and SEFL passed the relevant accounting entries in their respective books of account to reflect the slump exchange w.e.f. October 1, 2019 while allotment of shares by SEFL was made on December 31, 2019. The superseded Board of directors and erstwhile management of the Company, as existed prior to the appointment of the Administrator, had obtained external 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.

During the year 2020-2021, SEFL had filed two (2) separate applications under Sec. 230 of the Companies Act, 2013 ('the Act') before the Hon'ble NCLT, Kolkata vide applications no. CA 1106/KB/2020 and CA 1492/KB/2020 proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). BTA, constituted an integral part of the Schemes.

The first scheme (i.e. CA 1106/KB/2020) sought for amongst other things "formal consent to be obtained from the required majority of the creditors of SEFL to the completed acquisition by way of slump exchange of the Transferred Undertaking from SIFL in terms of the BTA and consequential formal novation of the loans and securities already forming part of SEFL's liabilities and outstanding to the creditor."

The second scheme (i.e. CA 1492/KB/2020) sought for amongst other things restructuring of the debt due to certain creditors of SEFL including secured debenture holders, unsecured debenture holders, perpetual debt instrument holders, secured ECB lenders and unsecured ECB lenders and individual debenture holders.

Pursuant to the directions of Hon'ble NCLT vide order dated October 21, 2020, the superseded Board of directors and erstwhile management of SIFL and SEFL had maintained status quo on the Scheme including accounting of BTA. The final order/s in connection with the Schemes was awaited from Hon'ble NCLT at that time.

Both the schemes of arrangement were rejected by the majority of the creditors during the meetings held pursuant to the Hon'ble NCLT's directions dated October 21, 2020 and December 30, 2020 respectively. Further, certain appeals were filed by rating agencies in the matter relating to the second scheme of arrangement (i.e. CA 1492/KB/2020).



An application of withdrawal was filed by the Administrator in this matter in Hon'ble NCLAT which has been allowed by NCLAT by an order dated February 11, 2022. As stated in Note-7 below, SIFL and SEFL are in the process of consolidated resolution of SEFL and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes as stated above. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained.

#### 7. Consolidated Resolution under CIRP

In view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and SEFL, the Administrator, after adopting proper procedure, had filed applications before the Hon'ble NCLT in the insolvency resolution process of SIFL and SEFL (IA No. 1099 of 2021 under CP-294/KB/2021 and IA No. 1100 of 2021 under CP-295/KB/2021) seeking the following prayers:

- Directing the consolidation of the corporate insolvency resolution processes of SIFL and SEFL;
- Directing formation of a Consolidated CoC for the consolidated corporate insolvency resolution processes of SIFL and SEFL;
- Directing and permitting the conduct of the corporate insolvency resolution processes of SIFL and SEFL in terms of the provisions of the Code in a consolidated manner including audit of transactions in relation to Section 43, Section 45, Section 50 and Section 66 of the Code, issuance of single request for submission of resolution plans by the Administrator and the submission and consideration of single resolution plan, for the consolidated resolution of SEFL and SIFL in terms of the provisions of the Code; and
- Directing and permitting the submission and approval of one consolidated resolution plan for the resolution of SEFL and SIFL in terms of the provisions of the Code.

The application in this matter was admitted and the final order received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The approved resolution plan of NARCL was filed before Adjudicating Authority on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority.

The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

#### 8. Payment to lenders/others and claims under CIRP

CIRP has been initiated against SIFL and SEFL, as stated in Note No. 1 and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8, 2021 (i.e. date of commencement of CIRP). As per the Code, the Administrator has to receive, collate and verify all the claims submitted by the creditors of SIFL and SEFL.

Admission of claims of the financial/operational/other creditors received by the Administrator is completed and the effect of the same has been given in the books of account. However, the figures of the claims admitted in the books of account might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/operational/other creditors.

Further, the foreign currency debt of SEFL has been converted into INR as per the Code on the date of commencement of CIRP and accordingly, SEFL has not translated its foreign currency exposure as on March 31, 2023 as per the requirements of Ind AS 21 'The effects of changes in foreign exchange rates'.

#### 9. Unhedged Foreign Currency Exposure / Trust and Retention Account

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 the nine months ended December 31, 2020. Thereafter, SEFL was not able to meet the requirements of the aforesaid RBI notification due to procedural issues. 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 unwound the currency risk hedges, which resulted in ECB exposures amounting to Rs. 273 crores as per contractual terms being not hedged as on March 31, 2023, in terms of the aforesaid RBI notification. SEFL has reported the above fact to RBI and reply from the same is still awaited.

#### 10. Fair value of Investment

- Trinity is managing various funds in which the Company has invested. As a practice, Trinity was providing NAV of all the funds on quarterly basis till March 31, 2022. However, as on June 30, 2022, Trinity has not provided NAV of any funds. As per explanation given by Trinity Management, as per Clause 23 (1) of AIF Regulations, 2012, Investment Managers are mandated to provide NAV at



last once in every six months. So, next NAV of the funds was due on March 31, 2023. However, inspite of several follow-ups, Trinity has provided NAV of three Funds out of five funds in which SIFL has invested. The Company has taken NAV impact of three Funds provided by Trinity and continuing to value the investments in remaining two Funds at the NAV provided as on September 30, 2022 amounting to Rs. 39 crores. The Company is unable to ascertain the impact on valuation of investments in Funds, had the NAV of remaining two funds as on March 31, 2023 would have been provided by Trinity.

ii. **Fair value on units of Infra Construction Fund**

The Company is holding 18,80,333 units in Infra Construction Fund (ICF), managed by Trinity Alternative Investments Managers Limited (Trinity). The Company arrives at the fair valuation of units of ICF based on the NAV of the units provided by Trinity. ICF has made investments in equity shares of India Power Corporation Limited (IPCL) which are pending allotment. Till December 31, 2021, Trinity considered the quoted price of shares of IPCL as on balance sheet date for arriving the NAV of ICF.

As on March 31 2022, the valuation provided by Trinity to the Company, considered the fair value of equity instrument in equity shares of IPCL at NIL, considering prolonged delay in allotment of equity shares of IPCL till date since 2013. However, as per the NAV provided by Trinity as on September 30, 2022, the fair valuation of units of ICF was considered as Rs. 199.52 crores under the same legal circumstances as existed on previous reporting periods. For the purpose of accounting, such impact has been considered in the financial results resulting into loss in Investment in ICF by Rs.530.65 crores for the quarter ended March 31, 2022 and again resulting into gain in Investment in ICF and Other Comprehensive Income by Rs.199.52 crores during the quarter ended September 30, 2022. The Company has enquired with the Trinity management regarding such frequent change in approach for valuation of these shares and no response has been received till date. The matter relating to the allotment of the IPCL is pending due to non-compliance of SEBI Regulations by IPCL. The Company considered the fair value of units of ICF as Rs.193.35 crores as on March 31, 2023 as per the NAV provided by Trinity.

iii. As on March 31, 2023, based on amalgamation process of DPSC Ltd with erstwhile IPCL, the Company is entitled to an allotment of 10,55,24,100 equity shares of India Power Corporation Limited (IPCL). However, allotment of the Company's holdings is pending since 2013 as the matter relating to the allotment of the IPCL is pending due to non-compliance of SEBI Regulations by IPCL. The market value of IPCL shares as on March 31, 2023 i.e., Rs. 109.22 crores have been considered as Fair value in the books of account of the Company. The matter relating to the allotment of equity shares of IPCL to the Company and ICF is pending due to non-compliance of SEBI Regulations by IPCL.

