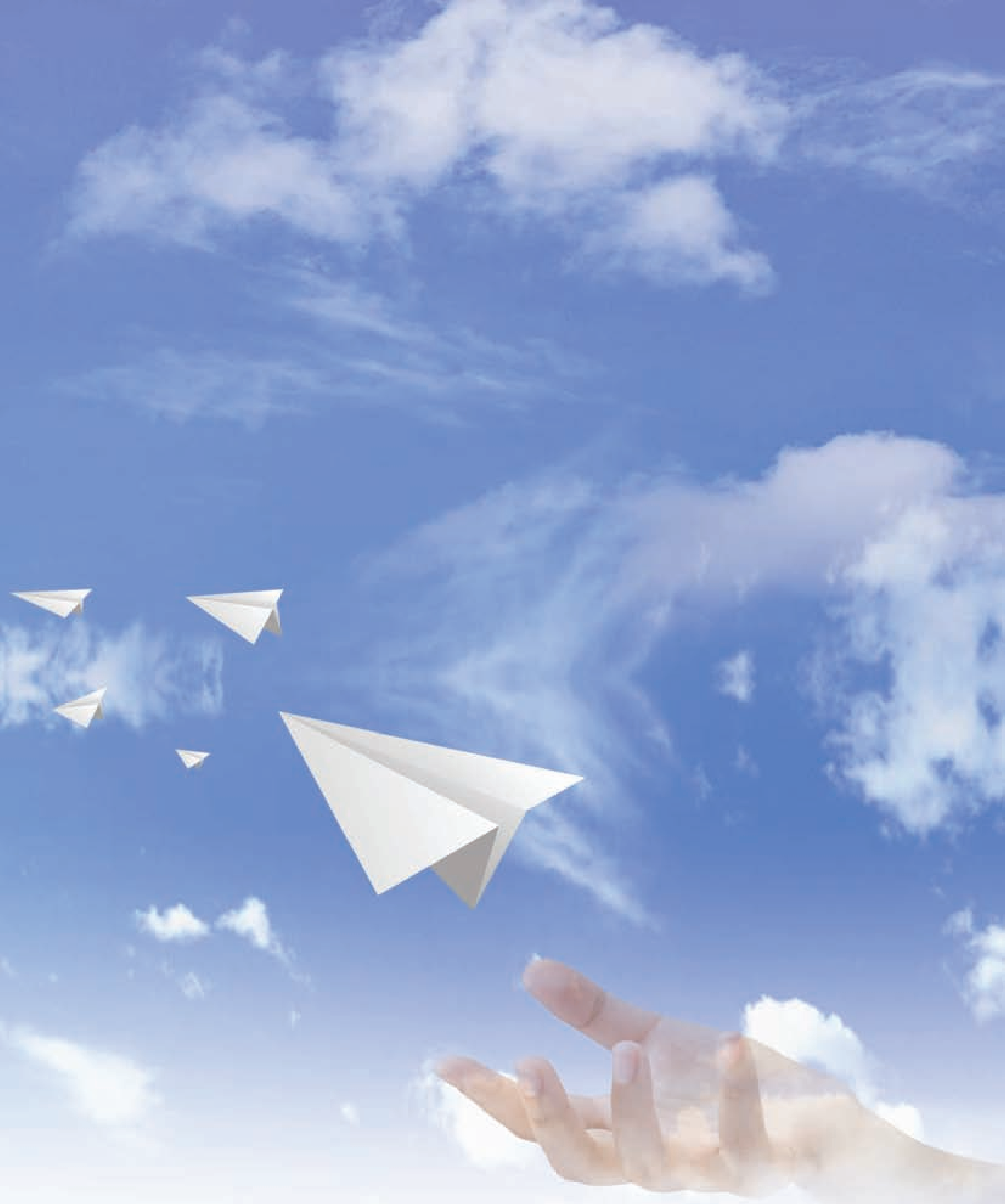

SREI

Together We Make Tomorrow Happen

Srei Equipment Finance Limited

Annual Report **2021-22**

Corporate Information Page

(Annual Report 2021-22)

Administrator

Mr. Rajneesh Sharma	Administrator (under IBC)

Advisory Committee

Mr. Rajneesh Sharma	Administrator (under IBC & Chairman of the Committee)
Mr. R Subramaniakumar (resigned w.e.f. June 22, 2022)	Member
Mr. T T Srinivasaraghav	Member
Mr. Farokh N Subedar	Member
Mr. Venkat Nageswar Chalasani (appointed w.e.f. June 23, 2022)	Member

Company Secretary

Ms. Ritu Bhojak (resigned w.e.f. May 10, 2021)

Mr. Sumit Kumar Surana (appointed w.e.f. August 20, 2021)

Chief Financial Officer

Mr. Manoj Kumar Beriwala - Chief Financial Officer (resigned w.e.f. June 29, 2021)

Mr. Yogesh Kajaria - Chief Financial Officer (appointed w.e.f. June 30, 2021)

Statutory Auditors

Haribhakti & Co. LLP (resigned w.e.f. July 7, 2022)
Chartered Accountants, ICAI Firm Registration No. 103523W / W100048

J Kala & Associates (appointed October 29, 2021)
Chartered Accountants, ICAI Firm Registration No. 118769W

Dass Gupta & Associates (appointed w.e.f. July 8, 2022)
Chartered Accountants, ICAI Firm Registration No. 000112N

Secretarial Auditor

Mr. Sidharth Baid
Practicing Company Secretary
Membership No. ACS 17677, Certificate of Practice No. 13436

Registrar & Transfer Agents

Kfin Technologies Limited
(For Equity shares, Public Issue and Private Placement of Non-Convertible Debentures of the Company)
Plot No. 31 & 32, Financial District, Nanakramguda
Gachibowli, Hyderabad – 500 032
Tel. No.: +91 40-67162222, Fax No.: +91 40-23420814
E-mail: einward.ris@karvy.com

S. K. Infosolutions Private Limited
(For Non-Convertible Debentures issued on Private Placement basis)
D/42, Katju Nagar, Ground Floor (Near South City Mall)
Jadavpur, Kolkata – 700 032
Tel. No.: 033-24120027 & 033-24120029
Fax No.: 033-24120027
Email: skcdilip@gmail.com

Corporate Identification Number

U70101WB2006PLC109898

Registered Office

"Vishwakarma", 86C, Topsia Road (South), Kolkata -700 046
Telephone: 91-33-6639-4700, Email: corporate@srei.com
Website: www.srei.com

Corporate Office

Room no 12 & 13, 2nd Floor
6A, Kiran Shankar Roy Road, Kolkata – 700 001

Head Office

Plot: Y-10, Block EP, Sector V, Salt Lake City, Kolkata – 700 091
Tel: +91 33 6639 4700, Fax: +91 33 6602 2600

Listing

BSE Limited

National Stock Exchange of India Limited

Depositories

National Securities Depository Limited

Central Depository Services (India) Limited

Debenture Trustees

Catalyst Trusteeship Limited
(Erstwhile GDA Trusteeship Limited)
GDA House, Plot No. 85 Paud Road, Pune – 411 038
Tel.: +91 22 4922 0555
Fax: +91 22-4922 0505
Email.: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

IDBI Trusteeship Services Limited
Ground Floor, Universal Insurance Building
Sri Phirozshah Mehta Road, Fort
Mumbai, Maharashtra – 400 001
Te.: 022 40807000
Fax.: 022 66311776
Email: itsl@idbitrustee.com
Website: www.idbitrustee.com

Axis Trustee Services Limited
Registered Office: Axis House
Wadia International Centre
Pandurang Budhkar Marg
Worli, Mumbai – 400 025

Corporate Office: The Ruby
2nd Floor, SW, 29 Senapati Bapat Marg
Dadar West, Mumbai – 400 028
Tel.: 022-62300451
Email: Debenturetrustee@Axistrustee.com
Website: www.axistrustee.in

CONTENTS

BOARD'S REPORT

(Report of Advisory Committee Chaired by the Administrator)

DEAR MEMBERS,

The Reserve Bank of India (RBI) vide Press Release dated October 04, 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 your Company on October 04, 2021 owing to governance concerns and defaults by your Company in meeting various payment obligations and the RBI appointed Mr. Rajneesh Sharma, Ex- Chief General Manager, Bank of Baroda as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a 3 (three) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). The members of the Advisory Committee are Mr. T T Srinivasaraghavan, former Managing Director of Sundaram Finance Limited, Mr. Farokh N Subedar, former Chief Operating Officer and Company Secretary, Tata Sons Limited and Mr. Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India *(appointed w.e.f. June 23, 2022)*. Mr. R Subramaniakumar, former MD & CEO of Indian Overseas Bank, who was originally appointed as a Member of the Advisory Committee on October 04, 2021, resigned from the Advisory Committee w.e.f. June 22, 2022.

On October 08, 2021, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Kolkata Bench (Hon'ble NCLT/ Adjudicating Authority) under Section 227 read with Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate CIRP against your Company. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the date of filing of the application to initiate CIRP. Thereafter, CIRP was initiated against your Company by an Order dated October 08, 2021 of the Hon'ble NCLT. The Hon'ble NCLT, vide the said Order, confirmed the appointment of the Administrator to perform the functions of an Interim Resolution Professional / Resolution Professional to complete the CIRP of your Company as required under the provisions of the Code and also announced commencement of the moratorium under Section 14 of the Code with effect from October 08, 2021.

Accordingly, your Company is presently undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator performing the duties of the Resolution Professional under the Code along with the Advisory Committee is presenting this Report.

The Administrator of your Company in light of the provision of the Code had constituted the Committee of Creditors (CoC) of your Company u/s 21 of the Code read with Regulation 17 of the CIRP Regulations, based on the claims submitted by the Creditors.

Pursuant to an application filed by the Administrator with the Hon'ble NCLT seeking 'Group Insolvency' for your Company and Srei Infrastructure Finance Limited (SIFL), Holding Company on December 21, 2021, the Hon'ble NCLT vide its order dated February 14, 2022 ('Consolidation Order') ordered the consolidation of the CIRP of your Company and SIFL, and has directed the Administrator to constitute a unitary and integrated CoC to conduct CIRP of both the Companies and to conduct the requisite processes in a concerted manner. The Hon'ble NCLT also directed the Administrator to call for consolidated resolution plans for both your Company and SIFL under the Code and the Regulations framed thereunder. Accordingly, the Administrator of your Company pursuant to the said Consolidation Order had constituted a unitary and integrated CoC to conduct CIRP of your Company and SIFL, and has called for consolidated resolution plans for both the Companies under the Code and the Regulations framed thereunder.

In accordance with the provisions of the Code and with the approval of the CoC of your Company, the Administrator on February 25, 2022 invited Expressions Of Interest (EOI) from prospective resolution applicants. Subsequently, resolution plans were invited from eligible prospective resolution applicants on the basis of the Request for Resolution Plan (RFRP), as approved by the CoC.

On April 06, 2022, the final list of Prospective Resolution Applicants as per Regulation 36A(12) of CIRP Regulations read with FSP Rules were received and updated on the website of the Company under the link https://www.srei.com/storage/app/media/documents/2022/april/Srei_Final%20List%20of%20PRAs.pdf.

The Board's Report (Report of Advisory Committee chaired by the Administrator) is being taken on record by the Administrator and the Advisory Committee Members (ACM) only for the purpose of compliance. Further, the Company's existing management has confirmed to the Administrator and the Advisory Committee about the factual position prevalent in your Company prior to their joining.

The Sixteenth Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2022 is being presented. Since the Board of Directors of your Company was superseded by the RBI under Press Release dated October 04, 2021, the said following report is being present by the Administrator and the Advisory Committee of the Company in fulfillment of their duties under the Code. The summarised financial performance of your Company is as follows:

FINANCIAL SUMMARY & STATE OF COMPANY'S AFFAIRS

(₹ in Lacs)

Particulars	March 31st, 2022	March 31st, 2021
Total Income	3,14,165	3,45,634
Total expenditure (including depreciation and other expenses etc.)	5,81,650	10,59,723
Profit/(Loss) Before Tax	(2,67,485)	(7,14,089)
Net Tax expense	9,807	(478)
Profit/(Loss) After Tax	(2,77,292)	(7,13,611)
Other Comprehensive Income	(238)	(102)
Total Comprehensive Income	(2,77,530)	(7,13,713)
Profit/(Loss) brought forward from earlier year	(10,75,165)	84,256
Retained Earnings amount available for Appropriation	(13,52,499)	(6,29,364)
Paid up Equity Share Capital	7,902	7,902
Amount transferred to/(from) Reserves	1,21,938	4,45,801
Net Worth	**(11,73,342)**	**(7,72,829)**

Note: The above figures are extracted from the financial statements for the financial year ended on March 31, 2022.

OPERATIONAL REVIEW

Some of the key highlights of your Company's performance during the year under review are:

- The gross profit/loss (before depreciation, amortisation, impairment, Net loss on derecognition of financial instruments under amortised cost category, Impairment on financial instruments (Net), Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt and net tax expenses for the year was ₹26,643 Lacs as against ₹(75,491) Lacs last year.
- Profit/(loss) before taxation for the year was ₹(267,485) Lacs as against ₹(714,089) in the last year.
- Net profit/(loss) after taxation for the year was ₹(277,292) Lacs as against ₹(713,611) Lacs in the last year.

The Financial Statements of your Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (IND AS) and the relevant provisions of the Companies Act, 2013 and Rules made therein, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Your Company discloses audited / unaudited financial results on a quarterly / half yearly basis and audited financial results on an annual basis.

Your Company, despite being under CIRP has taken adequate steps and measures, including undertaking of the Compliance Audit, in order to comply with all the norms Prescribed by the Reserve Bank of India (RBI) including the Fair Practices, Anti Money Laundering and Know Your Customer (KYC) guidelines.

LENDING OPERATIONS

Your Company did not undertake any major lending operation in the year under review, due to various factors. The focus of your Company, during the year under review, was to strengthen its base and be future ready for commencing retail lending activities in more efficient and more controlled manner.

Your Company has been closely monitoring the prevalent situation and would continue to take all necessary steps as required to maximise the value of your Company and continue the organisation as a going concern.

RESOURCE MOBILISATION

Your Company vide Special Resolution passed by the Members of your Company, under Section 180(1)(c) of the Companies Act, 2013, at the Extra Ordinary General Meeting held on January 20, 2018, authorized the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of the aggregate of paid-up share capital and free reserves of your Company upto an amount of ₹60,000 Crores (Rupees Sixty Thousand Crores only).

Your Company availed bank borrowings. Your Company had issued and allotted Non-Convertible Debentures (NCDs) and perpetual debentures from time to time through public issues and on private placement basis. However, during the financial year under review, your Company did not raise any funds through NCDs.

Upon commencement of the CIRP of your Company, interim moratorium / moratorium under Section 14 of Insolvency and Bankruptcy Code, 2016 (IBC Code) was imposed with effect from October 08, 2021. The moratorium on initiation and continuation of legal proceedings, including debt enforcement action ensures a stand-still period during which creditors cannot resort to individual enforcement action. The interest on the debt borrowed has also ceased to accrue from the date of commencement of CIRP, and no interest shall be applicable for the CIRP period as per legal opinion obtained by your Company. Further, any such payment of interest and principal may amount to preferential treatment to a set of creditors to the prejudice of other stakeholders. In accordance with law, all creditors are bound by the process laid out under the IBC Code.

CREDIT RATINGS

Credit rating agencies have taken cognizance of various factors, mainly continuing delays in debt servicing, significant losses incurred, cash flow mismatch and erosion of net worth of the Company etc. and hence downgraded credit ratings of various loan facilities / financial instruments of your Company to the 'default grade' since March / April 2021.

Subsequently, the Board of Directors of your Company and Srei Infrastructure Finance Limited, Holding Company was superseded by the Reserve Bank of India (RBI) on October 04, 2021 and it is presently being managed by the Administrator appointed by the RBI. Further, as stated before, your Company had been admitted under Corporate Insolvency Resolution Process (CIRP) by the Hon'ble National Company Law Tribunal (NCLT) vide its order dated October 08, 2021.

DIVIDEND

Owing to the loss incurred by your Company and also your Company being under CIRP for the financial year under review, no dividend has been declared/ recommended on Equity Shares for the financial year ended March 31, 2022.

TRANSFER TO RESERVES

During the year under review, your Company incurred a loss mainly on account of increased provisioning and higher impact of impairment on financial instruments and consequently, no transfers were made to the reserves out of the amount available for appropriation.

CORPORATE INSOLVENCY RESOLUTION PROCESS

The Administrator under Section 13 of the Code read with Regulation 6 of the Corporate Insolvency Resolution Process (CIRP) Regulations had issued a public announcement as prescribed in Form A on October 11, 2021 for attention of the creditors of your Company to submit their claims against your Company. The Administrator, on receipt of the claims from the creditors has prepared a list of creditors (including Financial, Operational, Workmen & Employees and Other Creditors) along with their security interest therein pursuant to Regulation 13(2)(c) of the CIRP Regulations and such list of creditors has been made available to the stakeholders of your Company on your Company's website. The claims have been admitted based on the information available in the books of accounts and records available with your Company and the information provided by the respective creditors in this regard.

It is pertinent to note that the admission of claims is a part of the CIRP and the same are subject to revision / modification till such date they are finalized.

The Administrator after preparing the list of claims of the creditors had constituted the Committee of Creditors

(CoC) of your Company u/s 21 of the Code read with Regulation 17 of the CIRP Regulations. The Committee of Creditors is comprised of financial creditors of your Company as per Section 21 of the Code read with Regulation 17 of the CIRP Regulations. The Committee of Creditors had met 3 (three) times during the year since initiation of CIRP. Further, the CoCs of your Company and Srei Infrastructure Finance Limited, Holding Company (SIFL) in their respective CoC meeting held on November 29, 2021 approved the consolidation of CIRP of your Company and SIFL and authorised the Administrator to file an application before Hon'ble NCLT, Kolkata Bench, in this regard. The Administrator of your Company, by virtue of such authorization has filed an Interlocutory Application before the Hon'ble National Company Law Tribunal, Kolkata Bench, praying for the consolidation of the Corporate Insolvency Resolution Processes of both the Companies. The Hon'ble National Company Law Tribunal vide its Order dated February 14, 2022 was pleased to admit the application and had directed for consolidation of the Corporate Insolvency Resolution Processes of your Company and Srei Infrastructure Finance Limited (SIFL). Pursuant to the said Order, the Administrator of your Company had constituted a unitary and integrated CoC to conduct CIRP of both the Companies and had called for consolidated resolution plans for both the Companies under the Code and the Regulations framed thereunder. The composition of the consolidated CoC is available on https://www.srei.com/storage/app/media/documents/2022/march/constitution-of-consolidated-coc-sifl-and-sefl-pursuant-to-honble-nclt-order160322.pdf. Consolidated CoC met 12 (twelve) times during the year since its constitution.

In accordance with the provisions of the Code and with the approval of the Committee of Creditors of your Company, on February 25, 2022 the Administrator invited Expressions of Interest (EOI) from prospective resolution applicants. Subsequently, resolution plans were invited from eligible prospective resolution applicants on the basis of the Request for Resolution Plan (RFRP), as approved by the CoC.

On April 06, 2022, the final list of Prospective Resolution Applicants as per Regulation 36A(12) of CIRP Regulations read with FSP Rules were received and updated on the website of the Company under the link https://www.srei.com/storage/app/media/documents/2022/april/Srei_Final%20List%20of%20PRAs.pdf.

