

Disclosure on liquidity risk under RBI circular no. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 04, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

Public disclosure on Liquidity Risk as on 31st December, 2023

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Sr. No.	Number of Significant Counterparties #	Amount (Rs. Lakhs) *	% of Total deposits	% of Total Liabilities
1	1	307,507	Not applicable	58%

Above does not include collateralised borrowings as per financial statements
Please refer to Note A, B & C as given below.

(ii) Top 20 large deposits (amount in Rs. Lakhs and % of total deposits)

Not Applicable

(iii) Top 10 borrowings (amount in Rs. Lakhs and % of total borrowings)

Amount (Rs. Lakhs)#	% of Total Borrowings
312386	99%

#Above does not include collateralised borrowings as per financial statements

Note A: In terms of the approved resolution plan, the Company has issued Non Convertible Debentures (NCD) amounting to Rs 4,50,638 lakhs having net present value (NPV) of Rs 3,07,507 lakhs at amortised cost in lieu of part of debt assigned by financial creditors to NARCL Trust-0007. NPV value has been considered as part of the total borrowing.

Note B: In terms of the approved resolution plan, the Company has issued Optionally Convertible Debentures (OCD) to/on behalf of the financial creditors amounting to Rs 8,00,000 lakhs having fair value of Rs 6,028 lakhs. Fair value has been considered as part of the total borrowing.

Note C: In terms of the approved resolution plan, the Company has issued Compulsorily Convertible Preference Shares (CCPS) amounting to Rs 11,69,168 lakhs in lieu of part of debt assigned by financial creditors to NARCL Trust-0007. CCPS has been considered as part of equity and not forming part of the total borrowing.

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product #	Amount (Rs. Lakhs)	% of Total Liabilities
1	Non-convertible debentures - Secured	307,507	57.70%
2	Redeemable Optionally Convertible Debenture-Unsecured (Tier II Capital)	6,028	1.13%

#Above does not include collateralised borrowings as per financial statements

(v) Stock Ratios:

Sr. No.	Particulars	As at 31st Dec 23
1	Commercial Papers to Total Public Funds	-
2	Commercial Papers to Total Liabilities	-
3	Commercial Papers to Total Assets	-
4	NCDs (Original Maturity < 1 yrs.) to Total Public Funds	-
5	NCDs (Original Maturity < 1 yrs.) to Total Liabilities	-
6	NCDs (Original Maturity < 1 yrs.) to Total Assets	-
7	Other Short Term Liabilities to Total Public Funds# \$	13%
8	Other Short Term Liabilities to Total Liabilities#	7%
9	Other Short Term Liabilities to Total Asset#	6%

Other Short-Term Liabilities represents Total of Balance Sheet excluding total equity, Debt Securities, Borrowings (Other than Debt Securities) and Subordinated Liabilities, for maturity falling within 12 months.

\$ Public Fund includes NCDs and OCDs issued in terms of the approved resolution plan.

(vi) Institutional set-up for liquidity risk management:

Post suppression of the Board of the Company by the RBI in exercise of the powers conferred under Section 45-IE (1) of the RBI Act, 1934, has vide Order / Press Release dated 4th October, 2021, the Asset Liability Management Committee (ALMC) has been reconstituted wef December 10th, 2021. The Financial risk management framework may need to be revisited and realigned in line with the new business plan in terms of implementation of the approved resolution plan.

Notes:

1. 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-IE (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 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 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.

The Administrator, after adopting proper procedure, had filed applications for consolidated resolution process before the Hon'ble National Company Law Tribunal- Kolkata Bench (Hon'ble NCLT) in the case of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited (IA No. 1099 of 2021 under CP.294/KB/2021 and IA No. 1100 of 2021 under CP.295/KB/2021). The application in this matter was admitted and the final order was received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited.

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 resolution plan of NARCL approved by Consolidated Committee of Creditors (CoC) was filed before Adjudicating Authority on February 18, 2023 for its approval and the same was approved by Hon'ble NCLT vide its Order dated August 11, 2023.

2. Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4th, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

3. Significant instrument/product is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities, as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated November 4th, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

4. Total Liabilities has been computed as sum of all liabilities (Total of Balance Sheet less Total Equity).

5. Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue, as defined in Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023

6. The amount stated in this disclosure is based on the Audited Interim Condensed Financial Statements for the nine months ended and as at December 31st, 2023.

7. In terms of the approved resolution plan, an Implementation and Monitoring Committee ("IMC") has been constituted which is empowered to supervise the implementation of the approved resolution plan and oversee the management of the affairs of the Company as per the terms of the approved resolution plan till the closing date. The IMC in its meeting dated August 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and vide IMC resolution dated August 17, 2023 authorised him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the approved resolution plan.

Important provisions of approved resolution plan alongwith various steps undertaken for the implementation of approved resolution plan are given below:

(i) The approved resolution plan shall be binding on the Company and other stakeholders involved in terms of section 31 of the Code.

(ii) The administrator shall stand discharged from his duties with effect from the order dated August 11, 2023, save and except the duties envisaged in the resolution plan.

(iii) An Implementation and Monitoring Committee ("IMC") has been constituted which is empowered to manage the affairs of the Company as per the terms of the approved resolution plan till the closing date. Thereafter implementation is carried out by IMC for implementation of the resolution plan).

(iv) IMC has received the Implementation Notice dated September 22, 2023 from NARCL in terms of the approved resolution plan and referring to the Reallocation Notice dated September 21, 2023 issued by the Committee of Creditors (CoC) (CoC Re-allocation Notice), notifying the Effective Date as September 22, 2023, being the date on which NARCL, as the Resolution Applicant proposed to commence the Steps set out in Section 4 (Steps of Implementation) of the approved resolution plan.

(v) The Company, on instructions of the IMC, has taken necessary steps including making payments, to various stakeholders in terms of the approved resolution plan.

(vi) The Company had filed the application for delisting of the Non-Convertible Debentures ("NCDs") (including perpetual debt instruments) of the Company from National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in terms of steps for the implementation as provided in the approved resolution plan. Accordingly, the record date for delisting of the NCDs (including perpetual debt instruments) issued by the Company was fixed on October 6, 2023. In the Delisting application dated September 28, 2023, the Company has informed the exchanges that the record date for determination of eligible holders for such debts is October 6, 2023 and that any payout to such eligible holders of debts will be made in terms of resolution plan. Subsequently, these NCDs were delisted by both the Stock Exchanges i.e. BSE and NSE with effect from December 14, 2023.

(vii) The Company has allotted Optionally Convertible Debentures (OCD) of ₹ 8,00,000 lakhs having face value of ₹ 1,000 each to domestic lenders and PNB Investment Services Ltd as security trustee for the benefit of assenting ECB lenders and assenting NCD holders in terms of the approved resolution plan vide IMC resolution on December 19, 2023 excluding one of the lender amounting to ₹ 151 lakhs due to non-receipt of necessary documents. In terms of the approved resolution plan, these OCDs are 'payable when able' basis with a possible conversion into equity and considering the non-visibility of future recovery for making payments towards such uncommitted instruments, the Company has considered initial recognition of OCD as "financial liability" as per IND AS 32 and to be recorded at fair value of ₹ 6,028 lakhs in the books of accounts as per IND AS 109.

(viii) The Company has allotted Non-Convertible Debentures (NCDs) of ₹ 4,50,638 lakhs having face value of ₹ 1,000 each to NARCL Trust- 0007 as portion of assigned debt in terms of the approved resolution plan vide IMC resolution on December 26, 2023.

(ix) The Company has allotted Compulsorily Convertible Preference Shares (CCPS) of ₹ 11,69,168 lakhs having face value of ₹ 100 each to NARCL Trust- 0007 in lieu of the balance portion of the assigned debt in terms of the approved resolution plan vide IMC resolution on December 26, 2023.