11. **Re-statement of CFS for the year ended 31.03.2022**

The audited consolidated financial statements for the year ended March 31, 2022 includes Board approved financial statements of a subsidiary, viz. Trinity Alternative Investment Managers Limited (Trinity) and two subsidiaries of Trinity, viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited.

The management of these subsidiaries did not provide audited financial statements of these aforesaid companies despite many reminders and accordingly, the financial statements of said subsidiaries were considered for consolidation based on the Board approved financial statement signed by one director as confirmed by Trinity via emailed dated May 26, 2022. Subsequently, after publication of consolidated Financial result of the Company Trinity have provided signed audited Financial Statements dated May 20, 2022 on June 04, 2022 in which material mismatch was observed between the Financial Statements received on 04 June, 2022 and Financial Statements received on May 26, 2022. Which was considered for consolidation. At the time of preparation of financial results for the quarter ended June 30, 2022, these discrepancies / mismatches were rectified retrospectively in accordance with the guidelines of Ind AS 8, "Accounting Policies, Changes in Accounting Estimates and Errors".

As a result of this retrospective adjustment, Other Comprehensive Income (loss) (net of income tax) has changed from Rs. (28) crores to Rs. (335) crores for the year ended March 31, 2022. Other Equity has changed from Rs. (6404) to Rs. (6561) crores, Investments has changed from Rs. 1921 crores to Rs. 1265 crores and Deferred tax liabilities of Rs. 83 crores has changed to Deferred Tax Assets of Rs. 5 crores as on March 31, 2022. Changes in other Balance Sheet items are immaterial.

12. The approved financial statements of Trinity Alternative Investment Managers Limited (Trinity) and its two subsidiaries, viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited for the quarter ended June 30, 2022, September 30, 2022, December 31, 2022, March 31, 2023 and year ended March 31, 2023 have not been received from Trinity despite written request and follow ups and accordingly the same have not been considered for consolidation. SIFL Nominee Director (existing Shareholder Director) called the Board Meeting of Trinity, however, the management of Trinity did not provide the requisite document and infrastructure to hold the meeting and under constraint, the Board Meeting could not be conducted. The possible impact on the consolidated financial results with respect to the aforesaid subsidiaries is not ascertainable.



### 13. Going Concern

The Group had reported net losses during the year ended March 31, 2023 and earlier year / periods as well. Hence, the net worth of the Group has fully eroded.

There is persistent severe strain on the working capital and operations of the Group and it is undergoing significant financial stress. As stated in Note No. 1, CIRP was initiated in respect of the SIFL and SEFL w.e.f. October 8, 2021. The Holding Company have assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial results have been prepared on a going concern assumption basis as per below:

- i) The Code requires the Administrator to, among other things, run SIFL and SEFL as a going concern during CIRP.
- ii) The Administrator, in consultation with the Consolidated CoC of SIFL and SEFL, in accordance with the provisions of the IBC, is making all endeavors to run SIFL and SEFL as a going concern. Considering the future business outlook and with time bound recovery of its due from customers and monetization of assets / securities, SIFL and SEFL are hopeful of improvement in their cash flows in due course of time.
- iii) Reduction in overhead expenditure.
- iv) Dedicated focused collection team to increase the collection and is also exploring all possibilities to start new business with the launch of various schemes.

CIRP is undergoing and as per the process, the Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA).

The approved resolution plan of NARCL was filed before Adjudicating Authority i.e., Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

Pending the completion of the said process under CIRP, these financial results have been prepared on a going concern basis.

### 14. Probable Connected / Related Companies

RBI in its inspection report and risk assessment report (the directions) for the year ended March 31, 2020 had identified 'certain borrowers' as probable connected/related companies. In the directions, SIFL and SEFL have been advised to re-assess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to SIFL or to SEFL and also whether these are on arm's length basis.

It has been brought to the Administrator's notice that the erstwhile management of SIFL and SEFL had taken legal view to determine whether such borrowers are related parties to SIFL or SEFL. Based on the legal view, the erstwhile management was advised and had therefore come to the conclusion that the SIFL or to SEFL have no direct or indirect control or significant influence (as per the Companies Act, 2013 and Ind AS) over such borrowers and are not under common control and accordingly, are not a related party of SIFL or SEFL. The erstwhile management had also obtained an assessment report on the review & verification of the transactions with the aforesaid probable connected/related companies from an independent Chartered Accountant firm, which states that the transactions of SIFL or to SEFL with probable connected parties were done at arm's length principles and are in the ordinary course of business and that such parties are not related parties of SIFL or SEFL under the Act or Ind AS 24.

Further, in view of RBI directions, in line with arm's length principles, the erstwhile management of SEFL was 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. However, the same was not concluded and meanwhile SIFL and SEFL went into CIRP.

The total gross exposure towards such borrowers in SEFL is Rs. 11,150 crores and Rs. 11,591 crores as on March 31, 2023 and as on March 31, 2022 respectively and the total exposure (net of impairment) towards such borrowers is Rs. 532 crores and Rs. 7,088 crores as on March 31, 2023 and as on March 31, 2022 respectively.

However, the Administrator is not in a position to comment on the views adopted by the erstwhile management of the Company in relation to the findings of the directions since these pertain to the period prior to the Administrator's appointment. As a part of the CIRP, the Administrator has initiated transaction audits/reviews relating to the process and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code.



Out of Accounts referred by the RBI in the directions, the Administrator has received account wise transaction audit reports, which has identified certain transactions as fraudulent in nature under section 66 of the Code, including undervalued transactions, the gross exposure of such borrower's in SEFL amounts to Rs. 10,453 crores and Rs. 10,824 crores as on March 31, 2023 and as on March 31, 2022 respectively and the total exposure (net of impairment) towards such borrowers is Rs. Nil and Rs. 6.477 crores as on March 31, 2023 and as on March 31, 2022 respectively. In respect of such accounts, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till May 5, 2023 for adjudication. Since, the entire loan portfolio was transferred by SIFL to SEFL under BTA (referred in note 3 above), the above-mentioned transactions are appearing in the books of SEFL currently. SEFL has also made 100 % impairment on such accounts. The transaction audit has been completed and the necessary impact of the same have been incorporated in these consolidated financial results.