As part of the CIRP of your Company, the Administrator, Advisory Committee and the present management team have taken various initiatives to ensure 'going concern' status of your Company as required u/s 20 of the Code. Further, the Code and Regulations thereunder stipulate prior approval by the Committee of Creditors for certain actions to be taken during the process, including as provided u/s 28 of the Code. The Administrator and the Advisory Committee as set up by the RBI to assist the Administrator in discharge of his duties, exercise oversight on the operations of your Company apart from running the CIRP in accordance with the provisions of the Code and Regulations under IBC, 2016. The Administrator appointed Ernst & Young LLP and AZB Partners as Process and Legal advisors, respectively to assist him in completion of the CIRP of your Company. Further, various committees have been constituted/re-constituted by the Administrator with a view to have a group of in-house executives of your Company who can help the business navigate its compliance obligations.

Various measures, under the directions of the Administrator, have been taken to strengthen the internal processes of your Company including review of the risk management process, conduct of Compliance Audit and Transaction Audit of your Company. These initiatives will strengthen your Company's overall governance structure and control environment. On conclusion and implementation of all such initiatives, it is expected that the operational efficiency will improve and operational issues will get addressed.

The Administrator acting as the Resolution Professional under the provision of the Code, had appointed BDO India LLP as Transaction Auditor.

PUBLIC DEPOSITS

During the year under review, your Company, being a Non deposit taking Non-Banking Financial Institution (NBFI), has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 and within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

DETAILS OF SUBSIDIARY/ASSOCIATES/JOINT VENTURE COMPANY

Your Company does not have any subsidiary/ associates/joint venture company as on March 31, 2022.

RESERVE BANK OF INDIA (RBI) CLASSIFICATION

The Reserve Bank of India (RBI) has classified your Company as an 'Asset Finance Company' within the overall classification of 'Non - Banking Financial Institution'. However, pursuant to RBI circular on Harmonisation of different categories of NBFCs dated February 22, 2019, your Company is proposed to be classified as an 'NBFC - Investment and Credit Company (NBFC-ICC)'.

SHARE CAPITAL

The Authorised Share Capital of your Company is ₹10,00,00,00,000/- (Rupees One Thousand Crore Only) divided into 50,00,00,000 Equity Shares of ₹10/- each and 5,00,00,000 Preference Shares of ₹100/- each and the paid-up Equity Share capital of your Company is ₹79,01,64,150 (Rupees Seventy Nine Crore One lac Sixty Four Thousand One Hundred and Fifty only).

Presently, the entire paid-up Equity share capital of your Company is held by Srei Infrastructure Finance Limited alongwith their 6 (six) nominees. There was no change in the Authorised Equity Share Capital and the Paid-up Equity Share Capital of your Company during the year under review.

TRANSFER OF LENDING BUSINESS, INTEREST EARNING BUSINESS & LEASE BUSINESS OF SREI INFRASTRUCTURE FINANCE LIMITED (SIFL), THE HOLDING COMPANY TO YOUR COMPANY AS A GOING CONCERN ON SLUMP EXCHANGE BASIS AND SUBSEQUENT ORDER PASSED BY THE NATIONAL COMPANY LAW TRIBUNAL (NCLT), KOLKATA BENCH AND THE NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI (NCLAT)

During the year 2019-20, your Company and its holding Company, Srei Infrastructure Finance Limited (SIFL) entered into an agreement ('Business Transfer Agreement') to transfer the Lending Business, Interest Earning Business & Lease Business of SIFL together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to the Company pursuant to the Business Transfer Agreement, subject to all necessary approvals. Accordingly, your Company and SIFL passed the relevant accounting entries in their respective books of accounts to reflect the slump exchange w.e.f. October 01, 2019 while allotment of shares by your Company was made on December 31, 2019. The superseded Board of Directors and erstwhile management of your Company, as existed prior to the appointment of the Administrator, had obtained external expert legal and accounting opinions in relation to the accounting of slump exchange transaction, 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, the Company had filed two separate applications under Section 230 of the Companies Act, 2013 ('the Act') before the Hon'ble National Company Law Tribunal (NCLT) (CA 1106/KB/2020 and CA 1492/KB/2020 at the NCLT) proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). The Business Transfer Agreement 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 liabilities and outstanding to the creditor." (as set out in the Scheme filed CA 1106/KB/2020).

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 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 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/NCLAT at that time.

Both the schemes of arrangement were rejected by the majority of the creditors during the meetings held pursuant to Hon'ble NCLT's directions (dated 21/10/2020 and 30/12/2020 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 which has been allowed by the NCLT by an order dated February 11, 2022. Your 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 the Business Transfer Agreement or otherwise, consequent upon the withdrawal of Schemes as stated above. Accordingly, the status quo regarding Business Transfer Agreement, as it existed on the date of commencement of the Corporate Insolvency Resolution Process, has been maintained.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC REVIEW

a. Global Outlook

According to the International Monetary Fund (IMF), the global economy is set to grow by 6.0 per cent in 2021 and then by 4.4 per cent in 2022 after experiencing a contraction of 3.3 per cent in 2020 because of the COVID-19 induced 'Great Lockdown'. Although a globally coordinated vaccination drive is in progress, the pandemic's second wave is spreading fast, forcing governments to implement lockdowns once again, although in a much localised manner. Thus, a full-fledged economic recovery may be some time away, and therefore any projection of future growth at this stage can prove to be premature.

The fight against the pandemic is topmost on every government's agenda. A global initiative of 190 countries, COVAX (abbreviation for COVID-19 Vaccines Global Access), has been launched to ensure rapid and equitable access to COVID-19 vaccines for all countries, regardless of income level. COVAX has lined up almost 2 billion doses of existing and candidate COVID-19 vaccines for use worldwide, including delivery of at least 1.3 billion donor-funded doses of approved vaccines in 2021 to the 92 low and middle income economies. Although COVAX is principally funded by the developed countries, it has also received private sector and philanthropic contributions. Such co-ordinated global action is a welcome change with respect to the 'each country for itself' mindset that was prevalent in the last few years.

While countries have joined hands in their fight against COVID-19, the ongoing second wave has witnessed the emergence of new variants of the virus, some of which are more infectious than the original. As there is little medical evidence on how effective the present vaccines are against the new variants of the virus, there is little clarity on to what extent would the vaccination drive be able to contain the spread of the pandemic.

The global recovery in the year ahead is expected to be driven by China and the US. In fact, a broad-based recovery was visible in the last two quarters of FY21 in several countries, but the second wave has halted it somewhat. This can have economic consequences. To avoid any economic crisis, most central banks are likely to continue the accommodative monetary policies they have followed throughout FY21. During the first wave, following the example of the U.S. Federal Reserve, most central banks adopted ultra-accommodative monetary policies by reducing interest rates to historic lows. Unprecedented liquidity infusions by the central banks in the developed nations were aimed at fuelling debt-financed economic activity. Liquidity worth more than USD 12 trillion had been printed in a matter of few months. The objective has been to enable debt-fuelled demand at both individual and corporate levels.

Even before the pandemic, there was a significant build-up in indebtedness of the non-financial private sector since 2016. With the pandemic, the total global debt stood at USD 277 trillion at the end of 2020, which is 365 per cent of world GDP. The IMF pointed out that such massive recourse to debt was necessary to protect the global economy in the short term. However, a further debt overhang from continued accommodative monetary policies aimed at countering the second wave can have a long term ramifications on the global economy.

The World Trade Organization (WTO) has predicted an uneven recovery for global trade. As per WTO estimates, the world trade in merchandise, or goods, will grow 8 per cent in volume in 2021 and by 4 per cent in 2022, after falling 5.3 per cent in 2020. A surge in demand for merchandise during the final half of 2020 helped counterbalance the pandemic's initial disruption to global trade and produced more muted annual decline. The WTO believes that economic recovery across the globe will be dependent on the ramping up of production of vaccines.

The year under review was a turbulent one for most commodities. The widespread global shutdown of economic activity depressed demand and disrupted supply chains for commodities in virtually all sectors – energy, base metals, agricultural products and even the odd precious metals. The price of crude oil, for the first time in history, entered into negative territory. But during the latter half of the year, the prices of several commodities rallied spectacularly and, in certain cases, reached multi-year highs. A combination of expansionary monetary policy and a growing demand for commodities with more and more countries taking the infrastructure road to economic recovery has been largely responsible for this.

A new world order with multiple protocols related to health, socializing, work culture and others will emerge. As each country comes up with its own protocols, going forward, trade and commerce, travel and tourism, movement of individuals among countries will increasingly be determined by bilateral deals and limited regional co-operations. These "new normal"-s will fundamentally change certain industries and they would need to re-engineer their business models in order to survive. Adapting to these "new normal"-s will have to be the focus in the short to medium term.

b. Indian Scenario

During the year under review, because of the impact of the pandemic, the Indian economy contracted by 7.3 per cent after growing at a rate of 4 per cent in FY20. The country went into a brief recession as the first two quarters of FY21 registered negative GDP growth, however it came out of the recession in the third quarter as the Q3 GDP expanded by 0.5 per cent. The GDP growth predictions for India are quite varied. While the IMF projects a more optimistic growth rate of 12.5 per cent for India in 2021 and a follow-up growth of 6.9 per cent growth in 2022, the United Nations, taking note of the impact of the second wave, has predicted a more conservative growth rate 7.5 per cent in 2021 followed by a 10.1 per cent growth in 2022. The Reserve Bank of India (RBI) has predicted a 9.5 per cent GDP growth for India in FY22.

After recording a total FDI (equity + re-invested earnings + other capital) of USD 74.39 billion in FY20, India was able to attract FDI worth USD 81.72 billion in FY21. The disruption in global trade due to the pandemic was reflected in India's trade figures too. Total exports (goods and services combined) in FY21 stood at USD 493.19 billion and total imports stood at USD 505.94 billion (much lower than the USD 544.7 billion and USD 645.6 billion figures respectively in FY20). However, in spite of all these, India's foreign exchange reserves continued to accumulate and presently it stands at over USD 600 billion, much of which was due to a sharp narrowing of the trade deficit in FY21.

The economy was steadily losing momentum in the pre-pandemic phase. The national lockdown brought economic activity to a virtual standstill for a couple of months at the start of the year under review. The composite index of 8 core industries (namely coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity) contracted by 7 per cent during FY21 after a marginal growth of 0.4 per cent in FY20. The Index for Industrial Production (IIP) shrunk by 8.6 per cent in FY21 compared to a 0.8 per cent contraction in FY20. Capital goods output contracted by 19.2 per cent, infrastructure and construction goods by 9.1 per cent and consumer durables by 15.2 per cent in FY21. Sales of vehicles continued to decline second year in a row – passenger vehicles by 2.24 per cent and commercial vehicles by 20.77 per cent. Bank credit growth decelerated to an over five-decade low of 5.56 per cent in FY21. The prolonged slowdown has severely curbed consumption which, in turn, has slowed down considerably investments for fresh capacity creation.

Because of a prolonged period of slow growth, a stressed financial system and other downside risks, India's sovereign credit rating was downgraded by credit rating agency Moody's to "Baa3" with a negative outlook. Meanwhile, Fitch Ratings retained "BBB-" sovereign rating for India with a negative outlook and S&P Global Ratings also kept India's sovereign rating unchanged at "BBB-" for the next two years.

The government tried to address the urgent needs of the most vulnerable segments of the society and announced a number of initiatives aimed at reviving growth. At the same time the RBI reduced the policy rates and had taken a number of measures to preserve financial stability. During the last two quarters, a nascent recovery was visible with mixed signals emerging from a number of high frequency indicators.

However, supply-side disruptions had started pushing up inflation despite a lack of consumption demand. Now with localised lockdowns and containment measures on account of the second wave, there can be a further rise in inflation, as evident from the April 2021 Wholesale Price Index (WPI) inflation (or factory-gate price inflation) figure overshooting the Consumer Price Index (CPI) inflation (or retail inflation) figure by a wide margin. Early signs of renewed stress are once again visible in the economy. In this backdrop, the RBI is likely to continue its accommodative stance, but chances of further reduction in policy interest rates are minimal now as inflationary trends are already visible.

The second wave has been more virulent with increased cases of fatalities. But, despite that, the shock to economic activity is likely to be less severe than what it was in 2020. Equipped with the experience of the first wave, the authorities are resorting to more narrow lockdowns. While the year under review has been a struggle for survival and stabilization for most enterprises, the year ahead is likely to be a phase of cautious growth.

NBFCs IN INDIA

In India, the Non - Banking Financial Companies (NBFCs) play an active role in meeting the funding needs of those segments of the society who mostly remain outside the coverage of formal modes of institutional funding. NBFCs are essentially fuelling entrepreneurship by catering to the funding needs of the micro, small and medium enterprises (MSMEs), many are involved in the infrastructure sector in services like construction and transportation. Thus, NBFCs are performing a dual role of promoting financial inclusion and nation building.

As on January 2021, there were 9,507 NBFCs registered with the RBI. This was a second consecutive challenging year for the NBFC sector. While the flow of funds to NBFCs from the institutional sources had significantly dried up in FY20, there was a drastic fall in revenues in FY21 as the RBI actively intervened to alleviate the problems of the borrower community.

The following regulatory amendments were made by the RBI during the year under review which had a significant impact on the NBFC sector:

- NBFCs were allowed to extend to their stressed borrowers a moratorium on loan payment of all installments in respect of term loans, for six months.
- NBFCs figured among the targeted pandemic-affected entities which were to receive liquidity support from the RBI under the Targeted Long-Term Repo Operations (TLTRO) 2.0. A total of up to ₹500 billion was to be availed under the scheme at the policy repo rate for tenors up to three years and the amount had to be deployed in investment grade bonds, Commercial Papers and Non-Convertible Debentures of NBFCs. Subsequently, on-tap TLTRO with tenors of up to three years for a total of up to Rs.1 trillion was announced. The scheme was made available at a floating rate linked to the policy repo rate and was available up to end-FY21 with an in-built flexibility to enhance the amount and period, if required.
- NBFCs, as well as banks, were instructed to adhere to Fair Practices Code and Outsourcing Guidelines regarding the loans sourced by them over Digital Lending Platforms.
- NBFCs were instructed to allow a one-time restructuring of the stressed loan accounts of those borrowers who have been affected due to the pandemic.
- A co-lending model aimed at meeting the credit needs of priority sectors was introduced with a funding ratio of 80:20 between banks and NBFCs. The intent was to make both banks and NBFCs to benefit from each other's core strengths.
- Draft guidelines on dividend distribution by NBFCs (effective financial year beginning April 01, 2020) were proposed to infuse greater transparency and uniformity. Only those NBFCs which comply with the minimum prudential requirements (inter alia w.r.t. the Capital Adequacy, Leverage Ratio, net NPA ratio and other conditions) would be eligible to declare dividend.
- Guidelines on appointment of Statutory Auditors for commercial banks, urban co-operative banks (UCBs) and NBFCs are to be harmonized to enable these supervised entities to appoint audit firms as per their needs in a timely, transparent and effective manner.
- A discussion paper outlining a 4-layered classification of NBFCs with varied regulatory intensity has been proposed and the classification is done on the basis of parameters like asset size, type of liabilities and their relative systemic importance.

- Entry-point requirement for new NBFC registrations is proposed to be increased from ₹20 million to ₹200 million and existing NBFCs falling short need to measure up within given a timeframe.
- RBI has conditionally allowed investments from or through Financial Action Task Force (FATF) non-compliant jurisdictions, whether in existing NBFCs or in companies seeking Certification of Registration, provided investors from such jurisdictions should not directly or indirectly acquire 'significant influence' in the NBFC, as outlined under applicable accounting standards.
- Minimum loan size from NBFCs reduced from ₹0.5 million to ₹0.2 million in order to become eligible for debt recovery under SARFAESI Act, 2002.

A special liquidity scheme with an allocation of ₹300 billion was announced enabling investments in both primary and secondary market transactions in investment grade debt paper of NBFCs, housing finance companies (HFCs) and micro-finance institutions (MFIs), the securities being fully guaranteed by Government of India. In addition, ₹450 billion was allocated for a Partial Credit Guarantee Scheme 2.0 to cover borrowings such as primary issuance of bonds and commercial papers of NBFCs, HFCs and MFIs, which involve sub-AA ratings and even unrated papers. Government agreed to guarantee the first 20 per cent of the losses. These schemes were routed through the banks, but a reluctant approach on part of the banks ensured that not enough liquidity was available for all categories of NBFCs. Without a steady access to liquidity, several NBFCs, especially the small and medium sized NBFCs, found the operating environment extremely difficult.

The second wave being more pervasive and having spread into the hinterland where a significant portion of NBFCs' clients reside, it will be another challenging year for the NBFC sector. The NBFCs are already facing renewed asset quality risks and liquidity risks. The adverse impact of this on the securitisation market will thwart fund-raising for NBFCs, at least in the near term. The fragile recovery that was visible in the sector is likely to get delayed.

Operational challenges for the NBFC sector make it more difficult for the MSMEs to sustain. For the MSMEs to weather this pandemic, it is necessary to have a vibrant NBFC sector. Therefore, the government and the RBI must provide adequate regulatory support to the NBFCs, just the way they have been helping the banking sector in the last few years.

BUSINESS OUTLOOK AND FUTURE PLANS

As the pandemic has stretched for more than a year, the government strategies at both the Centre and State levels, must aim to strike a fine balance so that neither life nor livelihood is threatened. The central government is clearly working towards scripting an infrastructure driven economic recovery. The multiplier impact of building infrastructure is manifold in terms of generating new employment, creating entrepreneurship opportunities and fuelling demand through upstream and downstream linkages.

In Union Budget 2021-22, notwithstanding its impact on pushing up the fiscal deficit, a record allocation of ₹5.54 trillion was made for capital expenditure, 25 per cent higher than last year. To attract more global funds for infrastructure development, a review has been undertaken to ease the investment norms by foreign funds in sovereign wealth funds. The government has allocated ₹200 billion to set up and capitalise a development financial institution for financing infrastructure projects. A special purpose vehicle will also be formed to monetise brownfield infrastructure assets.

The National Infrastructure Pipeline (NIP) of projects which envisages investments of ₹111 trillion over five years up to 2025, has been expanded to 7,400 projects.

- The budget has allocated ₹1.18 trillion, the highest ever outlay, for Ministry of Road Transport and Highways, of which ₹1.08 trillion is for capital expenditure. A total investment of ₹15 trillion has been envisaged for road construction in the next two years. After building 13,298 km of highways in 2020-21 despite pandemic disruptions, i.e. about 37 km per day, a target of 40 km per day of highways construction has been set for 2021-22.
- The budget has allocated ₹1.1 trillion for the Railways, of which ₹1.07 trillion is for capital expenditure with a promise to complete 100 per cent electrification of broad gauge routes by December 2023. A major capacity expansion has been undertaken to equip rail infrastructure to handle increased traffic. The objective is to increase the modal share of rail in total traffic from the present 27 per cent to 45 per cent.

- The budget has emphasised development of metro rails in public-private partnership (PPP) mode in different parts of the country. Metro Lite and Metro Neo technologies are being adapted to provide metro rail systems at much lesser cost with similar experience in tier-2 cities and peripheral areas of tier-1 cities.
- For ramping up the port infrastructure, a compendium of 400 investable maritime projects with an investment potential of ₹2.24 trillion has been drawn up. The budget has promised 7 projects worth ₹20 billion to be offered in PPP mode for managing operations at major ports.
- A revamped reforms-based result linked power distribution scheme will be launched with an outlay of ₹3.06 trillion over 5 years.
- With entry of commercial miners into the mining scene and India's aim to get rid of coal imports, mining activity will only increase. India has set for itself a production target of 1 billion tonne coal domestically by 2023-24.
- The budget has announced the Jal Jeevan Mission (Urban) which will enable water supply in all 4,378 urban local bodies with 28.6 million household tap connections, as well as liquid waste management in 500 AMRUT cities.