15. As on March 31, 2021, SIFL and SEFL were having funds amounting to Rs. 5.76 crores in relation to the Corporate Social Responsibility ('CSR') which were unspent. These unspent amounts as per the requirements of Section 135 of the Act were to be transferred to funds specified under Schedule VII to the Act within a period of 6 months. However, the domestic lenders of SIFL and SEFL had stipulated TRA mechanism effective November 24, 2020, pursuant to which all the payments being made by SIFL and SEFL were being approved/released based on the TRA mechanism. SIFL and SEFL are not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. SIFL and SEFL have written letters to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of SIFL and SEFL under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regard is still awaited.
16. As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the secured redeemable non-convertible debentures as on March 31, 2023 are secured by first pari-passu charge by mortgage of immovable property(ies) at West Bengal / Tamil Nadu. SEFL had filed necessary e-forms for Debenture Trust Deed (DTD) novated from SIFL with ROC but the same have not been approved as stated in Note no. 16 (except for one ISIN wherein principal outstanding is Rs. 0.70 crores only, which was secured by immovable properties located at West Bengal and Delhi being in the books of Controlla Electrotech Private Limited and SIFL respectively for which necessary e-form post novation is not filed with ROC as stated in Note no. 17) and exclusive and/or specific charge on the specific & identified receivables of SEFL. Security cover available as on March 31, 2023, net of provisions as per Ind AS norms excluding provisions made under IRACP is 42.81% of the principal and interest amount of its secured redeemable non-convertible debentures. SEFL has not been able to maintain the security cover as stated in the Information Memorandum/Debenture Trust Deeds etc. As stated in Note No. 4 above, as part of the ongoing CIRP process the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Company & SEFL and assets/collateral held as securities as required under the provisions of the Code and such valuation reports have been submitted to the Consolidated CoC members.
17. As stated in Note No. 6, SEFL had acquired borrowings (including secured borrowings and NCDs) from SIFL and charges created with ROC in relation to such borrowings were to be transferred in the name of SEFL. In relation to the above, cases where the novation agreements are signed by the lenders / trustees pursuant to Slump Exchange Transaction between SIFL to SEFL, necessary e-forms w.r.t. charges have been filed by SEFL with the Registrar of Companies, Kolkata (ROC) except for one ISIN whereby principal outstanding is Rs. 0.70 crores only.

However, above charges filed by SEFL have not been approved by the ROC. Hence, the charges which were originally created in the name of SIFL for such secured borrowings are still continuing so in the records of ROC.

Further, with respect to certain borrowings where, though borrowed facilities have been repaid in full, charge satisfactions are still pending. This pendency is mainly on account of non-receipt of NOC from lenders etc. / completion of satisfaction formalities.

18. As per section 125 of the Act, the Company and SEFL are required to transfer certain amount lying unpaid, for 7 years, to Investor Education Protection Fund ("IEPF"). Prior to the date of commencement of CIRP i.e. October 8, 2021 (CIRP commencement date) an amount of Rs. 18,574/- in SEFL and post commencement of CIRP an amount of Rs. 12,60,435/- in SEFL pertaining to the interest on application money and Rs.4,84,877/- by SIFL pertaining to unpaid dividend was transferable to IEPF in terms of section 125 of the Companies Act, 2013 on different dates till the March 31, 2023.

The Company and SEFL are unable to comply with the provision of Section 125 of the Act as they need to comply with the General Circular No. 08/2020 issued by the Ministry of Corporate Affairs (MCA) dated March 6, 2020 captioned "Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016)" which states that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form No.MGT-7) and Financial Statement (e-form AOC-4) and other documents under the provisions of the Companies Act, 2013, in accordance with directions issued by the NCLT/ NCLAT / Courts, shall be filed as attachments with e-form GNL-2 against the payment of one time normal fee only, till such time the Company remains under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/ RP. However, since the GNL-2 form is not linked with IEPF -I the Company is unable to generate SRN for payment to IEPF authorities. Due to said technical difficulty, the Company and SEFL could not comply with the provisions of Section 125 & other applicable provisions of the Act. The Company has requested for guidance from IEPF authorities. Revert on the same is awaited.



19. SIFL is unable to transfer 66,215 Equity shares pertaining to the Financial Year 2014-15, due for transfer to the Investor Education and Protection Fund in accordance with the applicable provisions of section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 because of inability of the Company to file GNL -2 form due to technical reasons as stated in Note 18 above. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.
20. During the quarter and year ended March 31, 2022, SIFL, on behalf of SEFL had invoked 49% equity shares of Sanjiv Terminals Private Limited ('STPL'), which were pledged as security against the loan availed by one of the borrowers of SEFL. As at March 31, 2023, these shares appear in the demat statement of SIFL, whereas the borrower was transferred to SEFL, pursuant to BTA, as stated in Note No. 6 above. Further, the entire shares have been sold on April 11, 2023 and the same has been transferred to the demat account of purchaser on April 26, 2023.
- SEFL never had any intention to exercise any control/significant influence over STPL in terms of Ind AS 110/Ind AS 28. SEFL has taken an expert opinion, which confirms that since SEFL is not exercising any significant influence/control over STPL, hence, STPL is not a subsidiary/associate in terms of Ind AS 110/Ind AS 28 and accordingly is not required to prepare consolidated financial statements with respect to its holding of 49% of the equity shares of STPL.
21. Based on the directions of RBI, during year ended March 31, 2022, SEFL had made provision amounting to Rs. 98 crores and Rs. 50 crores in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. These amounts which have been provided for were appearing under 'Contingent Liabilities' earlier. Since, the provision, as aforesaid, has been done on the directions of RBI SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'.
22. SEBI vide its Adjudication Order No. Order/DS/DK/ 2022-23 /20903- 20964 dated October 31, 2022 ('Order'), in the matter of Religare Enterprises Limited had imposed a penalty of Rs. 35 lakhs on SIFL and Rs. 5 lakhs on SEFL payable within 45 days from the date of receipt of the Order. However, vide its Corrigendum to Order dated 30th November, 2022; SEBI has clarified that the said period of 45 days shall not be applicable in respect of SIFL and SEFL due to the CIRP proceedings pending against it. The said penalty is payable subject to the provisions of IBC and outcome of the appeal filed by SEBI in the Divan Housing Finance Limited case matter in the Hon'ble Supreme Court (Appeal No. 206 of 2020). Hence, no provision has been made in the respective books of account of the Companies.
23. Disclosures as required by RBI circular dated August 6, 2020 'Resolution Framework for Covid-19 - related Stress' of SEFL are as below for the period ended March 31, 2023:

(Rs. in Crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	81	55	-	8	20
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	81	55	-	8	20

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

24. Disclosures under RBI Resolution Framework 2.0 for Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) (RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22) dated May 5, 2021 and consequent to circular dated August 6, 2020 on restructuring of advances to the MSME borrowers by SEFL:

Q

SP



(Rs. in crores)

No. of accounts restructured	Amount outstanding as at March 31, 2023
128	11

25. Details of loan transferred / acquired by SEFL during the year ended March 31, 2023 pursuant to RBI Master Direction RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 on Transfer of Loan Exposures are given below:

- (a) SEFL has not transferred or acquired any loans not in default during the year ended March 31, 2023.  
(b) SEFL has not transferred or acquired any stressed loan during the year ended March 31, 2023.  
(c) Details on recovery ratings assigned for Security Receipts as on March 31, 2023.

Recovery Ratings	Anticipated recovery as per recovery rating	Amount (Rs. in crores)
RR1	100%-150%	169
RR2	75%- 100%	191
RR5*	0%- 25%	-

\* The last available recovery rating is as at August 28, 2020.