All these projects will generate significant demand for equipment required in construction and mining, and so will the financing for these equipment.

The Covid-19 pandemic continued to impact India and world in FY22, creating unforeseen challenges. The Indian Construction and Mining Equipment Industry witnessed de-growth of 8% in FY22, primarily attributed to the significant slowdown observed in construction activity across the country. The most significant decline was observed in the space of Roads and Highways construction which declined to -28.6 Kms per day during FY22 vis-a-vis 36.5 Kms per day recorded in FY-21. Besides the pandemic induced slowdown, natural disasters like cyclones and heavy rains in Southern India and ban imposed on construction activity in Northern India due to pollution concern in latter half of 2021, had an adverse impact on the CE industry. On a positive note, exports grew at a phenomenal rate of 60% YoY in FY22. With new CEV-IV emission standards, now completely adopted by the industry, there are significant opportunities for the Indian CE manufacturers to tap into the developed markets.

The Government of India's strong thrust on infrastructure development through the announcement of various mega plans including National Infrastructure Pipeline, Gati Shakti Masterplan, National Monetisation Plan, constitution of National Bank for Financing Infrastructure and Development (NaBFID), and increase in budget outlay on capital expenditure for FY23 by more than 35%, from INR 5.54 Lac crores to INR 7.50 Lac, augurs well for the future of the industry. The first three quarters of FY22 cumulatively remained near to flat in terms of sales volume and registering a growth of only around 2.5%, as compared to FY21. There has been slow progress in road construction, lower budget allocation for airport development and inadequate utilization of funds for real estate and infrastructure, leading to lower equipment sales. However, high speed train and metro rail construction gave momentum for material handling, concreting & material processing sub segments equipment. The earthmoving segment has witnessed a ~14% YoY de-growth in sales. The primary driver for de-growth has been the domestic Backhoe loader sales (34% decline YoY) especially impacted by the 70-80 HP category. However, exports have seen a significant growth compared to last year (~69% YoY), with increase in Backhoe loader (~73% YoY) and Crawler Excavator exports (~67% YoY) being the primary drivers. The road construction segment has witnessed a ~10% YoY de-growth in sales, primarily due to fall in domestic sales, showcasing a ~14% YoY de-growth.

The concrete equipment segment witnessed a ~57% YoY growth in overall sales. There is a strong uptick in domestic sales for Concrete Mixers by ~66% (YoY) and Concrete Pumps by ~51% (YoY). There is ~29% growth (YoY) in exports which is contributed by Concrete Mixers (~36% YoY), Concrete Pumps (~25% YoY) and Batching Plants (~25% YoY).

The second wave has highlighted the inadequacies of India's health sector, both in terms of medical facilities and manpower. Revamping India's health infrastructure should be the government's top priority along with creation of other infrastructure. Already the government has allocated ₹2.24 trillion for the health sector in the budget. Recently the RBI Governor has announced the opening of an on-tap liquidity window of ₹500 billion with tenors of up to three years at the repo rate till March 31, 2022 to boost provision of immediate liquidity for ramping up COVID-related healthcare infrastructure and services. Under the scheme, the banks are expected to create a COVID loan book and have been incentivised to deliver credit quickly, either directly or through intermediaries, under priority sector lending (PSL) classification, up to March 31, 2022. These loans will continue to be classified under PSL till repayment/maturity, whichever is earlier.

The budget allocation of ₹400 billion to the Rural Infrastructure Development Fund (RIDF) and the forecast of a normal monsoon augur well for the rural economy. This was one sector which had emerged relatively unscathed during the first wave. However, the second wave, unlike the first one, has spread into the rural hinterland as well. For this, manpower availability may become a challenge for the Kharif harvest. This is likely to encourage further mechanisation of farm operations.

Technology has taken centre-stage in this pandemic. Be it in the area of governance or working or even socialising and entertainment, technology is the key today. Organisations and individuals, who had proactively invested in technology and tech-training, have handled the crisis much better. Just like investing in technology is becoming a way of life, so will be investments for strengthening cyber-security. A number of new business opportunities will emerge in technology services.

The management of your Company is closely tracking these developments in order to source new business opportunities. Our immediate priority is to guide the fully owned operating subsidiary, namely Srei Equipment Finance Limited, to a stronger financial footing and to come out of the pandemic-induced stress unscathed. On its part, the parent, Srei Infrastructure Finance Limited, is determined to make an impact in the Infrastructure Advisory business which is bound to see a huge uptick with the government's infra spend as outlined above.

BUSINESS REVIEW

Your Company is registered with the Reserve Bank of India (RBI) as a systemically important non-deposit taking NBFC and is one of the significant financiers in the Construction, Mining and allied Equipment (CME) sector in India. In addition to CME, your Company is also diversified into financing of tippers, IT and allied equipment, medical and allied equipment, farm equipment and other assets. The financial products and services comprise loans, for new and used equipment, and leases.

The infrastructure sector is considered as the backbone of the country's economy as it integrates projects on a large scale and strengthens its competitiveness on a global level. It is estimated that India should invest $4.5 trillion in Infrastructure by 2030 to support faster growth. India plans to spend US$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The National Infrastructure Pipeline (NIP), which was launched in December 2019, is a part of that attempt to invest $4.5 trillion. The NIP pipeline since then has been increased from 6,835 projects to more than 7600 projects. The Government has suggested investment of ₹50 trillion (US$ 750 billion) for railways infrastructure from 2018-30. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.

Public Capital Investment in Union Budget of 22-23

- Public investment to continue to pump-prime private investment and demand in 2022-23
- Outlay for capital expenditure stepped up sharply by 35.4% to Rs.7.50 Lac crore in 2022-23 from ₹5.54 lac crore in the current year Outlay in 2022-23 to be 2.9% of GDP
- Effective Capital Expenditure of Central Government estimated at Rs.10.68 Lac crore in 2022-23, which is about 4.1% of GDP

While the infrastructure sector continues to enjoy the government's focus in the long term, the current fiscal is all about business continuity and survival for all businesses across all sectors including the construction equipment sector and the NBFC sector.

In FY2022, your Company's total income decreased by 9% to ₹3,142 crores and your company reported a net loss of ₹2,773 crores. In this challenging environment, your Company has focused on recovery of dues to improve the collection and has directed all its efforts in reducing the NPA of the company. Your company is re-engineering the business model through multiple stake holder partnerships with an endeavor to make the model sustainable.

Since the forthcoming year is extremely uncertain due to the second wave and contemplated third wave of Covid-19 as expected by medical experts, your Company will enhance its focus on recovery of dues from customers, stabilization of its operations, facilitating the ongoing debt resolution process and the capital raising process through investor engagement.

RISK MANAGEMENT

Management of risk remains an integral part of your Company's operations and it enables your Company to maintain high standards of asset quality at time of rapid growth of its lending business. The objectives of risk is to maintain robust asset quality alongside growth in business, optimal allocation of capital simultaneously with enhancement of shareholders' value and hedging against unforeseen events and macro-economic or environmental conditions.

Your Company has constituted a Risk Committee of the Board which meets every quarter to deal with such matter as may be referred to by the Board of Directors from time to time. Your Company has also designated a senior executive as Chief Risk Officer (CRO) pursuant to the provisions of Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 issued by RBI. Your Company's risk management strategy is based on a clear understanding of various risks, and adherence to well-laid out risk policies and procedures that are benchmarked with industry best practices. Your Company has a defined Risk policy for risk management which aims to put in place a robust risk management framework to help in achieving the objectives. The broad objective of the Committee is inter alia to:

a) To identify and assess various risks;

b) To strengthen the risk management practices and compliance framework to manage various risks across the Company;

c) To evaluate the effectiveness of mitigation strategies periodically to address material risks of the Company's operations and businesses;

d) To review any material findings and recommendations of the Risk Department; prescribe and monitor appropriate action to address the identified gaps.

Risk is managed through a framework of policies and principles approved by the Board of Directors supported by an independent risk function which ensures that your Company operates within a pre-defined risk contours. The risk management function strives to proactively anticipate vulnerabilities at the transaction as well as at the portfolio level, through quantitative or qualitative examination of the embedded risks and put in place mitigants through change in policies and enhanced process controls.

Governance Structure

The risk strategy of your Company is enunciated and overseen by the Risk Committee of the Board (RCB), an independent Board level sub-committee that strives to put in place specific policies, frameworks and systems for effectively managing the various risks. Policies approved from time to time by the Board of Directors or the RCB in consultation with other sub-committees of the Board, viz. ALM & Treasury Committee (ALM) and Credit & Investment Committee, constitute the governing framework for various types of risk and business activities undertaken within this policy framework. Overall risk management is guided by well-defined procedures appropriate for the assessment and management of individual risk categories viz. credit risk, asset risk, treasury & market risk, operational risk, liquidity risk and counterparty risk supplemented by periodic validations of the methods used. Under the guidance of RCB, the Risk department is responsible for assessing and managing risks on a regular and dynamic basis. This entails, as an imperative, garnering adequate knowledge of macroeconomic trends, insights into dynamics of various sectors, understanding of regulatory environment and application of quantitative and qualitative tools facilitating an accurate assessment of risk at all times.

After the initiation of the Corporate Insolvency Resolution Process vide Order dated 8th October, 2021 of the Hon'ble National Company Law Tribunal, Kolkata Bench, the Risk Committee was reconstituted to manage the integrated risk of your Company and consisting of the senior management of the Company. The Risk Committee is further supported by the Credit and Risk Management Committee of Executives (CRMCE), Operational Risk Management Committee, and Product & Process Approval Committee.

Credit Risk

Risk aims at mitigating the credit risk by client grading, developing scoring models, doing an industry analysis to which the client belongs, existing portfolio analysis, regional analysis, and review of credit decision. The credit proposals are vetted to provide views on the future outlook of the sector/segment for short to medium term with particular emphasis on various geographies. The perspective of governmental support, regulatory issues, growth trend & demand potential, capital intensity & back-up, competition, recoverability of receivables, and other parameters impacting credit quality are analyzed to arrive at a risk aware and risk integrated decision. Your Company has strong a framework for the appraisal and execution of finance transactions that involves a detailed evaluation of technical, commercial, financial, marketing and management factors including sponsor's financial strength and experience.

Asset Risk

As an asset financing NBFC, one of the key elements for assessing the underlying transaction risk is the intrinsic value of the asset being financed through the life of the financial facility extended. Risk department monitors the intrinsic value of assets being financed across the financing life cycle and suggests mitigation measures to counter balance the credit risk through value preservation of the asset being financed through the life cycle of the facility.

Portfolio Risk

The portfolio risk is assessed through various analytical tools to help in portfolio monitoring via reflection of trends, ratios, actual vs. budgeted etc. Various models are developed to understand the behavior pattern of the portfolio to mitigate the risk arising from the same. The patterns of the past data is analysed to determine the probability in the future. Your Company periodically reviews the impact of the stress scenarios resulting from rating downgrades or drop in the asset values in case of secured exposures on the portfolio. Your Company works within identified limits on exposure to borrower groups, industry sectors and geographies, and regularly tracks portfolio level concentrations. These limits are periodically reviewed based on changes in macro-economic environment, regulatory environment and industry dynamics. Existing credit exposure in the portfolio is continuously monitored and reviewed. Key sectors are analysed in details to suggest strategies considering both risks and opportunities. Corrective action is taken, wherever required, based on portfolio analysis and early warning signals.

Treasury Risk

As an integral part of the overall risk management system, your Company addresses different forms of market risks, viz., liquidity risk, capital risk, interest rate risk and foreign exchange risk.

Capital risk is generally defined as an enterprise's access to cash at any given time and balancing this with its efficient use. Your Company involves in assessing the overall cash flow position of your company on a monthly basis over a horizon of one year comprising maturity profile of all liabilities, amortization of credit portfolio and targeted disbursement. Thereafter, the net position is sensitized with lower collection rate, based on the prevailing trend & emerging scenario for various business verticals through scenario analysis.

Liquidity risk is two-dimensional: risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate assets in a timely manner at a reasonable price (asset dimension). Your Company's Asset Liability Management Committee (ALCO) lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

Interest rate risk is the probability that variations in the interest rates will have a negative influence on the quality of a given financial instrument or portfolio, as well as on your Company's condition as a whole. Interest rate risk is generally managed through floating rate mechanism by linking the lending rate of interest to your Company's benchmark rate and is reviewed periodically with changes in your Company's cost of funds. Your Company conducts stress testing at periodical intervals to monitor vulnerability towards unfavorable interest rate movements in line with regulatory guidelines.

Exchange rate risk management becomes necessary as your Company borrows money in foreign currency and lends in domestic currency. In order to optimize the cost of funds, your Company adopts effective hedging strategies considering the overall risk appetite of your Company. Your Company measures, monitors and controls exchange rate risk through statistical measures.

Operational Risk

Operational risk is defined as the risk of loss arising out of inadequate or failed internal processes, people and systems or from external events. Your Company has Standard Operating Procedures (SOPs) for the operating processes of your Company with dual control in all major processes. The key processes are tested for adequacy of controls at periodical intervals. The Operational Risk Framework has been strengthened to include risk control matrices and risk control self-assessment framework. The Policy framework within the organization has been strengthened within the organization with review of policies of the Company viz Credit Policy, Risk Policy and Stressed Asset Management Policy.

Your Company ensures that the anti-money laundering procedures are implemented, effective and compliant with the latest statutory regulations. It involves in setting up of a consistent system throughout your Company, with an adequate level of formalization and traceability that will serve to provide management, the Board of Directors, and regulatory bodies with reasonable assurance of risk control.

In addition, to manage operational risk prudently, 'Know Your Customer (KYC) and 'Anti-Money Laundering (AML) Policy' are in place, which helps to prevent your Company from being used intentionally or unintentionally by criminal elements for money laundering.

IT Risk

- **SREI has its Data Center (DC) on AWS (Amazon Web Services) Cloud.**
  - **AWS Features**

    Every AWS Region consists of multiple Availability Zones (AZs). Each AZ consists of more than one data centers (Mumbai region has 3 data centers), located in a separate and distinct geographic location. Each AZ is designed as an independent failure zone which means that AZs are physically separated within a typical metropolitan region and are located in lower risk flood plains. This significantly reduces the risk of a single event impacting more than one AZ. In addition to discrete Uninterruptible Power Supply (UPS) and onsite backup generation facilities, DCs located in different AZs are designed to be supplied by independent substations to reduce the risk of an event on the power grid impacting more than one AZ.

  - **AWS Backup as a Service**

    SREI uses **AWS Backup as a Service** which is a fully-managed service that makes it easy to centralize and automate data protection across AWS services, in the cloud. This service allows configuring backup policies and monitoring activity for our AWS resources in one place. It allows automating and consolidating backup tasks and removes the need to create custom scripts and manual processes. A complete AMI (Amazon Machine Image) backup is taken for each application and database server from the AWS console and stored on a daily, weekly and monthly basis, as per the policies defined by SREI. Servers can be restored from the AMIs which are spread across all the AZs in a region to handle disasters.

  - **AWS S3 (Simple Storage Service) Backups for Databases**

    Database backup dumps are also stored in Amazon S3 buckets. S3 buckets are designed to provide 99.999999999% durability and 99.99% availability of objects. S3 redundantly stores objects on multiple devices across multiple AZs in an AWS Region.

  - **Backup and Restoration**

    For AZ failover, in addition to data recovery from backup, it is also possible to restore the infrastructure in the recovery zone by spinning off the requisite servers in an alternate AZ.

  - **Testing of Disaster Recovery**

    Periodic DR Drill is carried out by the IT team where key business application / database servers (for Ambit, Newgen, Kastle & Oracle) are restored in a different AZ from the previous day's AMI. The necessary evidences for the same are stored for reference.

- **Full-fledged BCP (Business Continuity Plan) has been taken up and is under process.**

Regulatory Risk

Your Company has adopted a maker and checker based system for implementation and control management for ensuring regulatory compliances. This system is designed to adapt to the changes in the regulatory environment to avoid breach of compliances and provide greater clarity and confidence around the regulatory risk framework and the ability to manage regulatory change. It involves understanding of both regulator expectations and business processes and challenges. It involves identification of process improvement opportunities to ensure the effective and consistent management of compliance and regulatory obligations. However, your Company is in process to automate the regulatory compliance framework.

Your Company also takes cognizance of the interplay of the risks enumerated above in addition to other risks which could have a bearing on the above risk factors, e.g. legal, reputational risks. The recent pandemic related to Covid-19 have had impact on one or more of the risks enumerated above, particularly on Credit Risk, Portfolio Risk and Treasury Risk, Liquidity Risk, etc.

HUMAN RESOURCES ACTIVITIES

Your Company has successfully navigated the continuing complexity posed by Covid-19, which remained one of the biggest disrupters through a substantial part of the past year. This was possible because of the efforts made by the organization to become future-ready which have continued since the previous year and which proved helpful in more ways than one. The organization structure which was put in place the previous year leading to a leaner, flatter and more agile organization proved highly beneficial in the current environment. Significant realigning of roles was done in order to execute the task of bringing down NPA. Retaining talent was an imperative which surfaced in the current year and was dealt with effectively by your Company.

Human Resources are the most important asset of any financial services organization. In the backdrop of the crisis that your Company was in, your Company faced increased attrition during the financial year. While the challenges ensued, your Company conducted various restructuring activities internally to manage the people crisis. For all key exits, the succession plan triggered in, and your Company was able to immediately fill all key leadership positions ensuring continuity and stability. During the CIRP, your Company was also able to do lot of activity on Internal Talent mobility to fill key management positions, which have enabled your Company to bring in best Industry practices of governance and compliance. Your company laid special emphasis on staff governance and compliance and initiated activities on compliance reviews, staff accountability review to create robust governance.

Your Company also actively encouraged cross utilization of resources to avoid the need of hiring from the market, and also to nurture multi-tasking skills in employees. This ensured that all employees of your Company were productively employed, and also helped your Company save on hiring costs and wherever necessary strengthened its hiring process to ensure economical quality hires. In addition to the above your Company did a lot of staff engagement activities to increase employee morale and motivation.

During this period, your Company re-assessed all its internal policies and practices and brought in measures to make them more compliant as well as mitigate risks that it was being exposed to.

Your Company's skilled workforce needed to work together effectively as well as show quicker response time through taking increased responsibility for decision making as well as displaying greater accountability. This was successfully demonstrated throughout the past year by all teams.

Innovation, a critical ingredient, was driven by the workforce adapting new skills throughout the organization. The increased utilization of technology and transformation of processes resulted in creating a highly productive workforce. Some of the innovations that were continued by your Company, due to Covid-19 necessitating remote working, included Attendance on the Go, digitized approvals, Just-in-Time Learning, adapting crowd sourcing, flattening the organization structure, among others. These strategic shifts paved the path for the New Normal.

Another shift that was necessitated was the increased focus on Collections and this too was successfully executed. Your Company recognized that learning interventions were critical in order to prepare employees to adopt the new model and new focus that had been introduced.

Your Company had to tackle several challenges which were addressed through learning and development initiatives. These included:

- The focus shifting to Collections – Teams were merged and made responsible for retail and strategic customer collections. This needed a large section of employees to quickly develop knowledge and skills in Collections.
- De-centralized decision making without increasing risk for the organization - a key parameter for any financial institution. Teams had to learn how to shoulder greater responsibility for decision-making and display agility in working. Learning initiatives were necessitated to accelerate this.
- Recruitment process was put on hold as a result of which the existing workforce had to take on additional responsibilities while continuing with their existing roles.
- Huge focus on corporate governance and compliance was established resulting in need for training and awareness creation.

Learning and Development (L&D) initiatives adopted technology in order to increase the scope, speed and the extent of its reach so as to be able to help the organization achieve the operational efficiency required.

Training continued to be a key factor in developing agility, adaptability and engaging with employees. Learning initiatives were a key driver to constantly connect with employees across the country and strengthen a culture of collaboration. Learning interventions focused on up-skilling/ reskilling employees; building organizational capability and achieving compliance standards.

Your Company continued the learning strategy of "Reboot, Relearn" which was devised to build "just in time" learning and was delivered through various online meeting platforms. Collection Heads were deployed to spearhead the training in their respective zones. Learning was built into daily work activities through Action Learning in partnership with Zones.

Regulatory Training sessions commenced in the last quarter of the year. The drive was to ensure all employees completed the necessary regulatory training so as to achieve a compliance driven and policy adhering environment.

Your Company conducted a Pulse Survey to capture VOE (Voice of Employees). Through analysis of the results, several themes were identified and ways of addressing them designed. "Live Wire" series, an intervention aimed at deeper connect with all employees was launched to address ground realities.

Human Resource (HR) Team has continued to focus on supporting each employee through these difficult times- reaching out to them through the HR Business Partner team, finding ways to create positivity. Each success was celebrated and each employee who suffered a set-back was given help and support in myriad different ways. Building resilience was a priority and wellness was an area of focus throughout the year. Connecting people and ensuring timely and effective communication was prioritized, using different technology platforms.

Your Company maintained its philanthropic activities throughout the COVID 19 crisis and reached out to help those who were most in need. True to its ethos, your Company consistently demonstrated that it is an organization with a purpose that goes beyond just financial goals. Its commitment to the well-being of all stakeholders was demonstrated through various different initiatives. Your Company, as always, worked hard in order to create a feeling of pride and belonging to the organization. A key objective was to inspire, give hope and a sense of purpose to all employees, customers and stakeholders.

On 31st March, 2022 the headcount of our Company was 932.

INFORMATION TECHNOLOGY

Business practices around the world have changed during the last two years due to the Covid-19 pandemic. Face-to-face meetings have given way to video calls. Homes have become the new offices. Technology is not just a utility anymore, but a lifeline. Your Company has proactively leveraged its technology wherein a major portion of the workforce was benefitted through availing work from home facilities.

Your Company manages a variety of risks that can significantly affect its performance and ability to meet the expectations of its customers, shareholders, regulators and other stakeholders. Information Security risk includes the risks arising from unauthorized access, use, disclosure, disruption, modification or destruction of information or information systems. In view of the same, your Company has conducted IT Risk Assessment to assess its IT-related vulnerabilities and to ensure that proper controls are in place. Your Company has also developed Key Risk Indicators pertaining to IT Security in order to monitor changes in the levels of risk exposure and mitigate them in time.

The Company's Cyber Security Operations Centre (C-SOC), which was operationalized during the previous financial year, continues to monitor and improve its security posture while preventing, detecting, analyzing and responding to cyber security incidents. Your Company has not yet experienced any material losses relating to cyber-attacks.

Your Company runs regular awareness campaigns to educate its employees regarding the various aspects of Information Security, through various modes like periodic newsletters, awareness sessions and online trainings.

INTERNAL CONTROL AND AUDIT

Your Company's vision, mission and core values have laid the foundation for internal controls. On the administrative controls side, your Company has a proper reporting structure, oversight Committees and rigorous performance appraisal system to ensure checks and balances. On the financial controls side, your Company has in place segregation of duties and reporting mechanism to deter and detect misstatements in financial reporting.

Your Company's internal control system is commensurate with the nature of its business and the size and complexity of its operations and ensures compliance with policies and procedures. The Internal Control Systems are being constantly updated with new as well as revised standard operating procedures.

Your Company has an Internal Audit Department, which provides comprehensive audit coverage of functional areas and operations of your Company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements.

Your Company has a dedicated and independent Internal Audit Department which is accountable to the Board of Directors through the Chairman of the Audit Committee/Advisory Committee through the Administrator. The purpose, scope, authority and responsibility of the Internal Audit Department are delineated in the Audit Charter approved by the Audit Committee. Internal Audit Department influences and facilitates improvements in the control environment by constantly evaluating the internal control systems. Significant deviations are brought to the notice of the Audit Committee / Advisory Committee. Status of compliances of audit observations and follow up actions taken thereon are reported to the Audit Committee / Advisory Committee. The Audit Committee / Advisory Committee reviews and evaluates adequacy and effectiveness of your Company's internal control environment and monitors the implementation of audit recommendations.

Further, in accordance with the regulatory guidelines, your Company's Internal Financial Controls (IFC) have been reviewed and actions have been taken to strengthen financial reporting and overall risk management procedures. Further, an Information System (IS) Audit of the internal systems and processes is conducted at least once in a year to assess operational risks faced by your Company.

Based on the internal audit report, process owners undertake corrective action in their respective areas. All these measures help in maintaining a healthy internal control environment.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has formulated a codified Whistle Blower Policy incorporating the provisions relating to Vigil Mechanism in terms of Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, in order to encourage and support Directors and Employees of your Company to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of your Company's Code of Conduct and Code of Business Ethics and any issue of concerns impacting and compromising with the interest of your Company and its stakeholders in any way. The said Policy was last revised on February 12, 2020. Your Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimisation, for whistle blowing in good faith. The said Policy is available on https://www.srei.com/pdf/SEFL-Whistle-blower-policy.pdf.

A Whistle Blower Committee is in place that reviews all matters and guides the management to the relevant guideline in the spirit and keeps a close ridged.

NOMINATION AND REMUNERATION POLICY & PERFORMANCE EVALUATION

Prior to supersession of the Board of Directors of your Company by the RBI on October 04, 2021, your Company had a combination of Executive and Non-Executive Directors as well as Independent Directors including a Woman Independent Director on its Board of Directors.

The Nomination and Remuneration Policy of your Company, has been formulated as per the provisions of Section 178 of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Additional details with respect to the said policy are as annexure to the Board's Report and forms part of this Annual Report.

The said policy is available on the website of your Company at https://www.srei.com/sefl-corporate-policies/Nomination_and_Remuneration_Policy.pdf.

The Board of Directors of your Company was superseded by RBI on October 04, 2021 as noted above. Prior to the supersession of the Board of Directors 1 (one) meeting of the Independent Directors was held during the financial year under review on June 19, 2021. No evaluation of performance of Directors, Board or the Committees thereof was carried out till the appointment of Administrator by RBI.

Since your Company is undergoing Corporate Insolvency Resolution Process under the IBC Code, the role of the Board and Committees is being fulfilled by the Administrator supported by the Advisory Committee.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company perceives Corporate Social Responsibility (CSR) as a strategic social investment aimed at uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy of your Company is embedded in its commitment to all stakeholders – consumers, employees, environment and society while your Company's approach extends both to external community as well as to your Company's large and diverse internal employee base & their families.

Your Company has in place a Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which inter-alia lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large.

The Corporate Social Responsibility (CSR) Committee constituted in terms of Section 135 of the Companies Act, 2013 (the Act) and the rules thereon is established with primary function of the Committee to undertake activities mandated by the Act. The Board of Directors of your Company has been superseded by the Reserve Bank of India (RBI) as mentioned earlier in this report and the Average Net Profit of the Company for the three immediately preceding financial years is negative. In the view of such conditions, your Company is having NIL CSR obligation for the year under review.

The CSR Committee of your Company has formulated a CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skills development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Act as may be identified by the CSR Committee from time to time. The said Policy is available on https://www.srei.com/sefl-corporate-policies/SEFL_Corporate_Social_Responsibility_Policy.pdf.

Your Company perceives Corporate Social Responsibility (CSR) as an opportunity to contribute towards uplifting the society at large, empowering individuals, making them self-reliant. The CSR philosophy of your Company is embedded in its commitment to all stakeholders namely, consumers, environment and the society at large. Your Company's sustainable approaches towards practicing humble service to Humanity on a sustainable basis, has enabled it to continue fulfilling its commitment to be a socially responsible corporate citizen.

Prior to supersession of the Board of Directors by RBI, the terms of reference of the Committee was last revised on August 11, 2021. The erstwhile Board of Directors of your Company, at its meeting held on April 23, 2021 reconstituted the CSR Committee pursuant to the induction of Dr. (Mrs.) Tamali Sengupta in place of Mr. Hemant Kanoria as Member and Chairperson. The Corporate Social Responsibility Committee of your Company as at October 04, 2021 (i.e. the date of supersession of the erstwhile Board of Directors) comprised of Dr. (Mrs.) Tamali Sengupta, Mr. Suresh Kumar Jain and Mr. Shyamalendu Chatterjee, Non-Executive & Independent Directors as Members. Dr. (Mrs.) Tamali Sengupta acted as the Chairman of the Committee and the Company Secretary acted as the Secretary to the CSR Committee.

During the year under review and prior to the supersession of the Board, the CSR Committee met 1 (one) time on June 17, 2021.

An Annual Report on CSR activities for the Financial Year 2021-22 is set out as an annexure to the Board's Report and forms part of this Annual Report.

WEBSITE

The website of your Company www.srei.com has been developed on the new responsive technology based platform known as 'Laravel', ensuring uniform display across all devices like mobile, tablet, desktop etc. and all the operating systems. The website has an inbuilt sophisticated and customized content management system for easy change in content. A simple, improved navigation system needs a lesser number of clicks to reach the information available in the different sections of the website. The contemporary and smart look of the website ensures a customer centric approach catering to the requirements of prospective customers, investors and employees. The website carries a comprehensive database of information of interest to the investors including the financial results, financial products, corporate codes and policies, corporate presentations, stock exchange intimation and business activities of your Company and the services rendered by your Company. Some useful features like credit ratings and active and mature NCDs, registrar point, NCDs touch points, etc. are also available on the website. The customers can also download essential documents directly from the website.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION

No specific material changes and commitments, unless as disclosed in this Report, affecting the financial position of your Company have occurred between the end of the financial year under review, i.e. March 31, 2022 and the date of the Report.

KEY MANAGERIAL PERSONNEL (KMPs)

During the year under review, Ms. Ritu Bhojak ceased to be a Company Secretary and Key Managerial Personnel (KMP) w.e.f. May 10, 2021 and in her place Mr. Sumit Kumar Surana was appointed as the Company Secretary and Key Managerial Personnel (KMP) of your Company w.e.f. August 20, 2021. Mr. Manoj Kumar Beriwala had stepped down as the Chief Financial Officer (CFO), Key Managerial Personnel (KMP) of your Company w.e.f. June 29, 2021 and Mr. Yogesh Kajaria was appointed as the Chief Financial Officer (CFO), Key Managerial Personnel (KMP) of your Company w.e.f. June 30, 2021. Further, Mr. Pulak Bagchi ceased to be a General Counsel and Key Managerial Personnel (KMP) w.e.f. May 31, 2021.

During the year Mr. Hemant Kanoria, Executive Director and Chairman of your Company, Mr. Sunil Kanoria, Executive Director and Vice Chairman of your Company, Mr. Indranil Sengupta, Whole Time Director of your Company and Mr. Devendra Kumar Vyas, Managing Director of your Company, being designated as the KMPs of your Company ceased to be so pursuant to the supersession of the Board of Directors of your Company by RBI vide its Press Release dated October 04, 2021.

Post the supersession of the Board the Administrator of your Company, additionally designated Mr. Devendra Kumar Vyas, Chief Business Officer, Mr. Manoj Kumar Beriwala, Chief Compliance Officer (RBI Compliances) and Ms. Nidhi Saharia, Chief Risk Officer as the KMPs of your Company w.e.f. March 01, 2022.

The following executives of your Company are the Whole-time Key Managerial Personnel (KMPs) as on March 31, 2022, in accordance with the provisions of Section 203 of the Companies Act, 2013 –

Name	Designation
Mr. Yogesh Kajaria	Chief Financial Officer
Mr. Sumit Kumar Surana	Company Secretary
Mr. Devendra Kumar Vyas	Chief Business Officer
Ms. Nidhi Saharia	Chief Risk Officer
Mr. Manoj Kumar Beriwala	Chief Compliance Officer (RBI Compliances)

None of the KMPs hold any securities of your Company except Mr. Manoj Kumar Beriwala and Mr. Yogesh Kajaria who hold 1 (one) Equity Share each of your Company as nominees of Srei Infrastructure Finance Limited (SIFL), Holding Company.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOW

Your Company has no activity relating to Conservation of Energy and Technology Absorption as stipulated in Rule 8(3) of the Companies (Accounts) Rules, 2014. However, your Company has always been conscious of the need for conservation of energy. Adequate measures are always taken to ensure optimum utilisation and maximum possible saving of energy at the offices and branches of your Company. Your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilisation, safety and environment.

During the year under review, the total foreign exchange expenditure of your Company was ₹8,131 lacs (previous year ₹21,416 lacs) and has not earned any foreign exchange (Previous Year - Nil).

DETAILS OF TRANSFER OF UNPAID/UNCLAIMED AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with Section 124(5) of the Companies Act, 2013 a Company is required to transfer the amount lying in the unpaid dividend account, for 7 years, to the Investor Education Protection Fund (IEPF). Pursuant to the Order dated October 08, 2021 passed by the Hon'ble NCLT, Kolkata, CIRP has been initiated for your Company and the moratorium has been commenced under Section 14 of the Code read with Rule 5(b)(i) of FSP Rules effective from October 08, 2021. During the financial year under review, but prior to the date of commencement of moratorium/CIRP i.e. October 08, 2021 (CIRP commencement date) an amount of ₹18,574/- (Rupees Eighteen Thousand Five Hundred and Seventy Four) was transferable by your Company to IEPF in terms of Section 124 (5) of the Companies Act, 2013 being the unclaimed interest in respect of NCDs issued by your Company. However, the same has not been transferred post October 08, 2021 as your Company is under IBC. The IEPF Authority has been requested to submit a proof of claim for the amount required to be transferred to IEPF as per IBC Rules.

Further, during the financial year under review, post commencement of moratorium/CIRP an amount of ₹31,633/- (Rupees Thirty One Thousand Six Hundred and Thirty Three) and ₹25,195/- (Rupees Twenty Five Thousand One Hundred and Ninety Five) was transferable by your Company to IEPF in terms of Section 124(5) of the Companies Act, 2013 being the unclaimed interest in respect of NCDs issued by your Company.

Your Company has informed IEPF authorities that it is unable to comply with the provision of Section 124(5) of the Companies Act, 2013 as its compliance will be in breach of the moratorium in terms of Section 14 of the IBC and that as per Section 238 of the IBC, the extent to which the provision of the Companies Act, 2013 are inconsistent with Section 14 of the IBC, the provisions of the IBC will prevail. Your Company has also sought guidance of IEPF in this regard.

Pending transfer of these funds to IEPF, the same continue to be kept in separate Bank Accounts and will be transferred to IEPF in due course of time.

MEETINGS OF THE BOARD

The Board met at regular intervals to discuss and decide on business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval was taken by passing resolutions through circulation, as permitted by law, which were confirmed in the subsequent Board Meeting.

During the year 2021-22, prior to supersession of Board of Directors by the Reserve Bank of India (RBI), 8 (eight) Board Meetings were convened and held on April 08, 2021, April 23, 2021, May 21, 2021, June 07, 2021, June 29, 2021, July 31, 2021, August 11, 2021 & September 06, 2021. The maximum time gap between any two consecutive meetings did not exceed 120 (one hundred and twenty) days.

DIRECTORS

As mentioned earlier in this Report, Mr. Rajneesh Sharma was appointed as the Administrator of your Company since October 04, 2021 and the management of your Company vests in him. He is assisted by a three-member Advisory Committee to discharge his duties and its current Members are Mr. T T Srinivasaraghavan, former Managing Director of Sundaram Finance Limited, Mr. Farokh N Subedar, former Chief Operating Officer and Company Secretary, Tata Sons Limited and Mr. Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India.

The Board of Directors of your Company as at October 04, 2021 (i.e. the date of supersession of the erstwhile Board of Directors) consisted of 10 (ten) Directors, out of which 6 (six) were Independent Directors, 1 (One) Whole Time Director, 1 (one) Managing Director and 2 (two) were Executive Directors designated as a Chairman and Vice Chairman.

In accordance with the provisions of Section 152 of the Companies Act, 2013 (Act) and the relevant Rules and your Company's Articles of Association, not less than two-thirds of the total number of Directors of a public company shall be persons whose period of office is liable to determination by retirement of Directors by rotation and one-third of such of the Directors for the time being as are liable to retire by rotation. However all such directors, who were liable to the rotational retirement, were superseded by RBI in exercise of the powers vested with RBI under Section 45-IE (1) of the

Reserve Bank of India Act, 1934, as explained earlier in the Report.

BOARD COMMITTEES

Prior to the supersession of the Board of Directors by the RBI, your Company had a duly constituted Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and the erstwhile Board of Directors also had other committees which included Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee.

The details of the composition of the erstwhile Committees of the Board including their respective constitution, role as existing till October 04, 2021 are as follows.

With the Corporate Insolvency Resolution Process (CIRP), Advisory Committee functions as various sub committees as well, excepting those exempted for Company under CIRP.

AUDIT COMMITTEE

Prior to the supersession of the Board of Directors, your Company had a duly constituted Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014. Pre CIRP the Board of Directors has last revised the terms of reference of the Committee on August 11, 2021. The erstwhile Board of Directors of your Company, at its meeting held on April 23, 2021 reconstituted the Audit Committee, consequent to the cessation of Mr. Sunil Kanoria as a Member of the Committee. Further, the Board of Director, at its meeting held on July 31, 2021 reconstituted the Audit Committee, consequent to the induction of Mr. Uma Shankar Paliwal as a Member in place of Mr. Indranil Sengupta, a Whole-time Director. The Audit Committee of your Company as at October 04, 2021 (i.e. the date of supersession of the erstwhile Board of Directors) consisted of Mr. Suresh Kumar Jain, Mr. Malay Mukherjee and Mr. Uma Shankar Paliwal as Members. Mr. Suresh Kumar Jain acted as the Chairman of the Committee and the Company Secretary acted as the Secretary to the Audit Committee.

During the year under review and prior to the supersession of the Board, 4 (four) meetings of the Audit Committee were held during the year 2021-22 on May 07, 2021, June 29, 2021, August 11, 2021 and September 04, 2021.

During the year under review and prior to the supersession of the Board, there were no such instances wherein the Board had not accepted any recommendation of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

Prior to the supersession of the Board of Directors, your Company had a duly constituted Nomination and Remuneration Committee in line with the provisions of Section 178 of the Companies Act, 2013. Pre CIRP the Board of Directors had last revised the terms of reference of the Committee on August 11, 2021. The erstwhile Board of Directors of your Company, at its meeting held on April 23, 2021 reconstituted the Nomination and Remuneration Committee, consequent to the induction of Mr. Deepak Verma as a member of the Committee. The Nomination and Remuneration Committee of your Company as at October 04, 2021 (i.e. the date of supersession of the erstwhile Board of Directors) consisted of Mr. Suresh Kumar Jain, Dr. (Mrs.) Tamali Sengupta, Mr. Uma Shankar Paliwal and Mr. Deepak Verma as Members. Mr. Suresh Kumar Jain acted as the Chairman of the Committee and the Company Secretary acted as the Secretary to the Nomination and Remuneration Committee.