26. Based on the information available in the public domain, some of the lenders have declared the bank accounts of SIFL and SEFL as fraud. However, in case of one of the lenders, on the basis of petition filed by the ex-promoter before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated April 22, 2022, restraining the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the bank account as fraud. The interim order dated April 22, 2022 shall continue till the next date of hearing i.e. May 15, 2023. Further update on this is not available in public domain.
27. The Enforcement Directorate (ED) on January 31, 2023 conducted simultaneous investigation on office premises of SIFL and SEFL. The Companies and their officials are co-operating and providing the required information/ documents as available.
28. The Ministry of Corporate Affairs (MCA) vide its letter April 18, 2023 has initiated inspection into the affairs of SIFL and SEFL and has sought information and documents under Section 206(5) of the Act. The Companies are in the process of providing necessary documents as required by MCA.
29. Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, has been given in Annexure 1.
30. The figures for the quarter ended December 31, 2022 are balancing figures between reviewed amounts in respect of the nine months ended December 31, 2022 and the reviewed amounts of half year ended September 30, 2022 of the current financial year.
31. The figures for the quarter ended March in each of the financial years are the balancing figures between figures in respect of the year and the year-to-date figures upto the end of the first nine months of the respective financial year.
32. Previous period/year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification of the current period / year.



Place: Kolkata  
Date: May 16, 2023

For Srei Infrastructure Finance Ltd.  
(A Company under Corporate Insolvency  
Resolution Process under NCLT Order dated October 08, 2021)

RAJNEESH SHARMA  
ADMINISTRATOR APPOINTED UNDER IBC

**Annexure 1**

**Ratios as Consolidated Financial Statement in compliance 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Particulars	Quarter ended			Year ended	
	Mar 31, 2021	Dec 31, 2021	Mar 31, 2022	Mar 31, 2021	Mar 31, 2022
	Audited	Unaudited	Audited	Audited	Audited
1 Debt equity ratio (No. of times) (Note 1)	N.A.	N.A.	N.A.	N.A.	N.A.
2 Debt service coverage ratio (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
3 Interest service coverage ratio (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
4 Outstanding redeemable preference shares (Nos. in Lakhs)	-	-	-	-	-
5 Outstanding redeemable preference shares (Values)	-	-	-	-	-
6 Capital redemption reserve	-	-	-	-	-
7 Debenture redemption reserve (₹ in Lakhs)	10,322	10,322	10,322	10,322	10,322
8 Net worth (₹ in Lakhs) (Note 2)	(2,411,427)	(2,402,303)	(1,255,004)	(2,411,427)	(1,255,804)
9 Net Profit/(Loss) after tax (₹ in Lakhs)	(6,138)	(321,864)	32,474	(1,110,899)	(254,475)
10 Earnings per share (₹)	*1.83	*63.98	*6.45	(220.82)	(50.58)
11 Current ratio (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
12 Long term debt to working capital (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
13 Total debts to current receivable ratio (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
14 Current liability ratio (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
15 Total debts to total assets (%) (Note 3)	286.03%	284.04%	120.84%	286.03%	120.84%
16 Debtor turnover ratio (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
17 Inventory turnover (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
18 Operating margin (%) (Note 8)	N.A.	N.A.	N.A.	N.A.	N.A.
19 Net profit/(loss) margin (%) (Note 4)	(3).96%	(13).63%	4.97%	(7).40%	(8).23%
<b>Sector Specific Ratios</b>					
20 Gross Non Performing Assets % ("GNPA") (Note 5)	96.92%	96.40%	71.52%	96.92%	71.52%
21 Net Non Performing Assets % ("NNPA") (Excl. impairment Reserve) (Note 6)	91.80%	90.48%	61.88%	91.80%	61.88%
22 Net Non Performing Assets % ("NNPA") (Incl. impairment Reserve) (Note 6)	83.48%	81.25%	52.97%	83.48%	52.97%
23 Provision Coverage Ratio % ("PCR") (Excl. impairment Reserve) (Note 7)	64.38%	64.52%	35.37%	64.38%	35.37%
24 Provision Coverage Ratio % ("PCR") (Incl. impairment Reserve) (Note 7)	83.91%	83.82%	55.16%	83.91%	55.16%

\* Not Audited.

**Note:**

Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Formulae for Computation of Ratios are as follows:

- Debt equity ratio is not determinable as equity is negative.
- Net worth has been calculated as defined in Section 2(57) of the Companies Act, 2013.
- Total debts to total assets (%) = (Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities) / Total Assets.
- Net profit/(loss) margin (%) = Profit/(loss) after Tax / Total Revenue from Operations.
- Gross Non Performing Assets ("GNPA") (%) = Gross Stage III / Gross Advances, where gross advances represents Loans, Trade Receivables and Net Block of Assets given on Operating Lease.
- Net Non Performing Assets ("NNPA") (%) = Net Stage III / Net Advances, where net advances represents Loans, Trade Receivables and Net Block of Assets given on Operating Lease.
- Provision Coverage Ratio ("PCR") (%) = NPA Provision / Gross NPAs.
- The Company is Non Banking Financial Company registered under the Reserve Bank of India Act 1934. Hence these Ratios are generally not applicable.



**For SREI Infrastructure Finance Limited**  
 as Company under Corporate Insolvency Resolution Process by an order dated October 8, 2021 passed by Hon'ble NCLT, Kolkata)

*(Signature)*  
**Rajneesh Sharma**  
 Administrator appointed under IBC.

Place: Kolkata  
 Date: May 16, 2023

The Administrator has been appointed under Rule 5(1)(ii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Applicants To Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC). The affairs, business and property of Srei Infrastructure Finance Limited are being managed by the Administrator, Mr. Rajneesh Sharma, who acts as agent of the Company only and without any personal liability.  
 Address for Correspondence - Vishwakarma 86C, Toposa Road (South), Kolkata, West Bengal, 700046  
 Email ID for Correspondence - sreidirector@srei.com

*(Signature)*      *(Signature)*

**Statement on Impact of Audit Qualifications (See audit report with modified opinion submitted along with Annual Annual Financial Results)**

**Statement on Impact of Audit Qualifications for the Financial Year ended 31st March 2023**  
 [Sec Regulation 43 of the SEBI (ICDR) Regulations, 2015]

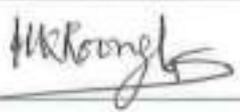
S.No.	Particulars	Audited Figure (as reported before adjusting for qualifications) ₹ in Lakhs	Audited Figure (as reported after adjusting for qualifications) ₹ in Lakhs *
1	Total Income	156,289	156,289
2	Total Expenses (including tax expense)	1,267,188	2,294,333
3	Net Profit (Loss)	(1,110,899)	(2,138,044)
4	Earnings Per Share		
	- Basic	(233.82)	(424.99)
	- Diluted	(233.82)	(424.99)
5	Total Assets	1,565,212	1,007,301
6	Total Liabilities	3,267,221	3,939,927
7	Net Worth	(2,411,427)	(3,641,841)
8	Any Other financial item (as felt appropriate by the management)	None	None