During the year under review and prior to the supersession of the Board, 4 (four) meetings of the Nomination and Remuneration Committee were held during the year 2021-22 on April 23, 2021, May 07, 2021, June 29, 2021 and August 11, 2021. In case of business exigencies or urgency of matters, resolutions were passed by circulation.

The Committee has formulated the Nomination and Remuneration Policy (SEFL Nomination and Remuneration Policy) which broadly lays down the various principles of remuneration being support for strategic objectives, transparency, internal & external equity, flexibility, performance-driven remuneration, affordability and sustainability and covers the procedure for selection, appointment and compensation structure of the Board Members, Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs) of your Company. The said Policy is available on https://www.srei.com/sefl-corporate-policies/Nomination_and_Remuneration_Policy.pdf.

Prior to the dissolution of the Committee, the Nomination and Remuneration Committee had ensured fit and proper status of proposed / existing directors as per the Policy on "Fit and Proper" criteria of the Directors of your Company.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Prior to the supersession of the Board of Directors, your Company had a duly constituted Stakeholders Relationship Committee in line with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. The Stakeholders Relationship Committee of your Company as at October 04, 2021 (i.e. the date of supersession of the erstwhile Board of Directors) consisted of Mr. Suresh Kumar Jain, Mr. Shyamalendu Chatterjee and Mr. Uma Shankar Paliwal, Independent Directors as Members. Mr. Suresh Kumar Jain, Independent Director of your Company is the Chairman of the Stakeholders Relationship Committee. The Company Secretary of your Company acts as the Secretary to the Stakeholders Relationship Committee.

During the year under review and prior to the supersession of the Board, 1 (one) meeting of the Stakeholders Relationship Committee was held during the year 2021-22 on June 17, 2021.

ADVISORY COMMITTEE

RBI vide its Press Release dated October 04, 2021, in exercise of the powers conferred under Section 45-IE of the RBI Act, constituted a 3 (three) Member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP).

Further as stated earlier that in accordance to the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to advise the Administrator in the operations of your Company during CIRP and guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution. Since the Administrator also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the Administrator in fulfillment of his role and responsibilities. The members of the Advisory Committee as on the date of this Report are Mr. T. T. Srinivasaraghavan, former Managing Director of Sundaram Finance Limited, Mr. Farokh N. Subedar, former Chief Operating Officer and Company Secretary, Tata Sons Limited and Mr. Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India *(appointed w.e.f. June 23, 2022)*.

The Administrator is the Chairman of the meetings and the minimum quorum is Chairman and at least two advisors. As on the date of this Report, 31 (thirty one) Advisory Committee Meetings were held covering a very wide range of agenda pertaining to the CIRP matters as well as your Company's status as a going concern.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND YOUR COMPANY'S OPERATIONS IN FUTURE

There were no significant and material orders passed by any Regulator or Court or Tribunal which would impact the going concern status of your Company and its future operations except as mentioned before w.r.t. commencement of CIRP and as mentioned below:

Your Company received a letter dated December 28, 2021 from the Securities and Exchange Board of India (SEBI) being a Show Cause Notice under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 alleging that your Company failed to disclose material information to the Exchanges(s) as per the provisions of Regulation 51 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 with respect to an interim order passed by National Company Law Appellate Tribunal (NCLAT), in response to the appeal filed by CARE Ratings Limited, a rating agency before the Appellate Authority against the order passed by NCLT, restraining the credit rating agencies from treating the non-payment of interest / principal by your Company as a default. Your Company appeared before the Adjudicating Officer (AO) of SEBI and the AO after taking into consideration the facts and circumstances of the case, imposed a penalty of ₹5,00,000 (five lacs) on your Company. However the order is subject to the outcome of the appeal filed by SEBI before the Hon'ble Supreme Court in the matter of *'Securities and Exchange Board of India Vs. Dewan Housing Finance Corporation Ltd.'*

Further, the interim moratorium / moratorium u/s 14 of IBC as declared in respect of your Company, prohibits all of the following, namely:

(a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing off by the corporate debtor any of its assets or any legal right or beneficial interest therein;

(c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

As mentioned earlier, the Administrator had appointed BDO India LLP (BDO/Transaction Auditor) to review transactions of the Company qualified under Sections 43 to 51, and Sections 65 and 66 of the Code. Accordingly, the Administrator of the Company received a report from the Transaction Auditor, indicating that there are certain transactions which are allegedly fraudulent in nature, as per Section 66 of the Code. Basis the findings and observations of the Transaction Auditor, various applications were filed before the Hon'ble National Company Law Tribunal, Kolkata Bench in respect of disbursements made to several parties post Financial Year ended March 31, 2022.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements of your Company for the financial year ended March 31, 2022 have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of your Company which were conferred upon him by the RBI vide its Press Release dated October 04, 2021 and subsequently, powers conferred upon him in accordance with the NCLT Order dated October 08, 2021 to run your Company as a going concern during CIRP. Hence the financial statements for the year ended March 31, 2021 have been prepared on "going concern" assumptions.

The Administrator and his Advisors have not been able to analyse in depth the accuracy validity, completeness or authenticity of the information and figures mentioned in the audited financial statements as they have joined after October 04, 2021. Moreover, the entire Present Management has been involved in the affairs of your Company for less than 6 (six months) in the entire financial year 2021-22.

In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of accounts of your Company. The audited financial statements are drawn on the basis of figures appearing in the books of accounts of your Company as on March 31, 2021.

The Administrator has signed the financial statements solely for the purpose of compliance and discharging his duties during CIRP period of your Company and in accordance with the provisions of the IBC, read with the Regulations and Rules thereunder, and based on the explanations, clarifications, certifications, representations and statement made by the existing staff of your Company in relation to the data pertaining to the period prior to the joining of the Present Management and does not have knowledge of the past affairs, finances and operations of your Company.

AUDITORS

At the 14th (fourteenth) Annual General Meeting (AGM) of your Company held on August 25, 2020, Haribhakti & Co. LLP, Chartered Accountants having Registration No. 103523W/W100048 allotted by The Institute of Chartered Accountants of India were appointed as the Statutory Auditors of your Company to hold office for a term of 5 (five) years from the conclusion of the 14th (fourteenth) AGM till the conclusion of the 19th (nineteenth) AGM of your Company.

Further, pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Reserve Bank of India (RBI) Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 and other applicable laws, if any (including any statutory modification or re-enactment(s) thereof, for the time being in force) and rules framed thereunder, and upon the recommendation of the Administrator of your Company (exercising the powers of the Board of Directors of your Company pursuant to Section 17 of the Insolvency and Bankruptcy Code, 2016), J Kala & Associates Chartered Accountants, having Firm Registration No. 118769W allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as the Joint Statutory Auditors in addition to the existing Statutory Auditors of your Company to hold office in terms of Section 139 of the Companies Act, 2013 and the Rules framed thereunder and in accordance with Section 141 of the Companies Act, 2013 w.e.f. October 29, 2021 till the conclusion of the ensuing 16th (sixteenth) Annual General Meeting of your Company. The said appointment was also confirmed by the CoC at its meeting held on November 02, 2021. At the Extra-ordinary General Meeting of your Company held on October 29, 2021, J Kala & Associates Chartered Accountants were appointed as the Statutory Auditors of your Company to hold office till the conclusion of the 16th (sixteenth) Annual General Meeting of your Company.

The Administrator of your Company recommend the appointment of J Kala & Associates, Chartered Accountants, having Firm Registration No. 118769W allotted by the ICAI as the Joint Statutory Auditors of the Company for a period of 3 (three) years, to hold office from the conclusion of 16th (sixteenth) Annual General Meeting till the conclusion of the 19th (nineteenth) Annual General Meeting of the Company.

J Kala & Associates, Chartered Accountants meets the eligibility, qualifications and other requirements of the Auditors as specified in the Companies Act, 2013 and a certificate to this effect has also been furnished by them along with their consent to hold office as the Statutory Auditors of your Company. Further, J Kala & Associates, Chartered Accountants have also provided a certificate to the effect that their appointment as the Statutory Auditors of your Company, if made, would be within the limit prescribed under Section 141 of the Companies Act, 2013 and further that they are not disqualified to be appointed as the Statutory Auditors in terms of Sections 139 and 141 of the Act. J Kala & Associates, Chartered Accountants, have also furnished the peer review certificate issued to them by The Institute of Chartered Accountants of India (ICAI).

Since, Haribhakti & Co. LLP has been debarred from undertaking any type of audit assignments in any of the entities regulated by RBI for a period of 2 (two) years w.e.f. April 01, 2022, the Administrator of your Company (exercising the powers of the Board of Directors of your Company pursuant to Section 17 of the Insolvency and Bankruptcy Code, 2016), appointed Dass Gupta & Associates, Chartered Accountants, partnership firm, having Firm Registration No. 000112N, allotted by The Institute of Chartered Accountants of India (ICAI) as the Joint Statutory Auditors in addition to the existing Statutory Auditors of the Company i.e. J Kala & Associates Charted Accountants to hold office in terms of Section 139 of the Companies Act, 2013 and the Rules framed thereunder and in accordance with Section 141 of the Companies Act, 2013 w.e.f. July 08, 2022 till the conclusion of the ensuing 16th (sixteenth) Annual General Meeting of your Company. At the Extra-ordinary General Meeting of your Company held on July 11, 2022, Dass Gupta & Associates, Chartered Accountants were appointed as the Statutory Auditors of your Company to hold office till the conclusion of the 16th (sixteenth) Annual General Meeting of your Company.

Dass Gupta & Associates, Chartered Accountants meets the eligibility, qualifications and other requirements of the Auditors as specified in the Companies Act, 2013 and a certificate to this effect has also been furnished by them along with their consent to hold office as the Statutory Auditors of your Company. Further, Dass Gupta & Associates, Chartered Accountants have also provided a certificate to the effect that their appointment as the Statutory Auditors of your Company, if made, would be within the limit prescribed under Section 141 of the Companies Act, 2013 and further that they are not disqualified to be appointed as the Statutory Auditors in terms of Sections 139 and 141 of the Act. Dass Gupta & Associates, Chartered Accountants, have also furnished the peer review certificate issued to them by The Institute of Chartered Accountants of India (ICAI).

AUDITORS' REPORT

The Report of the Statutory Auditors to the Members for the financial year under review contains disclaimer of opinion and the management's response to the Basis for Disclaimer of Opinion contained in the Statutory Auditors' Report (hereinafter referred to as "the Basis for Disclaimer of Opinion") are as follows:

The Reserve Bank of India (RBI) vide its Press Release dated October 04, 2021 had superseded the Board of Directors of your Company and has appointed Mr. Rajneesh Sharma as the Administrator of your Company in terms of Section 45-IE of the Reserve Bank of India Act, 1934 (RBI Act). Accordingly, the Administrator is vested with powers of the Board of Directors of your Company, pursuant to the aforesaid Press Release of the RBI. The RBI, in exercise of powers conferred under Section 45-IE 5(a) of the RBI Act, had constituted a 3 (three) member Advisory Committee to assist the Administrator of your Company in discharge of his duties. Further, pursuant to an Order dated October 08, 2021 of the National Company Law Tribunal, Kolkata Bench (NCLT), Corporate Insolvency Resolution Process (CIRP) has been initiated against your Company as per the provisions of the Insolvency and Bankruptcy Code, 2016 (Code).

The Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held on May 17, 2022 and adjourned to May 18, 2022 have inter-alia, considered and taken on record the Ind AS Audited Financial Results (Standalone) of your Company for Financial Year ended March 31, 2022, as per Regulation 52 and other applicable Regulations of the SEBI Listing Regulations and in compliance with the Ind AS as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015.

Response to point No. (a) of the Basis for Disclaimer of Opinion: The CIRP of your Company has been initiated on October 08, 2021. 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. As such, the financial results are subject to outcome of such audits/reviews.

Response to point No. (b) of the Basis for Disclaimer of Opinion: Most of the valuations of Assets/Collaterals held as securities, wherever applicable, have been done by Independent valuers during pre CIRP period. However, valuation of your Company (including Assets) has been initiated under the provisions of the Code by 2 (two) independent Insolvency and Bankruptcy Board of India registered valuers and the same is currently underway. Thus the financials of the Company are subject to outcome of such valuation.

Response to point No. (c) of the Basis for Disclaimer of Opinion: Your 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, 2022 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 informed by the Administrator to the lenders and other stakeholders.

Your Company is in the process of consolidated resolution of your Company and SIFL and hence no further action is being contemplated regarding establishing the validity of BTA or otherwise, consequent upon the withdrawal of the Schemes.

Response to point No. (d) of the Basis for Disclaimer of Opinion: As per provisions of the Code, creditors are required to submit their claims against your Company which may undergo revision based on additional documents/clarification/information which may be furnished by such creditors. Accordingly, adjustments if any arising out of the claim verification and admission process will be given effect in subsequent periods.

Since in terms of the provisions of the Code, the foreign currency debt of your Company is required to be admitted as claim in INR, we have recognised the same in our books accordingly.

Response to point No. (e) of the Basis for Disclaimer of Opinion: Pursuant to the admission of your Company under the CIRP and the consequent moratorium u/s 14 of the Code, the claims of the creditors of your Company have been admitted/in the process of being admitted, which shall be settled in terms of the Resolution Plan to be approved by the Hon'ble NCLT.

Response to point No. (f) of the Basis for Disclaimer of Opinion: The domestic lenders of your Company had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by your Company were being approved/released based on the TRA mechanism and as such your Company 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. Your Company has reported the said fact to RBI and reply from the same is awaited.

Response to point No. (g) of the Basis for Disclaimer of Opinion: 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 your Company or to Srei Infrastructure Finance Limited ('SIFL' or 'Holding Company') 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 your Company or SIFL. Based on the legal view, the previous management was advised and had therefore come to conclusion that your Company or its Holding Company 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 your Company or its Holding Company. 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 your Company/SIFL 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 your Company/SIFL 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 your Company has gone into CIRP.

As such, Administrator is not in a position to comment about the actions taken by your 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 has initiated an audit/reviews relating to the process and compliances of your Company and has also appointed professionals for conducting transaction audit as per Section 43, 45, 50 and 66 of the Code.

Response to point No. (h) of the Basis for Disclaimer of Opinion: Your Company has made provisions in respect of direct tax cases and indirect tax cases where your Company was under various stages of appeal with the relevant tax authorities, based on directions from RBI. Hence, we are not in a position to do assessment as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'.

Response to point No. (i) of the Basis for Disclaimer of Opinion: The domestic lenders of your Company had stipulated Trust and Retention Account (TRA) mechanism effective November 24, 2020, pursuant to which all the payments being made by your Company were being approved/released based on the TRA mechanism. Your Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. Your Company has written letter to the Ministry of Corporate Affairs ('MCA') seeking exemptions from the obligations of your Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regards is awaited.

Response to point No. (j) of the Basis for Disclaimer of Opinion: Valuation of your Company has been initiated under the provisions of the Code by 2 (two) independent IBBI registered valuers and the same is currently underway. Accordingly, the percentage of asset cover is subject to the outcome of such process.

Response to point No. (k) of the Basis for Disclaimer of Opinion: In certain cases of borrowings wherein the novation agreements are signed by the lenders / trustees, your Company has filed the e-forms, except for one ISIN, with ROC, Kolkata, which are yet to be approved.

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.

Response to point No. (l) of the Basis for Disclaimer of Opinion: Your Company was unable to comply with the provision of Section 125 of the Companies Act, 2013 as its compliance will accord to breach of the moratorium in terms of Section 14 of the IBC. To the extent that the provision of the Companies Act, 2013 is inconsistent with Section 14 of the IBC, the provisions of the IBC will prevail, in light of Section 238 of the IBC. However, your Company has written to IEPF authorities and requested guidance in this regard / submission of their claim and await their response.

Response to point No. (m) of the Basis for Disclaimer of Opinion: Since the confirmation is an independent process, carried out by the Statutory Auditors, your Company has no comments to make on the same.

The review of the large exposures as part of the ACR including the project progress of the borrower for the year ended March 31, 2022 would be undertaken.

Response to point No. (n) of the Basis for Disclaimer of Opinion: The proceedings of the CoC are in relation to the CIRP of your Company and include confidential information in relation to the CIRP of your Company.

Response to point No. (o) of the Basis for Disclaimer of Opinion: Refer to response given under point No. (a) to (n) above.

Response to point No. (p) of the Basis for Disclaimer of Opinion: Refer to response given under point No. (o) above.

Response to point No. (q) of the Basis for Disclaimer of Opinion: Refer to response given under point No. (o) above.

Response to "Material Uncertainty Related to Going Concern" of the Basis for Disclaimer of Opinion: Your Company had reported losses during the year ended March 31, 2022 and earlier year/periods as well. Hence, the net worth of the Company has fully eroded.

There is persistent severe strain on the working capital and operations of your Company and it is undergoing significant financial stress. As stated earlier CIRP initiated against your Company w.e.f. October 08, 2021. Your 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:

a) The Code requires the Administrator to, among other things, run the Company as a going concern during CIRP.

b) The Administrator, in consultation with the Committee of Creditors ('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 and with time bound recovery of its due from borrowers/lessees and monetization of assets/securities, your Company is very hopeful of significant improvement in its cash flows in due course of time.

c) Reduction in overhead expenditure.

d) Your Company also formed 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 has started and ultimately a resolution plan needs to be presented to and approved by the CoC and further approved by the Hon'ble NCLT and RBI approval. Pending the completion of the said process under CIRP, these financial results have been prepared on a going concern basis.

Secretarial Audit Report

Your Company appointed Mr. Sidharth Baid, Practicing Company Secretary, holding membership of The Institute of Company Secretaries of India (Membership No. ACS 17677; Certificate of Practice No. 13436) as the Secretarial Auditor of your Company for the financial year 2021-22 to conduct the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report confirms that your Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, The Foreign Exchange Management Act, 1999, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2), SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities Contracts (Regulation) Act, 1956, all the Regulations and Guidelines of SEBI as applicable to your Company, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Reserve Bank of India Directions, Guidelines and Circulars applicable to Systemically Important Non-Deposit Accepting or Holding NBFCs (NBFC – ND – SI).

There have been certain observations by the Secretarial Auditor in their report for the review period with respect to compliance under the Companies Act, 2013, SEBI and RBI Regulations. The response in this regard has been included in the Notes to Accounts of the Financial Statements for the Financial Year ended March 31, 2022 and is being addressed through strengthening the Compliance processes and controls of the Company as part of the measures being taken under CIRP.

The Secretarial Audit Report for the financial year ended March 31, 2022 does not contain any adverse qualification, reservation, remark or disclaimer and the same forms part of the Annual Report.

CORPORATE POLICIES

The details of Policies adopted by your Company along with salient features and summary of key changes, if any, during the year are provided as annexure to the Board's Report and forms part of this Annual Report.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

Your Company has in place a Related Party Transaction Policy as per the provisions of Companies Act, 2013 read with the Rules made thereunder which describes the related party transactions requiring requisite approvals and requirements of appropriate reporting and disclosure of transactions between your Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with such transactions. The said Policy was last revised on July 08, 2022. The said Policy is available on https://www.srei.com/pdf/SEFL-Related-Party-Transactions-(RPTs)-Policy.pdf.