\* Refer comment given by Management in item No. II (c) herein below

**II. Audit Qualification (each audit qualification separately):**

- a. Details of Audit Qualification : Refer Annexure - A
- b. Type of Audit Qualification: Disclaimer of Opinion
- c. Frequency of qualification: Quarterly from Sep, 2021 onward
- d. For audit Qualification (s) where the impact is quantified by the auditor, Management's views:  
 The impact of the quantification has been given in (I) above. The said Audit qualification is reproduced in Sl no (e) of Annexure-A. Refer comment given by management in Sl no. (d) under 'Management's view' of Annexure-A in this regard.
- e. For Audit Qualification (s) where the impact is not quantified by the auditor :
  - (i) Management's estimation on the impact of audit qualification : In view of management's views given in Annexure A, Sl. No. (a) to (d) except (a), (i) and (d) the financial impact is not ascertainable.
  - (ii) If management is unable to estimate the impact, reasons for the same: Please refer management's views in Annexure A Sl. No. (a) to (d) except (a), (b) and (d)
  - (iii) Auditor's Comments on (i) or (ii) above : Our views remains unchanged considering the matter referred to in paragraph 2(a) to 2(v) and the matter referred to in the "Material Uncertainty related to Going Concern" section of our Independent Auditor's Report dated May 16, 2023 on the Financial Results of the Company for the year ended March 31, 2023.

**Signatories:**

Mr. Rajneesh Sharma : Administrator	
Mr. Manoj Kumar : Company Secretary & Chief Financial Officer	
Statutory Auditors: For D.K. Chhajjer & Co, Chartered Accountants Manoj K Roongta Partner Membership No.: 057761	
Place: Kolkata Date: May 16, 2023	





Details of Audit Qualification (s)	Management's Views *
<p><b>Basis for Disclaimer of Opinion</b></p> <p>a. Note No. 2 to the Statement explains that since the Administrator has taken charge of the affairs of the Company and SEFL on October 4, 2021, the Administrator is not liable or responsible for any actions prior to his appointment and regarding the information pertaining to the period prior to October 4, 2021 he has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of SIFL and SEFL, who were also part of the Company prior to the appointment of the Administrator. The Note states that the Administrator has initiated audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Insolvency and Bankruptcy Code (IBC), 2016 ('the Code').</p> <p>Further as stated in Note No. 2, the Administrator of SIFL and SEFL received certain account wise transaction audit reports from the professional agency appointed as the transaction auditor indicating that there are certain transactions in SEFL which are fraudulent in nature under Section 66 of the Code including undervalued transactions. Accordingly, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble NCLT on various dates till May 5, 2023 for adjudication. As mentioned in the said Note, the transaction audit has been completed and the impact of the same have been incorporated in the financial results of the Company's subsidiary, Srei Equipment Finance Limited (SEFL). However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on whether or not all impact of the same have been incorporated in the Statement.</p> <p>As per Ind AS 109, for a financial asset that is credit-impaired at the reporting date, an entity shall measure the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss. Note No. 2 to the Statement explains that SEFL has considered Impairment Reserve amounting to Rs. 5,249 crores created in earlier periods as per RBI guidelines while calculating the impairment on such accounts which is not in accordance with Ind AS 109. Further, Note no. 4(i) to the Statement explains that basis revised ECL rates and the impairment reserve made in earlier periods in cases where they exceed gross exposure, SEFL made a lesser provision under the ECL, so as to restrict the net exposure at Nil, since no withdrawal from impairment reserve is permitted which is also not in accordance with Ind AS 109.</p>	<p><b>a) Management's View</b></p> <p>The CIRP of the Company and SEFL has been initiated on 8th October, 2021. As a part of the CIRP, the Administrator initiated audits/reviews relating to the processes and compliances of the Company and had also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. The Transaction Audit has been completed and the impact of the same has been taken in these financial results of SEFL. Since the report is of a confidential nature, the same cannot be shared with the Auditors.</p> <p>SEFL had created Impairment Reserve amounting to Rs. 5,249 crores on such accounts, wherever applicable to the earlier periods. Since no withdrawal from such reserve is permitted without the prior permission of RBI as per the notification/circular SEFL has not made provision under the ECL to the extent of Impairment Reserve amounting to Rs. 5,249 crores so as to restrict the net exposure at Nil</p>
<p>b. Note No. 3 to the Statement which states that SEFL adopted a policy, to not recognize interest income on accounts in which transactions are determined as fraudulent</p>	<p><b>b) Management's View</b></p> <p>During the quarter ended September 30, 2023,</p>



by them. Had SEFL recognized the interest income, as aforesaid, interest income would have been higher by Rs. 231 crores and Rs. 592 crores for the quarter and year ended March 31, 2023 respectively and consequently, the ECL provision would also have been higher by Rs. 231 crores and Rs. 592 crores for the quarter and year ended March 31, 2023 respectively resulting in no change in the loss for the quarter and year ended March 31, 2023.

as a matter of prudence, SEFL has adopted a policy in respect of the borrowers whose transactions with SEFL are determined as fraudulent basis transaction audit reports, not to recognise the income on such accounts from the start of the quarter in which such transactions are reported as fraudulent by SEFL. Further, in case of transactions determined as fraudulent in previous periods prior to the adoption of this policy, no income is being recognised w.e.f. July 1, 2022 in all such cases.

c. Note No. 4(i) to the Statement which explains that the Administrator has appointed, two (2) independent valuers to conduct the valuation of the assets of the Holding Company & SEFL and assets/collateral held as securities as required under the provisions of the Code. The valuation reports of the same have been submitted to the Consolidated CoC members and the same have not been made available to us on grounds of confidentiality. Accordingly, we are unable to comment on the impact of the same on the Statement.

**c) Management's View**

Valuation of SEFL (including Assets) has been completed under the provisions of the Code by two (2) Independent IIBI registered valuers. However, the financial results, disclosures, categorisation and classification of assets are subject to the outcome of such CIRP process.

d. Note No. 5(a) to the Statement which states that SEFL has not provided for interest amount of Rs. 1,209 crores and Rs. 4,661 crores for the quarter and year ended March 31, 2023 respectively, pursuant to its admission under the CIRP in respect of SEFL's obligation for interest amount on all the borrowings since insolvency commencement date i.e., October 8, 2021.

**d) Management's View**

Pursuant to the admission of the Company and SEFL under the CIRP and the consequent moratorium u/s 14 of the Code, the claims of the creditors of the Company and SEFL have been admitted which shall be settled in terms of the Resolution Plan to be approved by the Hon'ble NCLT.

Note No. 5(c)(ii) to the Statement which states that pursuant to its admission under the CIRP, SIFL has not provided for Rs. 8.25 crores for the quarter and Rs. 33 crores for the year ended March 31, 2023, in respect of SIFL's obligation for interest on non-convertible perpetual bond respectively since the insolvency commencement date i.e., October 8, 2021.

Had SIFL and SEFL provided their obligation for interest, as aforesaid, loss before tax for the quarter and year ended March 31, 2023 would have increased by Rs. 1,217.25 crores and Rs. 4,694 crores respectively.

e. Note No. 6 to the Statement which explains that during the financial year 2019-20, the Holding Company and SEFL accounted for the slump exchange transaction and consequently recognized and derecognized the relevant assets and liabilities in their books of account, pursuant to the Business Transfer Agreement ('BTA') with SEFL, with effect from October 1, 2019, subject to necessary approvals. The superseded Board of Directors and erstwhile management of SIFL 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. The Note further explains that during the financial year 2020-2021, SEFL had filed two separate applications under Section 230 of the Act before the Hon'ble NCLT proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders. Since applications/appeals in connection with the Schemes were pending before Hon'ble NCLT/NCLAT, the superseded Board of Directors and erstwhile management had

**e) Management's View**

The Company in the past gave effect to the BTA based on expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment is in accordance with the relevant Ind AS and the underlying guidance and framework.

The accounts for the quarter and year ended March 31, 2023 have been taken on record in the manner and form in which it existed on the insolvency commencement date in view of the initiation of the CIRP in accordance with the obligations imposed on the Administrator under Section 18(f) of the Code and this fact has been also been informed by the Administrator to the lenders and other stakeholders.

The Company is in the process of consolidated



<p>maintained status quo on the Scheme including accounting of BTA. Both the Schemes were rejected by majority of the creditors and an application of withdrawal was filed by the Administrator in this matter which has been allowed by the Tribunal vide order dated February 11, 2022.</p> <p>As stated in the said Note, consolidated resolution of SEFL and SIFL is in process and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of Schemes. Accordingly, the status quo regarding BTA, as it existed on the date of commencement of CIRP, has been maintained. In view of the uncertainties that exist in the matter of BTA, we are unable to comment on the accounting of BTA, as aforesaid, done by the Holding Company and SEFL and accordingly on the impact of the same, if any, on the Statement.</p>	<p>resolution of SIFL and SEFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of the Schemes.</p>
<p>f. Note No. 8 to the Statement which explains that the Administrator has invited the financial/ operational/other creditors to file their respective claims, as on October 8, 2021. As per the said Note, admission of claims of the financial/ operational/ other creditors received by the Administrator is completed and the effect of the same has been given in the books of account. However, the figures of the claims admitted in the books of account might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/ operational/ other creditors. Hence, adjustments, if any, arising out of such additional information, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Statement.</p> <p>Further Note No. 8 to the Statement also explains that SEFL as per the Code on the date of commencement of CIRP i.e., October 8, 2021 has converted foreign currency debt into INR and accordingly has not translated its foreign currency exposure as on March 31, 2023, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Statement.</p>	<p><b>f) Management's View</b></p> <p>As per provisions of the Code, Admission of claims of the financial/ operational/ other creditors received by the Administrator is completed and the effect of the same has been given in the books of accounts. However, the figures of the claims admitted in the books of accounts might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/ operational/ other creditors.</p> <p>Further, the foreign currency debt of SEFL has been converted into INR as per the Code on the date of commencement of CIRP and accordingly, SEFL has not translated its foreign currency exposure as on March 31, 2023 as per the requirements of Ind AS 21 'The effects of changes in foreign exchange rates'.</p>
<p>g. Note No. 9 to the Statement which explains the reasons owing to which SEFL has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to Rs. 273 crores as at March 31, 2023 as per contractual terms. As stated, in the said note, SEFL has reported the above fact to RBI and reply of the same is awaited from RBI. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.</p>	<p><b>g) Management's View</b></p> <p>The domestic lenders of SEFL had 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 and as such SEFL was not able to make payment of the hedging premium/cost to the concerned banks for keeping the ECB exposures hedged and hence was not able to meet the requirements of the RBI notification. SEFL has reported the said fact to RBI and reply from the same is awaited. Further in view of CIRP, the foreign currency liabilities have been crystallised into INR as on October 8, 2021 (Insolvency Commencement Date or ICD) and the foreign currency date of SEFL has been converted into INR as per the</p>





<p>b. Note No. 10 (i) to the Statement which explains Trinity Alternative Investments Managers Limited (Trinity) has not provided NAV as on March 31, 2023 of two funds managed by them in which the Company has invested. The Company has valued its investments in these funds at Rs. 39 crores which is the NAV that existed as on September 30, 2022. In the absence of NAV of the funds as on March 31, 2023, we are unable to comment on the impact of such valuation on the Statement.</p> <p>Note No. 10 (iii) to the Statement which explains the valuation of investment in the equity shares of India Power Corporation Limited (IPCL) and units in Infra Construction Fund (ICF) where ICF has made investments in equity shares IPCL. Since the allotment of these equity shares of IPCL is pending due to non-compliance of SEBI Regulations by IPCL the consequent change in fair value, if any, is not ascertainable at this stage. Accordingly, we are unable to comment on the impact on valuation of such investment on the Statement.</p>	<p>Code.</p> <p><b>h) Management's View</b></p> <p>In spite of several follow-ups, Trinity has provided NAV of three Funds out of five funds in which SIFL has invested. The Company has taken NAV impact of three Funds provided by Trinity and continuing to value the investments in remaining two Funds at the NAV provided as on September 30, 2022 amounting to Rs. 39 crores. The Company is unable to ascertain the impact on valuation of investments in Funds, had the NAV of remaining two funds as on March 31, 2023 would have been provided by Trinity.</p> <p>The allotment of the Company's holdings is pending since 2013 as the matter relating to the allotment of equity shares of IPCL is pending due to non-compliance of SEBI Regulations by IPCL. The matter relating to the allotment of equity shares of IPCL to the Company and ICF is pending due to non-compliance of SEBI Regulations by IPCL.</p>
<p>i. Note No. 12 to the Statement which explains that SIFL has not received Board approved financial results of 01 subsidiary, viz. Trinity and 02 subsidiaries of Trinity (step down subsidiaries of SIFL), viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited for the quarter ended June 30, 2022, September 30, 2022, December 31, 2022, March 31, 2023 and year ended March 31, 2023 despite written request and follow ups and accordingly, the financial results of these companies have not been considered for consolidation as on March 31, 2023. Accordingly, the consolidated financial results for the quarter and year ended March 31, 2023 are not comparable with the consolidated financial results for the quarter and year ended March 31, 2022. We are unable to comment on the possible impact of the same on the consolidated financial results for the year ended March 31, 2023 or any other consequences arising out of such non-compliance, if any, on the Statement.</p>	<p><b>i) Management's View</b></p> <p>The approved financial statements of Trinity Alternative Investment Managers Limited (Trinity) and its two subsidiaries, viz. Hyderabad Information Technology Venture Enterprises Limited and Cyberabad Trustee Company Private Limited for the quarter ended June 30, 2022, September 30, 2022, December 31, 2022, March 31, 2023 and year ended March 31, 2023 have not been received from Trinity despite written request and follow ups and accordingly the same have not been considered for consolidation.</p>
<p>j. Note No. 14 to the Statement which explains that the erstwhile management of SIFL and SEFL, as per the specific directions from Reserve Bank of India (RBI) in relation to certain borrowers referred to as 'probable connected parties/related parties', in line with arm's length principles, was in the process of re-assessing and re-evaluating the relationship with the said borrowers to assess whether they are related parties to SIFL or to SEFL and also whether these are on arm's length basis. The erstwhile management of SEFL was in the process of re-assessing and 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. However, the said process was not concluded and meanwhile SIFL and SEFL have gone into CIRP. As stated in the said Note, the Administrator is not in a position to comment on the views adopted by the erstwhile management in relation to the RBI's direction since these</p>	<p><b>j) Management's View</b></p> <p>The Reserve Bank of India (RBI) in its inspection report and risk assessment report (the directions) for the year ended March 31, 2020 had identified 'certain borrowers' as probable connected/ related companies. In the directions, the Company has been advised to reassess and re-evaluate the relationship with the said borrowers to assess whether they are related parties to the Company or to Srei Equipment Finance Limited ('SEFL') and also whether these are on arm's length basis. In view of the directions, the previous management had taken legal view to determine whether such borrowers are related parties to the Company or SEFL. Based on the legal view, the previous management was advised and had therefore</p>