All the related party transactions of your Company are entered in the ordinary course of business and conducted on arm's length basis wherever applicable and on commercially reasonable terms and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant transactions entered into by your Company with Promoters, Directors or Key Managerial Personnel (KMPs), which have potential conflict with the interest of your Company at large. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialization and your Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements and liquidity.

Since all related party transactions entered into by your Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company.

In terms of Section 177 of the Companies Act, 2013 and prior to the supersession of the Board of Directors and subsequent dissolution of all Board Committees, your Company obtained approval of the Audit Committee for entering into any transaction with related parties as applicable. A statement of all related party transactions was presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. Further, post the supersession of the Board of Directors by RBI vide its Press Release dated October 04, 2021 and appointment of the Administrator of your Company under Section 45-IE (2) of the RBI Act, your Company obtained approval of the Administrator for entering into any transaction with related parties.

For the financial year ended March 31, 2022, the details of the related party transactions entered into by your Company in the ordinary course of business at arm's length basis are mentioned in the notes to the accounts forming part of the Audited (Standalone) Financial Statements.

As RBI superseded the erstwhile Board of Directors of your Company owing to lack of Governance, amongst various other reasons, the present management emphasizes good governance practices as paramount for your Company.

Members may refer to the notes to the financial statements for details of related party transactions.

PARTICULARS OF EMPLOYEES

The Board of Directors of your Company has been superseded by the Reserve Bank of India vide its Press Release dated October 04, 2021 as noted above. The ratio of the remuneration of each erstwhile Director holding position of Director during the year under review to the median employees' remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, are set out as an annexure to the Board's Report and forms a part of this Annual Report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 forms part of this Report.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return of your Company as at March 31, 2022, is available on website of your Company at https://www.srei.com/sefl-financial-reports.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company is exempt from the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is as per the provisions of Section 186 of the Companies Act, 2013 read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 as your Company is engaged in the business of financing of companies or of providing infrastructural facilities.

POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT

Your Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. Your Company in its endeavor to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another employee's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential.

Your Company has put in place a 'Policy on Prevention of Sexual Harassment' as per The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at workplace. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee constituted for this purpose. The said Policy is available on https://www.srei.com/pdf/SEFL-Policy-on-prevention-of-sexual-harassment.pdf.

Your Company affirms that during the year under review, adequate access was provided to any complainant who wished to register a complaint under the Policy and that your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, your Company has not received any complaint of sexual harassment.

GENERAL DISCLOSURES

Your Administrator states that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise
- Issue of sweat equity shares
- Your Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees
- There was no revision in the Financial Statements
- There was no change in the nature of business
- Maintenance of Cost records is not applicable to your Company.

ACKNOWLEDGEMENT

Your Administrator would like to express their grateful appreciation for the excellent support and co-operation received from its Shareholders, Srei Infrastructure Finance Limited, the Financial Institutions, Banks, Central & State Government Authorities, RBI, SEBI, MCA, Stock Exchanges, Depositories, Credit Rating Agencies, Customers, Manufacturers, Vendors, Suppliers, Business Associates, Debenture Holders, Debenture Trustees, National Company Law Tribunal, National Company Law Appellate Tribunal and other Stakeholders during the year under review. Your Administrator also place on record their deep appreciation for the valuable contribution of the employees for the progress of your Company during the year and look forward to their continued co-operation in realization of the corporate goals in the years ahead.

For and on behalf of Srei Equipment Finance Limited

Sd/-
Rajneesh Sharma
Administrator of Srei Equipment Finance Limited

Place : Kolkata
Date : August 26, 2022

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. The affairs, business and property of Srei Equipment Finance Limited are being managed by the Administrator, Rajneesh Sharma who acts as agent of the Company only and without any personal liability.

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:

Sl. No.	Name of the Director*	Remuneration (₹)**	Median Remuneration of employees (₹)	Ratio (In times)
1.	Mr. Hemant Kanoria	1,63,257	4,99,992	0.33X
2.	Mr. Sunil Kanoria	1,63,257		0.33X
3.	Mr. Devendra Kumar Vyas	2,62,97,720		52.60X
4.	Mr. Indranil Sengupta ***	57,83,038		11.57X
5.	Mr. Shyamalendu Chatterjee	19,10,000		3.82X
6.	Mr. Suresh Kumar Jain	23,00,000		4.60X
7.	Mr. Deepak Verma#	7,75,000		1.55X
8.	Dr. (Mrs.) Tamali Sengupta	21,75,000		4.35X
9.	Mr. Uma Shankar Paliwal	22,50,000		4.50X
10.	Mr. Malay Mukherjee	26,25,000		5.25X

*The Reserve Bank of India ("RBI"), on October 04, 2021, had superseded the Board of Directors of the Company and appointed Mr. Rajneesh Sharma as the Administrator and all the erstwhile Directors ceased to be the Directors of the Company with immediate effect. Accordingly, as on March 31, 2022 the Company did not have any Board of Directors.

**Remuneration includes sitting fees paid to Independent Directors for attending meetings of Board and various Committees thereof.

***Appointed as an Additional Director w.e.f. 01.08.2021 and as a Whole-time Director w.e.f. 01.08.2021 at 15th Annual General Meeting of the Company. He resigned w.e.f. 31.10.2021.

Appointed as an Additional Director w.e.f. 23.04.2021 and as an Independent Director w.e.f. 23.04.2021 at Extra-ordinary General Meeting of the Company held on 10.05.2021.

Note: Due to the restrictions imposed by Bankers, the salary of Senior Management was capped to ₹50 lacs per annum during the period November, 2020 to March, 2021. The Company has made provision of arrear salary of those employees amounting to ₹1.05 crores as on March 31, 2021 as the same is payable as per the contractual obligations of the Company. The Company has raised a claim through Form D under Corporate Insolvency Resolution Process on behalf of employees for payment of the arrears during the period November, 2020 to March, 2021.

ii. The percentage increase in remuneration of each Director*, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2021-22:

Sl No.	Name	Designation	Remuneration of previous year** (₹)	Remuneration of Current year** (₹)	% increase/ (decrease)
1.	Mr. Hemant Kanoria	Chairman	1,95,81,466	1,63,257	Refer Note (a)
2.	Mr. Sunil Kanoria	Vice Chairman	1,92,27,989	1,63,257	Refer Note (a)
3.	Mr. Devendra Kumar Vyas	Managing Director	2,34,57,720	2,62,97,720	12%
4.	Mr. Indranil Sengupta***	Whole-time Director	76,02,580	57,83,038	(24%)
5.	Mr. Shyamalendu Chatterjee	Independent Directors	13,15,000	19,10,000	45%
6.	Mr. Suresh Kumar Jain		15,40,000	23,00,000	49%
9.	Dr. (Mrs.) Tamali Sengupta		9,70,000	21,75,000	124%
10.	Mr. Uma Shankar Paliwal		14,50,000	22,50,000	55%
11	Mr. Deepak Verma		–	7,75,000	Refer Note (b)
12.	Mr. Malay Mukherjee		2,50,000	26,25,000	950%
13.	Mr. Manoj Kumar Beriwala	Chief Financial Officer	86,78,345	75,27,481	(13%)
14.	Ms. Ritu Bhojak#	Company Secretary	36,58,760	10,21,650	(72%)
15.	Mr. Yogesh Kajaria	Chief Financial Officer	54,38,539	70,27,210	29%
16.	Mr. Sumit Surana	Company Secretary	–	20,81,383	Refer Note (c)

*The Reserve Bank of India ("RBI"), on October 04, 2021, has superseded the Board of Directors of the Company and appointed Mr. Rajneesh Sharma as the Administrator and all the erstwhile Directors ceased to be the Directors of the Company with immediate effect. Accordingly, as on March 31, 2022 the Company did not have any Board of Director.

**Remuneration includes sitting fees paid to Independent Directors for attending meetings of Board and various Committees thereof.

***Appointed as an Additional Director w.e.f. 01.08.2021 and as a Whole-time Director w.e.f. 01.08.2021 at 15th Annual General Meeting of the Company. He resigned w.e.f. 31.10.2021.

#Resigned w.e.f. 10.05.2021.

Note:

(a) Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman have voluntarily decided to relinquish the remuneration payable to them for the Financial Year 2021-22, including the Commission entitled for the Financial Year 2020-21, in view of the Covid-19 pandemic situation.

(b) Appointed as an Additional Director w.e.f. 23.04.2021 and as an Independent Director w.e.f. 23.04.2021 at Extra-ordinary General Meeting of the Company held on 10.05.2021.

(c) Appointed w.e.f. 20.08.2021.

The remuneration of the Key Managerial Personnel (KMPs) is linked to the market and is commensurate with their diverse responsibilities and experience.

iii. The percentage increase in the median remuneration of employees in the financial year 2021-22:

Median remuneration of previous year (₹)	Median remuneration of current year (₹)	% increase
4,77,996	4,99,992	5%

iv. The number of permanent employees on the rolls of Company:

There were 932 (nine hundred and thirty two only) employees as on March 31, 2022.

v. Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Sl. No.	Particulars	Average % increase
1.	Increase in salary of Managerial Personnel	No increase
2.	Increase in salary of employee (other than Managerial Personnel)	1.82% (Approx.) in PMS 2021-22

vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes it is confirmed.

For and on behalf of Srei Equipment Finance Limited

Sd/-

Place : Kolkata
Date : August 26, 2022

Rajneesh Sharma
Administrator of Srei Equipment Finance Limited

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. The affairs, business and property of Srei Equipment Finance Limited are being managed by the Administrator, Rajneesh Sharma who acts as agent of the Company only and without any personal liability.

PARTICULARS OF EMPLOYEES

Information pursuant to Section 197(12) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 31, 2022

List of top 10 (ten) employees of the Company in terms of the remuneration drawn and names of every employee who was employed for throughout and part of the year and was in receipt of remuneration exceeding the limits laid down in the Companies Act, 2013 -

Sl. No.	Name	Designation	Remuneration Received [₹]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
1.	Mr. Devendra Kumar Vyas	Chief Business Officer	2,62,97,720	B. Com, CA	30	53	01.04.1997	G P Agrawal & Co. Chartered Accountants (Partner)	NIL
2.	Mr. Amit Dang*	CEO-Equipment Solution Group	1,10,53,764	M.Com , FCMA	27	51	30.08.2019	Edelweiss Financial Services - COO Corporate Leading Business	NIL
3.	Mr. Pulak Bagchi*	General Counsel	28,87,849	B.Com , LLB	23	49	03.07.2017	Star India Private Limited (Senior Vice President - Legal & Regulatory)	NIL
4.	Mr. Pavan Trivedi*	Chief of Operations	9,28,148	CA , ICWA	25	51	09.05.2016	Usha Martin Ltd. (President)	NIL
5.	Mr. Pradip Agarwal*	Senior Vice President - Treasury Front Office (DCM, Syndication & Structuring)	51,67,857	B. Com , CA	22	45	25.06.2018	J. P. Morgan (Vice President - Fixed Income & Structured Finance)	NIL
6.	Mr. Ganesh Prasad Bagree	CEO-Financial Solution Group	89,92,095	B. Com , CA	29	53	19.06.2008	ICICI Winfra (AGM)	NIL
7.	Mr. Manoj Kumar Beriwala	Chief Compliance Officer	75,27,481	FCA	27	50	05.12.1995	G.P Agarwal & Co (Manager)	NIL
8.	Mr. Somnath Bhattacharjee	President	73,70,944	BE - Mechanical	37	59	09.12.2016	TIL Limited (President & CEO)	NIL
9.	Mr. Yogesh Kajaria	Chief Financial Officer	70,27,210	B. Com , CA	24	47	03.09.2001	Web Valley Softwares (Founder of the Company)	NIL
10.	Mr. Rajesh Agarwal	Senior Vice President	70,08,829	B. Com , CA	25	49	17.06.2008	ICICI Bank Ltd (Regional Head - Operation)	NIL
11.	Mr. Sandeep Kumar Ghosh	Head	68,05,236	B. Com, PGDBM	27	51	01.10.2013	Tata AIG Life (VP & National Account Head)	NIL
12.	Mr. Sibadatta Mohanty	Senior Vice President	61,97,503	B.Sc, MBA	28	51	03.12.2007	Tata Motor Finance (Regional Manager-Collection)	NIL
13.	Mr. Anirudh Kothari	Principal Nodal Officer	60,57,215	MBA, CA	21	47	05.05.2001	Joined as Fresher	NIL

*Employed for part of the year

Notes:

(a) Remuneration includes Basic Salary, House Rent Allowance (HRA), Special Allowance, Super Annuation Allowance, Commission, Ex-gratia, Leave Travel Allowance (LTA), Medical, Leave Encashment, Employer's contribution to Provident Fund, Employer's contribution to NPS, Incentives and other Perquisites.

(b) Nature of Employment and duties: Contractual and in accordance with terms and conditions as per Company's rules and policies.

(c) No employee is a relative of any Director except Mr. Hemant Kanoria (Chairman) who is Brother of Mr. Sunil Kanoria (Vice Chairman).

(d) Mr. Hemant Kanoria, Chairman and Mr. Sunil Kanoria, Vice Chairman have voluntarily decided to relinquish the remuneration payable to them for the Financial Year 2021-22, including the Commission entitled for the Financial Year 2020-21, in view of the Covid-19 pandemic situation.

(e) Due to the restrictions imposed by Bankers, the salary of senior management was capped to ₹50 lacs per annum during the period November, 2020 to March, 2021. The Company has made provision of arrear salary of those employees amounting to ₹1.05 crores as on March 31, 2021 as the same is payable as per the contractual obligations of the Company. The Company is pursuing with the Banks for the aforesaid payments. The company has raised a claim through Form D under Corporate Insolvency Resolution Process on behalf of employees for payment of the arrears during the period November, 2020 to March, 2021.

For and on behalf of Srei Equipment Finance Limited

Sd/-

Place : Kolkata
Date : August 26, 2022

Rajneesh Sharma
Administrator of Srei Equipment Finance Limited

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. The affairs, business and property of Srei Equipment Finance Limited are being managed by the Administrator, Rajneesh Sharma who acts as agent of the Company only and without any personal liability.

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

[Pursuant to Section 135 of Companies Act, 2013 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 including any amendments thereof]

1. **Brief outline on CSR Policy of the Company**

   CSR activities at Srei Equipment Finance Limited are carried out in multiple ways:

   a. Independently

   b. Jointly with Srei Foundation, IISD Edu World, Acid Survivors and Women Welfare Foundation

   c. In partnership with external social bodies / NGOs.

   Our activities are carried out along with the following thrust areas:

   a. Education and Skills Development:

   Supporting education institutions and providing opportunities to deserving students (from marginalized sections of society) through various channels.

   b. Healthcare / Medical facilities:

   Ensure and promote a culture of healthy workforce by creating awareness and raising consciousness among people.

   c. Social and Economic Welfare:

   Support the cause of building social institutions by advancing financial grant towards construction of houses, girl marriage, and other social essentialities to the underserved.

   d. Environmental Sustainability:

   Raise consciousness towards building a healthy environment among the stakeholders and community at large.

2. **The Composition of the CSR Committee**

   Reserve Bank of India (RBI) vide Press Release dated October 04, 2021 superseded the Board of Directors of your Company and appointed Mr. Rajneesh Sharma as the Administrator of the Company in terms of Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) with immediate effect. The Administrator is vested with powers of the Board of Directors of your Company, pursuant to the above and as per the provisions of the Insolvency and Bankruptcy Code (IBC), 2016. Since your Company is undergoing CIRP under the IBC the role of the Board and Committees is being fulfilled by the Administrator by the support of Advisory Committee. The composition of CSR Committee as at October 04, 2021 (i.e the date of supersession of the erstwhile Board of Directors) of your Company was constituted in line with the provisions of the Companies Act, 2013 and was as follows:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. (Mrs.) Tamali Sengupta*	Chairperson of the Committee	1	1
2.	Mr. Hemant Kanoria**	Chairperson of the Committee	1	Nil
3.	Mr. Shyamalendu Chatterjee	Non-Executive and Independent Director	1	1
4.	Mr. Suresh Kumar Jain	Non-Executive and Independent Director	1	1

*Inducted as Member and Chairperson w.e.f. 23.04.2021.

**Ceased to be a Member and Chairperson w.e.f. 23.04.2021.

Further, Ms. Ritu Bhojak resigned as the Company Secretary and ceased to be the Secretary to the Corporate Social Responsibility Committee w.e.f. May 10, 2021 and Mr. Sumit Kumar Surana was appointed as the Company Secretary and acted as the Secretary to the Corporate Social Responsibility Committee w.e.f. August 20, 2021.

3. **The Composition of CSR committee, CSR Policy and CSR projects approved by the Board:**

   The details of the CSR Committee constitution of Srei Equipment Finance Limited prior to Board Supersession by RBI can be accessed at: https://www.srei.com/committees.

   The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is: https://www.srei.com/pdf/SEFL-Corporate-Social-Responsibility-Policy.pdf.

   The details of the CSR activities undertaken at Srei Equipment Finance Limited can be accessed at: https://www.srei.com.

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not Applicable

6. **Average net profit of the company for last three financial years as per Section 135(5) of the Companies Act, 2013 :** (20,27,43,66,480)

7. (a) **Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013:** NIL

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL

   (c) **Amount required to be set off for the financial year, if any:** Not Applicable

   (d) **Total CSR obligation for the financial year (7a+7b-7c):** NIL

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NIL	Not Applicable	Not Applicable	–	–	–

   (b) **Details of CSR amount spent against ongoing projects for the financial year:** NIL

   (c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(Amount in ₹)

Sl. No.	Nameof the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode ofImplementati on – Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR Reg. No.
					NIL				

   (d) **Amount spent in Administrative Overheads:** NIL

   (e) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(f) Total amount spent for the financial year (8b+8c+8d+8e): NIL

(g) Excess amount for set off, if any: N.A.

Sl. No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the Company as per Section 135(5)	NIL
ii.	Total amount spent for the financial year	
iii.	Excess amount spent for the financial year [(ii)-(i)]	
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years: ₹96,144,838.

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2020-2021	NIL	NIL	NIL			5,22,50,332
2.	2019-2020	Not Applicable	NIL	Not Applicable			4,38,94,506

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
				–				

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Not Applicable

(a) Date of creation or acquisition of the capital asset(s). NIL

(b) Amount of CSR spent for creation or acquisition of capital asset. NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013.

The Company has been incurring losses during the last few financial years. The loss after tax suffered by the Company during the year under review was ₹2,77,292 Lacs vis-à-vis loss after tax of ₹7,13,611 Lacs for the financial year 2020-21. During the year under review, your Company faced severe liquidity crunch, which inter-alia resulted in defaults in payment of dues to various creditors. The Reserve Bank of India (RBI) superseded the Board of Directors of the Company as mentioned earlier in this Report and Boards Report during the year under review. Further, the Average Net Profit of the Company for the three immediately preceding financial years is negative. In the view of such condition the Company is having Nil CSR obligation for the Financial Year 2021-22. However, the Company perceives Corporate Social Responsibility (CSR) as an opportunity to contribute towards uplifting the society at large, empowering individuals, making them self-reliant.

For and on behalf of Srei Equipment Finance Limited

Sd/-

Place : Kolkata
Date : August 26, 2022

Rajneesh Sharma
Administrator of Srei Equipment Finance Limited

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. The affairs, business and property of Srei Equipment Finance Limited are being managed by the Administrator, Rajneesh Sharma who acts as agent of the Company only and without any personal liability.