pertain to the period prior to the Administrator's appointment. As stated in paragraph (a) above, the Administrator got conducted transaction audit/review relating to the process and compliance of SIFL and SEFL and had also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code, which is in process. Out of Accounts referred by the RBI in the directions, the Administrator has received certain account-wise transaction audit reports, which has identified some of such accounts as fraudulent in nature under Section 66 of the Code, including undervalued transactions. In respect of such accounts, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates till May 05, 2023 for adjudication. Further, the Note also states that the entire loan portfolio was transferred by SIFL to SEFL under BTA and the aforementioned transactions are appearing in the books of SEFL as on date. The transaction audit has been completed and the necessary impact of the same has been incorporated by SEFL in their financial results. However, the said transaction audit reports have not been made available to us and accordingly, we are not able to comment on the impact, if any in the consolidated financial results.

come to conclusion that the Company or SEFL have no direct or indirect control or significant influence (as per Companies Act, 2013, Ind AS) over such borrowers and are not under common control and accordingly, are not a related party of the Company or SEFL. The previous management had obtained an assessment report on the review & verification of the transactions with the aforesaid probable connected/related companies from an independent Chartered Accountant firm, which stated that the transactions of the Company/SEFL with probable connected parties were done at arm's length principles and are in the ordinary course of business and that such parties are not related parties of the Company/SEFL under the Companies Act, 2013 or Ind AS 24. In accordance with above, erstwhile management was 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. However, the said process was not concluded and meanwhile the Company has gone into CIRP. As such, Administrator is not in a position to comment about the actions taken by the Company pursuant to RBI's inspection report as mentioned above since the same pertain to period prior to his appointment. As a part of the CIRP, the Administrator got conducted an audit/reviews relating to the process and compliances of the Company and had also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. The transaction audit has been completed and the report is of a confidential nature the same cannot be shared with the Auditors.

k. Note No. 15 to the Statement which explains the reasons owing to which SIFL and SEFL are not able to comply with the requirements of Section 135 of the Act in relation to depositing unspent amount of CSR. As stated, in the said note, SIFL and SEFL have written to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of SIFL and SEFL under provisions of Section 135(5) and Section 135(7) of the Act. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.

**k) Management's View**

The domestic lenders of SIFL and SEFL had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by SIFL and SEFL were being approved/released based on the TRA mechanism. SIFL and SEFL were not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act because the payment was not approved by the lenders. SIFL and SEFL have written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations SIFL and SEFL under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited.

l. Note No. 16 to the Statement which states that SEFL has not been able to maintain the security cover as stated in the

**l) Management's View**

*Handwritten signature/initials*



<p>Information Memorandum/Debenture Trust Deeds etc. which is sufficient to discharge the principal and interest amount at all times for the secured non-convertible debentures issued by SEFL. Further, as stated in the said Note and paragraph (c) above, the valuation reports of the same have been submitted to the Consolidated CoC members and the same have not been made available to us on grounds of confidentiality. Accordingly, any impact on the percentage of security cover has not been considered. Hence, we are unable to comment on the impact of the same on the Statement.</p>	<p>Valuation of SEFL has been completed under the provisions of the Code by two (2) independent IBBI registered valuers. Accordingly, the percentage of security cover given above is subject to the outcome of such valuation and CIRP process.</p>
<p>m. Note No. 17 to the Statement which explains that in relation to certain borrowings (including secured borrowings and NCDs) acquired by SEFL from SIFL pursuant to BTA as stated in Note No. 6 to the Statement, charges created on such borrowings are yet to be transferred in the name of SEFL and are still appearing in the name of the Holding Company for the reasons stated in the said Note. We are unable to comment on the impact of the same or any other consequences arising out of it, if any, on the Statement.</p>	<p><b>m) Management's View</b></p> <p>In certain cases of borrowings wherein the novation agreements are signed by the lenders / trustees, SEFL has filed the e-forms, except for one ISIN, with ROC, Kolkata, which have not been approved.</p> <p>In some other cases, the novation agreements are yet to be signed by the lenders. Hence, the charges which were originally created in the name of SIFL for such secured borrowings are still continuing so in the records of ROC. Further, with respect to certain borrowings where, though borrowed facilities have been repaid in full, charge satisfactions are still pending. These pendencies are mainly on account of non-receipt of NOC from lenders etc. / completion of satisfaction formalities.</p>
<p>n. Note No. 18 to the Statement which explains the reasons owing to which SIFL and SEFL are not able to comply with the requirements of Section 125 of the Act in relation to transfer of certain amounts lying unpaid for 07 years to Investor Education and Protection Fund (IEPF). As stated, in the said note, SIFL and SEFL have written to IEPF authorities and requested guidance in the matter. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance on the Statement.</p>	<p><b>n) Management's View</b></p> <p>The Company and SEFL were unable to comply with the provision of Section 125 of the Act as the Company and SEFL need to comply with the General Circular No. 08/ 2020 issued by the Ministry of Corporate Affairs (MCA) dated March 6, 2020 captioned "Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016)" which states that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form No.MGT-7) and Financial Statement (e-form AOC-4) and other documents under the provisions of the Act, in accordance with directions issued by the NCLT/ NCLAT / Courts, shall be filed as attachments with e-form GNL-2 against the payment of one time normal fee only, till such time the Company and SEFL remain under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/ RP. However, since the GNL -2 forms are not linked with IEPF -1 the Company and SEFL are unable to generate SRN for payment to IEPF authorities. Due to said technical difficulty the Company and SEFL could not comply with the provisions of Section 125 &amp; other applicable provisions of the Act.</p>