SREI EQUIPMENT FINANCE LIMITED CORPORATE CODES & POLICIES – KEY CHANGES FY 2021-22

The Summary of Key Statutory Codes & Policies that have been adopted are as follows:

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2021-22
1.	Related Party Transactions Policy	The policy provides a framework to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.	https://www.srei.com/pdf/SEFL-Related-Party-Transactions-(RPTs)-Policy.pdf	There has been no change to the Policy during the year.
2.	Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive/ non-executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel (KMPs) and other employees.	https://www.srei.com/sefl-corporate-policies/Nomination_and_Remuneration_Policy.pdf	Changes made – – pursuant to revision in sitting fees payable to Non-Executive Directors of the Company as approved by the Board of Directors of the Company w.e.f. July 27, 2020. Subsequently, further revision was approved by the Board of Directors w.e.f. April 23, 2021 subsequent to the constitution of Restructuring & Settlement Committee and Strategic Coordination Committee and dismantling of Strategy Committee. Since the Board of the Company was superseded, vide Press Release dated October 04, 2021, the following amendment was adopted, post the supersession of the Board:- – the power to hire and recruit persons alongwith fixation of remuneration etc. below the level of Key Managerial Personnel (KMPs) and Senior Vice Presidents (SVPs) shall vest with the People Committee.
3.	Corporate Governance Framework	The policy provides the framework for Corporate Governance so that executives act in accordance with the highest standards of governance while working for and on behalf of the Company.	https://www.srei.com/sefl-corporate-policies/SEFL_Corporate-Governance_Framework.pdf	There has been no change to the Policy during the year.
4.	Code of Conduct for Board of Directors and Senior Executives	To deter wrongdoing and promote ethical conduct in the Company.	https://www.srei.com/sefl-corporatepolicies/ SEFL Code of Conduct for Board of Directors and Senior Executive.pdf	There has been no change to the Policy during the year.
5.	Policy on Board Diversity	The Policy sets out the approach to diversity on the Board of Directors of the Company.	https://www.srei.com/sefl-corporate-policies/SEFL_Policy_on_Board_Diversity.pdf	Since the Board of the Company was superseded, vide Press Release dated October 04, 2021, the following amendment was adopted, post the supersession of the Board:-Any reference to the words "Board/ Committee" in the Policy/Code shall be referred to as "Administrator /Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.
6.	Policy on "Fit and Proper" Criteria for Directors	The Policy sets a framework to determine whether a Director is fit and proper to hold such position in the Company.	https://www.srei.com/sefl-corporate-policies/SEFL_Fit_and_Proper_criteria_for_Directors.pdf	There has been no change to the Policy during the year.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2021-22
7.	Code of Conduct for Prohibition of Insider Trading (SEFL Insider Code)	To regulate, monitor and report trading by Insiders.	https://www.srei.com/sefl-corporate-policies/code-of-conduct-for-prohibition-of-insider-trading-sefl-insider-code.pdf	Changes made – – pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2021 dated April 26, 2021. Since the Board of the Company was superseded, vide Press Release dated October 04, 2021, the following amendment was adopted, post the supersession of the Board:- Any reference to the words "Board/ Committee" in the Policy/Code shall be referred to as "Administrator /Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.
8.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (SEFL Fair Disclosure Code)	The policy provides the framework for following the best practices, duly compliant with Applicable Law, in the matter of disclosure of UPSI.	https://www.srei.com/sefl-corporate-policies/Code_of_Practices_and_Procedures%20for_Fair_Disclosure_of_Unpublished_Price_Sensitive_Information.pdf	Since the Board of the Company was superseded, vide Press Release dated October 04, 2021, the following amendment was adopted, post the supersession of the Board:- Any reference to the words "Board/ Committee" in the Policy/Code shall be referred to as "Administrator /Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.
9.	Corporate Social Responsibility Policy	To regulate, monitor and report Corporate Social Responsibility activities of the Company.	https://www.srei.com/sefl-corporate-policies/SEFL_Corporate_Social_Responsibility_Policy.pdf	Changes made – – to draw reference of the relevant provisions of Section 135 of the Companies Act, 2013 (Act), Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. – to specify the requirement of constitution of CSR Committee and formulation of CSR Policy as per Applicable Laws. – to ensure uniformity with the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22nd January, 2021. – to insert the amendments issued under the Companies (Amendment) Act, 2019 notified vide MCA Notification dated January 22, 2021. – pursuant to the CSR activities being undertaken by the Company. Since the Board of the Company was superseded, vide Press Release dated October 04, 2021, the following amendment was adopted, post the supersession of the Board:- Any reference to the words "Board/ Committee" in the Policy/Code shall be referred to as "Administrator /Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2021-22
10.	Whistle Blower Policy	The Company has adopted a whistleblower mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.	https://www.srei.com/pdf/SEFL-Whistle-blower-policy.pdf	There has been no change to the Policy during the year.
11.	Fair Practice Code	To provide all stakeholders, especially customers effective overview of practices followed by the Company in respect of the financial facilities and services offered by the Company to its customers.	https://www.srei.com/sefl-corporate-policies/Fair_Practice_Code_English.pdf	There has been no change to the Policy during the year.
12.	Grievance Redressal Policy	To minimize instances of customer complaints and grievances.	https://www.srei.com/sefl-corporate-policies/Grievance_Redressal_Policy.pdf	There has been no change to the Policy during the year.
13.	Investment Policy	The Policy lays down, inter alia, the guidelines to be followed by the Credit and Investment Committee to approve investments.	–	There has been no change to the Policy during the year.
14.	Policy for Preservation of Documents	The Policy integrates, harmonizes and standardizes the procedure and manner for preservation and destruction of documents which are required to be prepared or maintained under the SEBI Laws and the Act. This Policy also contains guidelines to identify documents that are required to be maintained and the period for which those documents should be retained.	https://www.srei.com/sefl-corporate-policies/SEFL_Policy_for_Preservation_of_Documents.pdf	Since the Board of the Company was superseded, vide Press Release dated October 04, 2021, the following amendment was adopted, post the supersession of the Board:- Any reference to the words "Board/ Committee" in the Policy/Code shall be referred to as "Administrator /Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.
15.	Archival Policy	Part of Policy for preservation of documents.	https://www.srei.com/sefl-corporate-policies/SEFL_Archival_Policy.pdf	Since the Board of the Company was superseded, vide Press Release dated October 04, 2021 the following amendment was adopted, post the supersession of the Board:- Any reference to the words "Board/ Committee" in the Policy/Code shall be referred to as "Administrator /Core Strategic Committee/Any other Committee" till the Policy/Code is modified/revised or till the completion of CIRP.
16.	Policy on Prevention of Sexual Harassment	This policy is meant to sensitize the employees about their fundamental right to have safe and healthy environment at their workplace and what conduct constitutes sexual harassment.	https://www.srei.com/pdf/SEFL-Policy-on-prevention-of-sexual-harassment.pdf	There has been no change to the Policy during the year.
17.	Environmental and Social Management System Policy	This policy provides a framework to facilitate the implementation of appropriate Environmental and Social Management System (ESMS) in the Company with the prime objective of reducing Environmental and Social impacts of its portfolio.	–	There has been no change to the Policy during the year.

Sl. No.	Name of the Code and Policy	Salient Features	Web Link	Summary of Key Changes during Financial Year 2021-22
18.	Credit Policy	The policy details the guidelines to be followed in terms of credit assessment standards, eligibility criteria for borrowers, funding norms, documents and monitoring mechanism.	–	Changes made – – to classify Quick Mortality Accounts, – to identify Non-cooperative borrower, – to have a framework to obtain and review End use Certificates wherever needed, – to introduce Sector Concentration threshold and – to accept brand & goodwill as security for funding only with prior approval from Board empowered Committee. Since the Board of the Company was superseded, vide Press Release dated October 04, 2021, the following amendment was adopted, post the supersession of the Board:- Any reference to the words “Board/ Committee” in the Policy/Code shall be referred to as “Administrator /Core Strategic Committee/Any other Committee” till the Policy/Code is modified/revised or till the completion of CIRP.
19.	Risk Management Policy	The Policy aims at outlining the various types of Risk faced by the Company as a Systematically Important NBFC and the policy seeks to set out the guidelines, principles and approach for risk management in the Company and put in place a robust framework to identify, assess, measure, control and monitor various risks in a timely, efficient and an effective manner.	–	There has been no change to the Policy during the year.

FORM No MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
M/s SREI EQUIPMENT FINANCE LIMITED
(CIN: U70101WB2006PLC109898)
"VISHWAKARMA", 86C, TOPSIA ROAD (SOUTH)
KOLKATA - 700046, WEST BENGAL

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. SREI EQUIPMENT FINANCE LIMITED** (hereinafter called "the Company") having **CIN: U70101WB2006PLC109898**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, including other information as listed in **ANNEXURE I**, provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** (Audit period) complied with the statutory provisions listed hereunder, except with the respect to observation as listed in **ANNEXURE I, II & III**. In view of the same, our adequacy of processes and compliance-mechanism has to be read in line of the aforesaid observation.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made there under;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act') to the extent applicable: -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations/ Guidelines / Circulars as may be issued by SEBI from time to time;

e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

f. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/The Securities and Exchange Board of

India (Issue and Listing of Non-Covertible Securities) Regulations, 2021;

h. The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014/The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 and

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, we further report that the Company has complied with the following Laws applicable specifically to the Company:

i. The Reserve Bank of India Act, 1934 and Guidelines, Directions and Instructions issued by RBI through Notification and Circulars relating to Non-Banking Financial Institution Laws.

We have also examined compliance with the applicable clauses of the following:

i. The Secretarial Standards as issued and mandated by the Institute of Company Secretaries of India,

ii. The Listing Agreements entered into by the Company for listing of its debt securities with BSE Limited (BSE) or National Stock Exchange of India Limited (NSE) or both.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, **subject to matters as provided in Annexure I, II & III**.

We further report that:

Pursuant to an application filed by the Reserve Bank of India, the Hon'ble National Company Law Tribunal, Kolkata bench, vide its Order dated 08th October, 2021 has ordered the commencement of the Corporate Insolvency Resolution Process ("CIRP") in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code"). Shri. Rajneesh Sharma was appointed as an Administrator to manage affairs of the Company in accordance with the provisions of the Code.

Pursuant to the Insolvency Commencement Order and in consonance with the stipulation contained in Section 17 of the IBC, 2016, the powers of the Board of Directors of the Company stand superseded and the same are vested by Shri. Rajneesh Sharma, Administrator.

We further report that:

a. We rely on Statutory Auditors' Report in relation to the financial statements, quarterly Financial Reports, qualifications and their remarks and accuracy of financial figures under Income Tax Act, Sales Tax, Value Added Tax (VAT), Goods and Services Tax, Related Party Transactions, Provident Fund, ESIC, PMLA Act, FEMA, FERA and other applicable laws. Further the Statutory Auditors of the Company has reported Disclaimers of conclusions in their Limited Review Report submitted during the Financial Year 2021-22 and Disclaimers of Opinion in their Audit Report for the Financial Year 2021-22.

b. In terms of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018, Company undergoing the Corporate Insolvency Resolution Process is not required to comply with relevant Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with the amongst Board of Directors including that of Independent Director, Constitution, Meetings and terms of reference of the Audit Committee, Constitution, Meetings and terms of reference of the Nomination and Remuneration Committee, Constitution, Meetings and terms of reference of the Stakeholders' Relationship Committee.

c. During the financial year ended 31st March, 2022, 7 (seven) board meetings were held before the commencement of the CIRP i.e. October 8, 2021 against the Company. After supersession of the Board of Directors and their powers, the Administrator has conducted the affairs of the Company through internal committee's setup Post CIRP for the limited purpose of complying with the requirements under law on behalf of the Company.

d. We report that there are prima facie adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines subject to made by Statutory Auditors in their report.

e. During the audit period the Company has no specific events like Public/Right/Preferential issue of Shares/Debentures/Sweat Equity/ESOP etc.

We further report that*, in the current scenario, the systems, processes and reporting for compliances in the Company, must be proportionate with its size and operations to monitor and ensure compliances with applicable Laws, Rules, Regulations, Guidelines and Standards may call for further improvement.*

We further report that *during the Audit Period, the Company had specific events/ actions as detailed in Annexure II and III hereto, that can have a major bearing on the Company's compliance responsibility in pursuance to applicable Laws, Rules, Regulations, Guidelines, Standards, etc.*

We further report that *there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.*

This Report is to be read with our letter of even date which is annexed **"Annexure I, II & III"** and forms an integral part of this Report.

Sd/-

Sidharth Baid
Company Secretary in Practice
Membership No.: A17677
Certificate of Practice No.: 13436
UDIN: A017677D000737594

Date of Signing: 03.08.2022
Place: Kolkata

Note: This report is to be read with our letter of even date which is annexed as Annexure I, II & III and forms an integral part of this report.

A. 'ANNEXURE I- MANAGEMENT AND AUDITORS RESPONSIBILTY'

To
The Members
M/s SREI EQUIPMENT FINANCE LIMITED
(CIN: U70101WB2006PLC109898)
"VISHWAKARMA", 86C, TOPSIA ROAD (SOUTH)
KOLKATA - 700046, WEST BENGAL

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of the business of the Company, the same has been done by us as much as possible.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
5. As the Company is presently under Corporate Insolvency Resolution Process ("CIRP"), the Management representation in matters is required for the purpose of our Audit. As such, the Audit disclaims opinion on any aspect which could otherwise have been made depending on Management representation, including but not limited to recording, disclosing and dissemination of information; record-keeping and preservation; conduct of meetings, identification of related parties and related party transactions; and other compliance systems and procedures in general, as may be required under applicable laws.
6. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations and Standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
8. Due to the inherent limitations of an Audit including internal, financial and operating controls as well as specific circumstances noted above, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

Sd/-

Sidharth Baid
Company Secretary in Practice
Membership No.: A17677
Certificate of Practice No.: 13436
UDIN: A017677D000737594

Date of Signing : 03.08.2022
Place : Kolkata

B.'ANNEXURE – II: PRELIMINARY NOTES'

Srei Equipment Finance Limited ('The Company'), a wholly owned subsidiary of Srei Infrastructure Finance Limited (hereinafter called "SIFL") is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its debt securities are listed with BSE Limited (BSE) or National Stock Exchange of India Limited (NSE) or both. The Company is Registered as Non- Banking Financial Company ('NBFC') under Section 45-IA of Reserve Bank of India Act,1934 ('RBI').

On 4th October, 2021, (Press Release: 2021-2022/981) in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, the Reserve Bank superseded the Board of Directors of SREI Equipment Finance Limited (SEFL) owing to governance concerns and defaults by the aforesaid companies in meeting their various payment obligations.

The Reserve Bank (Press Release: 2021-2022/984) appointed Shri. Rajneesh Sharma, ex-Chief General Manager, Bank of Baroda, as the Administrator and has constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties. On 8th October, 2021, (Press Release: 2021-2022/1009) RBI filed applications for initiation of Corporate Insolvency Resolution Process against SREI Equipment Finance Limited 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').

The three Member Advisory Committee constituted has the following Members:

1. Shri R. Subramaniakumar, Former MD & CEO, Indian Overseas Bank
2. Shri TT Srinivasaraghavan, Former Managing Director, Sundaram Finance Limited
3. Shri Farokh N Subedar, Former Chief Operating Officer and Company Secretary, Tata Sons Limited

Accordingly, we have referred to the period-

(i) 01.04.2021 – 03.10.2021 ("Pre - Administration Period")

(ii) 04.10.2021 – 31.03.2022 ("Post - Administration Period")

M/s. J Kala & Associates, Chartered Accountants, Partnership Firm, having Firm Registration No. 118769W allotted by The Institute of Chartered Accountants of India (ICAI) be hereby appointed as the Joint Statutory Auditors of the Company, in addition to the existing Statutory Auditors of the Company i.e. M/s. Haribhakti & Co. LLP, Chartered Accountants, to hold office w.e.f. October 29, 2021 till the conclusion of the 16th Annual General Meeting of the Company to be held in the Calendar year 2022.

Sd/-
Sidharth Baid
Company Secretary in Practice
Membership No.: A17677
Certificate of Practice No.: 13436
UDIN: A017677D000737594

Date of Signing : 03.08.2022
Place : Kolkata

Note: This report is to be read with our letter of even date which is annexed as Annexure I II & III and forms an integral part of this report.

C. 'ANNEXURE – III: OBSERVATIONS FOR THE AUDIT PERIOD'

I. **THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER:**

1. Events Altering Composition of Board and its Committees, Management etc.

    a. Mr. Deepak Verma, has been appointed as Independent Director of the Company w.e.f. 10th May, 2021.

    b. Ms. Ritu Bhojak (FCS 8532), Company Secretary of the Company has resigned from the position of Company Secretary & Compliance Officer of the Company on 10th May, 2021. However, the said vacancy was filled up by Mr. Sumit Kumar Surana, on 20th August, 2021.

    c. Mr. Manoj Kumar Beriwala, has resigned from the position of Chief Financial Officer w.e.f. 29th June, 2021 and appointed as Chief Investment and Strategy Officer of the Company w.e.f. 1st July, 2021, Chief Compliance Officer (RBI Compliances) w.e.f. 1st January, 2022 and Additional Key Managerial Personnel w.e.f. 1st March, 2022.

    d. Mr. Yogesh Kajaria, was appointed as Chief Financial Officer of the Company w.e.f. 30th June, 2021.

    e. Ms. Nidhi Saharia, has been given extension on the post as Chief Risk Officer of the Company w.e.f. 1st July, 2021 and Additional Key Managerial Personnel and Chief Risk Officer w.e.f. 1st March, 2022.

    f. Mr. Indranil Sengupta, has been appointed as Whole Time Director of the Company w.e.f. 1st August, 2021.

    g. Mr. Devendra Kumar Vyas, has been appointed as Chief Business Officer w.e.f. 11th November, 2021 and Additional Key Managerial Personnel w.e.f. 1st March, 2022.

2. In the Pre-Administration Period, the Company constituted/re-constituted several committees:

    a. Audit Committee

    b. Nomination & Remuneration Committee

    c. Corporate Social Responsibility Committee

    d. Stakeholders Relationship Committee

    e. Committee of Directors

    f. Credit and Investment Committee

    g. Asset Liability Management Committee

    h. Risk Committee

    i. IT Strategy

    j. Strategic Coordination Committee

    k. Restructuring & Settlement Committee

3. In the Post-Administration Period, the Company constituted/re-constituted/continued several committees:

    a. Core Strategic Committee

    b. Corporate Governance & Audit Committee

    c. Asset Liability Management Committee

    d. Risk Committee

    e. Nomination & Remuneration Committee

    f. Credit and Investment Committee

    g. Information Technology Strategy Committee

    h. Payments Advisory Committee

    i. Property & Premise Committee

    j. Joint Statutory Auditor Appointment Evaluation Committee

    k. People Committee

    l. Corporate Social Responsibility Committee

4. The Reserve Bank of India ("RBI") via Press Release dated October 4, 2021 superseded the Board of Directors of Srei Equipment Finance Limited. The Reserve Bank of India ("RBI") via another Press Release dated October 4, 2021 constituted a three member Advisory Committee to assist the Administrator in discharge of his duties. Further, on commencement of the Corporate Insolvency Resolution Process (CIRP) vide Order of the

Hon'ble NCLT, Kolkata Bench dated October 8, 2021, a Committee of Creditors was constituted as per the provisions of the Insolvency and Bankruptcy Code, 2016.