*[Handwritten signature]*



	The Company and SEFL have requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.
o. Note No. 19 to the Statement which explains the reasons owing to which the Holding Company is not able to comply with the requirements of Section 124 of the Act in relation to transfer of shares, due for transfer to the IEPF. We are unable to comment on the impact of the same or any other consequences arising out of such non-compliance, if any, on the Statement.	<b>o) Management's View</b>  The Company was unable to comply with the provision of Section 124 of the Companies Act, 2013 because of inability of the Company to file GNL -2 form(s) due to technical reasons as stated in point (n) above. The Company has requested for guidance from IEPF authorities and also requested them to file claim for pre CIRP amount. The revert on the same is awaited.
p. Note No. 21 to the Statement which explains that, during the quarter ended September 30, 2021, based on the directions of RBI, SEFL has made provisions amounting to Rs. 98 crores and Rs. 50 crores in respect of direct tax cases and indirect tax cases respectively where SEFL was under various stages of appeal with the relevant tax authorities. However, SEFL has not assessed whether the outflow of resource embodying economic benefits is probable or not as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'. Hence, in absence of such assessment, we are unable to comment on any non-compliance with Ind AS and the corresponding impact of the same, if any, on the Statement.	<b>p) Management's View</b>  SEFL has made provisions in respect of direct tax cases and indirect tax cases where SEFL was under various stages of appeal with the relevant tax authorities, based on directions from RBI. Hence, SEFL is not in a position to do assessment as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'.
q. SIFL and SEFL have not filed the Annual Return- GSTR 9C for the financial years 2020-21 and 2021-22. The GST liabilities arising thereon including the amount of interest and penalty on the above is not ascertainable and accordingly, we are unable to comment on the impact of the same on the Statement.	<b>q) Management's View</b>  GST Reconciliation Statement in Form GST-9C for the FY 2020-21 and 2021-22 for SIFL and SEFL are yet to be filed and the same is expected to be complied shortly within the 1st quarter of the current Financial year ie., 2023-2024.
r. Auditors of SEFL had carried out independent balance confirmation process with respect to various parties/ lenders, responses for which are pending to be received in majority of the case as on the date of signing their Auditors' Report. Further, the project progress report and necessary documents for review from various parties are yet to be received. Hence, we are unable to comment on such balances and status and impact of the same on the Statement, if any.	<b>r) Management's View</b>  Since the confirmation is an independent process carried out by the Statutory Auditors, SEFL has no comments to make on the same. SEFL had undertaken the review of the large exposures as part of the Annual Client Review ('ACR') / appointed Agency for Specialised Monitoring ('ASM') auditors and undertook various actions including the project progress of the borrowers during the financial year 2022-23.  In order to operationalize, strengthen and improve coverage of the review basis latest financials, SEFL has also formulated a process of Annual Credit Review which will ensure improvement in coverage by the end of financial year 23-24.
s. Property, Plant and Equipment of SEFL includes assets having gross book value of Rs. 50.18 crores and written down value of Rs. 10.18 crores as on March 31, 2023 are either not traceable or are not in possession of SEFL. No provision for the same has been made in accounts. As informed by SEFL, the management has initiated legal	<b>s) Management's View</b>  The said assets were there at leasehold properties for which the tenancies have been terminated during CIRP process. SEFL had sent reminders for return of the said assets. Since





<p>proceedings for recovery of the same. Since legal proceedings for recovery are pending, we are unable to comment on the impact of the same, if any, on the Statement.</p>	<p>these reminders did not yield results. SEFL has initiated various legal proceedings for recovery of the same.</p>
<p>t. We have been informed that certain information including the minutes of meetings of the Committee of Creditors, Advisory Committee Joint Lenders and transaction audit reports are confidential in nature and has not been shared with us. Accordingly, we are unable to comment on the possible financial effects on the Statement, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.</p>	<p><b>t) Management's View</b></p> <p>The proceedings of the CoC are in relation to the CIRP of the Company and SEFL and include confidential information in relation to the CIRP of SIFL and SEFL.</p>
<p>u. In view of the possible effects of the matters described in paragraph 2(a) to 2(t) above, we are also unable to comment on the SEFL's compliance of the covenants in respect of all borrowings (including creation of charges) and consequential implications including disclosures etc., if any.</p>	<p><b>u) Management's View</b></p> <p>Refer to views given in Point (a) to (t) above</p>
<p>v. In view of the possible effects of the matters described in paragraph 2(a) to 2(u) above, we are also unable to comment on the Holding Company's and SEFL's compliance on various regulatory ratios/ limits and consequential implications including disclosures, If any.</p>	<p><b>v) Management's View</b></p> <p>Refer to views given in Point (a) to (u) above</p>
<p>w. In view of the possible effects of the matters described in paragraph 2(a) to 2(v) above, we are also unable to comment on the ratios disclosed in Annexure 1 to the Statement.</p>	<p><b>w) Management's View</b></p> <p>Refer to views given in Point (a) to (v) above</p>
<p><b>Material Uncertainty Related to Going Concern</b></p> <p>We draw attention to Note No. 13 to the Statement which states that SIFL and SEFL have been admitted to CIRP and the Companies have reported net loss during the year ended March 31, 2023 and earlier year / periods as well. As a result, SIFL's and SEFL's net worth have eroded and they have not been able to comply with various regulatory ratios/limits. All this have impacted their ability to continue its operations in normal course in future. 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 Companies' ability to continue as 'going concern' in foreseeable future. However, for the reasons stated in the said note, SIFL and SEFL have considered it appropriate to prepare their Statement on a going concern basis.</p>	<p><b>Management's View</b></p> <p>SIFL and SEFL had reported losses during the quarter and year ended March 31, 2023 and earlier year/periods as well. Hence the networth of SIFL and SEFL have fully eroded. There is persistent severe strain on the working capital and operations of SIFL and SEFL and it is undergoing significant financial stress. As stated in Note no 1 to the audited financial results for the quarter and year ended March 31, 2023 CIRP was initiated in respect of SIFL and SEFL w.e.f October 8, 2021. SIFL has assessed that the use of the going concern assumption is appropriate in the circumstances and hence these financial results has been prepared on a going concern assumption basis as per bellow: i) The Code requires the Administrator to, among other things, run SIFL and SEFL as a going concern during CIRP. ii) The Administrator, in consultation with the Consolidated CoC of SIFL and SEFL, in accordance with the provisions of the IBC, is making all endeavors to run SIFL and SEFL as a going concern. Considering the future business outlook and with time bound recovery of its due from customers and monetization of assets / securities. SIFL and SEFL are hopeful of improvement in their cash flows in due course of time. iii) Reduction in overhead expenditure. iv) Dedicated focused collection team to increase the collection and is also exploring all possibilities to start new business with the launch of various schemes. CIRP is undergoing and the process, the</p>

10



	<p>Consolidated CoC took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The approved resolution plan of NARCL was filed before Adjudicating Authority i.e., Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations. Pending the completion of the said process under CIRP, these financial results have been prepared on a going concern basis</p>
<p><b>Signatories:</b></p>	
<p><b>Mr. Rajneesh Sharma :</b>  <b>Administrator</b></p>	
<p><b>Mr. Manoj Kumar :</b>  <b>Company Secretary &amp; Chief Financial Officer</b></p>	
<p><b>Statutory Auditors:</b>  For <b>D.K. Chhajjer &amp; Co.</b> Chartered Accountants ICAI Firm Registration No. : 304138E   <b>Manoj K Routta</b> Partner Membership No.: 057761</p>	
<p><b>Place: Kolkata</b>  <b>Date: May 16, 2023</b></p>	

2