5. As per MCA General Circular No. 08/2020 dated 06.03.2020, the Resolution Professional shall have to file the NCLT Order in Form INC-28 in the capacity of CEO, to change the MCA status from 'Active' to 'CIRP' and for further filings and compliances. The e-form INC-28 has been filed on 26.10.2021 and the same was approved by the Registrar of Companies on 10th March, 2022.

6. Post the supersession of the Board, the Administrator, additionally designated Mr. Devendra Kumar Vyas, Chief Business Officer, Mr. Manoj Kumar Beriwala, Chief Compliance Officer (RBI Compliances) and Ms. Nidhi Saharia, Chief Risk Officer as the KMPs of the Company w.e.f. 1st March, 2022.

7. The Company has not transferred the amounts in terms of Section 125 of the Companies Act 2013, read with Rule 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules').

   As per Section 124(5) of the Companies Act, 2013 a company is required to transfer the amount lying in the unpaid dividend account, for 7 years, to Investor Education Protection Fund (IEPF). Prior to the date of commencement of CIRP i.e. October 8, 2021, an amount of ₹18,574 and post commencement of moratorium/CIRP an amount of ₹31,533/- is transferable by SEFL to IEPF in terms of Section 124 (5) of the Companies Act, 2013. Kindly note that the Company is unable to comply with the provision of Section 124(5) of the Companies Act, 2013 as its compliance will accord to breach of the moratorium in terms of Section 14 of the IBC. To the extent that the provision of the Companies Act is inconsistent with section 14 of the IBC, the provisions of the IBC will prevail, in light of section 238 of the IBC. However, the Company has requested guidance from IEPF Authorities in this regards and same has been awaited for their response. Given pendency of the matter, we are unable to comment on the same.

8. The Company fails to comply with the provisions of Section 135 of the Act in relation to depositing unspent amount of CSR. The amount due for CSR spending for the year ending 31.03.2021 was a sum of ₹6,47,75,332/-. As on 31st March, 2021, the Company could disburse an amount of ₹1,25,25,000/ (Rupees One Crore Twenty-Five Lacs and Twenty-Five Thousand Only), towards CSR activities pursuant to CSR Policy of your Company. The balance sanctioned amount of ₹5,22,50,332/- (Rupees Five Crore Twenty-Two Lacs Fifty Thousand Three Hundred and Thirty-Two Only) is still due to be disbursed. As per the requirements of Sec 135 of The Companies Act,2013, this unspent amount was to be transferred to funds specified under Schedule VII to the Act within a period of six months but the company was not able to transfer the same. The company has written letter to MCA seeking exemptions from the obligations of the company under section 135(5) and 135(7) of the Act. The reply from MCA in this regard is awaited.

9. During the year under review ₹1200 Additional Fees was paid for filing of Form MGT-14 having (SRN: T41948589 Dated 10.09.2021).

10. We are unable to comment on minutes of Committee of Creditors & Advisory Committee, as the same wasn't shared to us by the Company.

11. During the period under review, the Company Post Administrative period had filed the following forms through Form GNL-2.

ROC Form Filed through Form GNL-2

FORM	DATE OF FILING	SRN	DETAILS
ADT - 1	11.11.2021 16.12.2021	SRN T58294943 SRN T65653686	Appointment of Joint Statutory Auditor, J Kala & Associates, Chartered Accountants
MGT - 7	05.01.2022	SRN T70397153	Annual Return for the FY 2020-21
INC - 28	26.10.2021 10.01.2022	SRN T56059843 SRN T71298228	Filing of NCLT Order dated 08.10.2021For appointment of Resolution Professional
DIR-12	01.02.2022	SRN T75443010	For resignation of Independent Directors (Malay Mukherjee, Suresh Kumar Jain & Shyamalendu Chatterjee)
DIR-12	01.02.2022	SRN T75441881	For resignation of Independent Directors (Tamali Sengupta, Uma Shankar Paliwal & Deepak Verma)
MGT-14	17.03.2022	SRN T88883004	For appointment of Secretarial Auditor for the FY 21-22 and Appointment of Additional KMPs
CSR-2	30.03.2022	SRN T92288448	Report on CSR for the FY 2020-21

12. The Company has acquired borrowings including secured borrowings and NCD from Srei Infrastructure Finance Limited (SIFL) and charges created with ROC in relation to such borrowings were to be transferred in the name of the Company. The Company is yet to file/approval is pending with ROC w.r.t Charge Form pursuant to transfer of charges from Srei Infrastructure Finance Limited (SIFL) to Srei Equipments Finance Limited (SEFL) in terms of novation agreements and satisfaction of borrowings w.r.t. to certain borrowings were borrowed facilities have been repaid in full charge satisfaction are still pending during the period under review.

13. 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 accounts, pursuant to the Business Transfer Agreement ('BTA') with SIFL, with effect from October 1, 2019, subject to necessary approvals. 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. 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.

    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. 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 exists in the matter of BTA.

14. The Company is irregular/not in compliance under various Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations/ guidelines / circulars as may be issued by SEBI from time to time to the extent applicable and the Debenture Trust deed executed between the Company and Debenture Trustees with respect to Non-Convertible Debentures (NCD) of the Company.

15. As per the information received from the Company, Company has reported frauds by employees/ex-employee amounting to ₹207 lacs. The Company has reported the same to RBI in terms of Master Direction issued by "RBI" before Central Fraud Monitoring Cell during the period under review.

16. The Company has adjourned meeting of Administrator commenced on 17th May, 2022 to approve Audited Financial Results for the Quarter and Financial Year ended 31st March, 2022 and the same meeting has been concluded on 18th May, 2022.

17. During the year under review the Company convened Extra Ordinary General Meeting of the Company at shorter notice on 10th May, 2021 and 29th October, 2021.

18. During the period under review, the Company has received notice for inspection u/s 206(5) of The Companies Act, 2013 vide letter Ref No File No.7/120/2019/CL-II (ER) dated 27th September, 2021.

II. LISTING COMPLIANCES: ("DEBT SECURITIES")

1. The Company was delayed in the filing of Financial Results and related disclosure of the Company for the Quarter and Half-Year ended on 30th September, 2021 which is not in compliance of regulation 52 /54 of SEBI Listing Obligations and Disclosure Requirements, 2015.

2. As per Regulation 13(3) of SEBI Listing Obligations and Disclosure Requirements, 2015, the Company has disclosed 94 no. of investors complaints are unresolved as on 31st March, 2022.

3. In compliance with Regulation 55 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws Credit Ratings assigned by Credit Rating Agencies as on 31.03.2022:

PARTICULARS	CARE	BRICK WORK (Issuer Not Cooperating)	ACUITE
Long Term Banking Facilities	CARE D	–	–
Short Term Banking Facilities	CARE D	–	–
Commercial Paper	–	BWR D	–
Secured Redeemable NCDs	CARE D	BWR D	Acuite D
Subordinate Redeemable (Tier II) NCDs	CARE D	BWR D	Acuite D
Perpetual Debentures Bonds	CARE D	BWR D	–

No Default Statement pursuant to SEBI Circular SEBI/ HO/ MIRSD/ MIRSD4/CIR/ P/ 2017/ 71 dated June 30, 2017 has not been submitted to the Credit Rating Agency during the Financial Year ended March 31, 2022.

4. During the period under review penalties of ₹2,06,500/- and ₹2,06,500/- have been imposed by Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) respectively during the financial year ended March 31st, 2022 for Non-compliance of regulation 52(1)/ 52(4)/54(2) of SEBI Listing Obligations and Disclosure Requirements, 2015.

II. THE RESERVE BANK OF INDIA ("RBI")

1. Reserve Bank of India (RBI) vide its Order No. DOR. ISG. No. S14668/20.27.007/2021-2022 dated 1st October, 2021 has issued the Order with regard to the Supersession of the entire Board of Directors of the Company under Section 45 IE of the Reserve Bank of India Act, 1934; and RBI appointed Shri. Rajneesh Sharma as its Administrator with effect from October 04, 2021.

   Further, the Reserve Bank had filed an application dated October 08, 2021 for initiation of corporate insolvency resolution process against SREI Infrastructure Finance Limited and SREI Equipment Finance Limited under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code (IBC), 2016 read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 ("FSP Insolvency Rules") at the Kolkata Bench of the Hon'ble National Company Law Tribunal (NCLT). The said petitions are admitted by NCLT, Kolkata and it has issued orders dated 8th October, 2021 as follows:

   a. The said Petition bearing CP (IB) No.294/ KB/2021 against SREI Equipment Finance Limited and CP (IB) No. 295/KB/2021 against SREI Infrastructure Finance Limited filed by the Reserve Bank of India, the Appropriate Regulator, have been admitted.

      On admission of the order by the Hon'ble NCLT, Kolkata, CIRP is initiated and moratorium under Section 14 of the IBC is in force.

   b. There shall be moratorium in terms of Section 14 of the Code in respect of Financial Service Provider.

2. The Reserve Bank of India (RBI) has classified the Company as an 'Asset Finance

Company' within the overall classification of 'Non-Banking Financial Institution'. However, pursuant to RBI circular on Harmonization of different categories of NBFCs dated February 22, 2019, the Company is proposed to be classified as an 'NBFC – Investment and Credit Company (NBFC - ICC)' but no such new Certificate of Registration is issued by Reserve Bank in this regard as clarified by the Management.

3. As per the information given by the company, the company has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to ₹27,272 Lacs as per contractual terms, as at March 31, 2022. The company has reported the said fact to RBI and reply of the same is awaited from RBI.

4. The Company has not observed some of the provisions / guidelines / circulars / directions as applicable to Non-Banking Financial Companies (NBFCs), issued by Reserve Bank of India (RBI).

IV. THE NATIONAL COMPANY LAW TRIBUNAL ("NCLT") ORDER'S:

An application filed by Reserve Bank of India (Appropriate Regulator) under section 227 read with section 239 (2) (zk) of the Insolvency and Bankruptcy Code, 2016 for initiation of Corporate Insolvency Resolution Process (CIRP) against SREI Equipment Finance Limited, the Financial Service Provider.

In particular, UCO Bank has intimated RBI vide its letter dated 07.10.2021 that the amount claimed to be in default in relation to working capital facility is ₹7,37,76,00,000/- (Rupees Seven Hundred Thirty-Seven Crore Seventy-Six Lac Only). of this, the principal amount due is to the tune of ₹7,00,00,00,000/- (Rupees Seven Hundred Crore Only) and ₹37,76,00,000/- (Rupees Thirty-Seven Crore Seventy-Six Lac Only).

The RBI vide its notification dated 04/10/2021, in exercise of its powers under section 45-IE of the Reserve Bank of India Act, 1934 has superseded the Board of Directors of SEFL and appointed Mr. Rajneesh Sharma as the Administrator. It has also constituted a three-member Advisory Committee to assist the Administrator of SEFL in the discharge of its duties. The RBI has proposed the same person to be appointed as the Administrator of the Corporate Debtor.

During the CIRP period, the management of the Financial Service Provider shall vest in the Administrator. The officers and managers of the Financial Service Provider shall provide all documents in their possession and furnish every information in their knowledge to the Administrator within one week from the date of receipt of this Order, failing which coercive steps will follow.

The Hon'ble NCLT, Kolkata Bench vide its order dated February 14, 2022 ('Consolidation Order') ordered the consolidation of the CIRP of Srei Equipment Finance Limited and Srei Infrastructure Finance Limited.

Sd/-
Sidharth Baid
Company Secretary in Practice
Membership No.: A17677
Certificate of Practice No.: 13436
UDIN: A017677D000737594

Date of Signing: 03.08.2022
Place: Kolkata

INDEPENDENT AUDITORS' REPORT

To the Members of Srei Equipment Finance Limited

Report on the Audit of the Ind AS Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying Ind AS financial statements of **Srei Equipment Finance Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

We do not express an opinion on the Ind AS financial statements of the Company. 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 on the Ind AS financial statements.

Basis for Disclaimer of Opinion

(a) Note No. 1.2 and 2.1 to the Ind AS financial statements which explain 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 Code. Hence, the Ind AS financial statements is subject to outcome of such audits/reviews. Pending the outcome of the transaction audit, we are unable to comment on the impact, if any, of the same on the Ind AS financial statements. Further the Notes also explain 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 has relied upon the explanations, clarifications, certifications, representations and statements made by the Chief Financial Officer, Company Secretary, Chief Business Officer, Chief Risk Officer, Chief Compliance Officer and Legal Head ('the existing officials of the Company'), who were also part of the Company prior to the appointment of the Administrator.

(b) Note No. 62 to the Ind AS financial statements which explains that the latest valuations from independent valuers, as part of CIRP, in respect of assets/collaterals held as securities and considered for loan loss provision is in progress. Further, the Note also explains that, the Ind AS financial statements, disclosures, categorisation and classification of assets are subject to the outcome of such valuation process. Hence, pending completion of the process, we are unable to comment on the impact, if any, of the same on the Ind AS financial statements.

(c) Note No. 63 to the Ind AS financial statements 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 SIFL, 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. Further, the Note also explains that during the financial year 2020-21, 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 also stated in the said Note, 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. 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 exists 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 Ind AS financial statements.

(d) Note No. 65 to the Ind AS financial statements which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on October 8, 2021, admitted by the Administrator till May 4, 2022 has been given in the books of account. Further, the Note also explains that the creditors can file their claim during CIRP and the figures of claims admitted and accounted in the books of accounts might undergo changes during CIRP. Hence, adjustments, if any, arising out of the claim verification and submission process, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Ind AS financial statements.

Further, the Note also explains that the Company 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, 2022, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Ind AS financial statements.

(e) Note No. 66 to the Ind AS financial statements which states that the Company has not provided for ₹1,99,970 Lacs approx. for the year ended March 31, 2022, pursuant to its admission under the CIRP, in respect of its obligation for interest on all the borrowings since insolvency commencement date i.e. October 8, 2021. Had the Company provided its obligation for interest, as aforesaid, loss before tax for the year ended March 31, 2022 would have resulted in a loss before tax of ₹4,67,455 Lacs for the year ended March 31, 2022.

(f) Note No. 67 to the Ind AS financial statements which explains the reasons owing to which the Company has not been able to comply with guidelines of RBI in relation to mandatory hedging of exposure in External Commercial Borrowings amounting to ₹27,272 Lacs, as per contractual terms, as at March 31, 2022. As stated, in the said note, the Company 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 Ind AS financial statements.

(g) Note No. 69 to the Ind AS financial statements which explains that the erstwhile management, as per the specific directions from 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 & 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 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 has initiated a transaction audit/review relating to the process and compliance of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code, which is in process. We are unable to comment on the impact of the same, if any, on the Ind AS financial statements.

(h) Note No. 70 to the Ind AS financial statements which explains that, during the year ended March 31, 2022, based on the directions of RBI the Company has made provisions amounting to ₹9,807 Lacs and ₹4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where the Company was under various stages of appeal with the relevant tax authorities. However, the Company 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 Ind AS financial statements.

(i) Note No. 71 to the Ind AS financial statements which explains the reasons owing to which the Company was 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 portions 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 Ind AS financial statements.

(j) Note No. 73 to the Ind AS financial statements which states that the Company has not been able to maintain the asset cover as stated in the information memorandum/debenture trust deeds etc. which is sufficient to discharge the principal amount at all times for the secured non-convertible debentures issued by the Company. Further, as stated in the said Note and paragraph (b) above, latest valuations from independent valuers in respect of assets of the Company is in progress, accordingly, the percentage of asset cover given in the said Note is subject to the outcome of such valuation process. Hence, we are unable to comment on the said Note as given by the Company in the Ind AS financial statements.

(k) Note No. 74 to the Ind AS financial statements which explains that in relation to certain borrowings (including secured borrowings and NCDs) acquired by the Company from SIFL pursuant to BTA as stated in Note No. 63 to the Ind AS financial statements, charges created on such borrowings are yet to be transferred in the name of the Company and are still appearing in the name of SIFL 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 Ind AS financial statements.

(l) Note No. 75 to the Ind AS financial statements which explains the reasons owing to which the Company was 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 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, if any, on the Ind AS financial statements.

(m) We had carried out independent balance confirmation process with respect to various parties/lenders, responses for which are pending to be received as on the date of signing this report. Also the project progress report, for the year ended March 31, 2022, from various parties are yet to be received. Hence, we are unable to comment on such balances and status and impact of the same of on the Ind AS financial statements, if any.

(n) We have been informed that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and Hon'ble NCLT. Accordingly, we are unable to comment on the possible financial effects on the Ind AS financial statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to those information.

(o) In view of the possible effects of the matters described in paragraph (a) to (n) above, we are also unable to comment on the Company's compliance of the covenants in respect of all borrowings (including creation of charges) and consequential implications including disclosures etc., if any.

(p) In view of the possible effects of the matters described in paragraph (a) to (o) above, we are also unable to comment on the Company's compliance on various regulatory ratios/other ratios/limits and consequential implications including disclosures, if any.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 68 to the Ind AS financial statements which states that the Company has been admitted to CIRP and that the Company has reported net loss during the year ended March 31, 2022 and earlier year as well. As a result, the Company's net worth has fully eroded and it has not been able to comply with various regulatory ratios/limits etc. All this 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 foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Ind AS financial statements on a going concern basis.

Emphasis of Matter

We draw attention to the following matters in the notes to the Ind AS financial statements:

a. Note No. 61 to the Ind AS financial statements which explains the extent to which Covid-19 pandemic has impacted the operations of the Company. Further, the extent to which there may be further impact on the operations, financial results and asset quality of the Company is highly uncertain at this point of time.

   Further, as stated in Note No. 62 to the Ind AS financial statement based on the overall assessment of financial stress being faced by the borrowers and the lessees and covering the overall economic and business uncertainty, the Company has made ECL provision aggregating to ₹1,75,003 Lacs for the year ended March 31, 2022. Also, as stated in the said Note, the Company, in view of the uncertainty, as stated in Note No. 61 to the Ind AS financial statements, has made further provision of Rs 10,329 Lacs, as management overlay, during the year ended March 31, 2022, which is over and above the provision as required by the ECL model of the Company.

b. Note No. 64 to the Ind AS financial statements which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and its Holding Company, 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 SIFL 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 SIFL and SEFL.

c. Note No. 76 to the Ind AS financial statements which explains that the Company during year ended March 31, 2022 had invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL'), which were pledged as security against the borrowings availed by one of the borrowers of the Company. The Company 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.

Responsibilities of the Administrator for the Ind AS Financial Statements

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. 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. 1.2 to the Ind AS financial statements which states that the Ind AS financial statements 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. 2.1 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 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 Administrator and the existing officials of the Company ('the management') are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the management 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 management is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our responsibility is to conduct an audit of the Company's Ind AS financial statements 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 Ind AS financial statements.

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 Ind AS financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Other Matter

The audit of Ind AS financial statements of the Company for the year ended March 31, 2021, was carried out and reported by one of the joint statutory auditors vide their unmodified audit report dated June 29, 2021.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

a. We have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit, but to the extent described in the "Basis for Disclaimer of Opinion" section of this report, were unable to obtain such information;

b. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report and more particularly paragraph (c) of the same in relation to the uncertainties regarding accounting of BTA, we are unable to comment on maintenance of proper books of accounts, as required by law, by the Company so far as appears from our examination of those books;

c. Read with the matters described in "Basis for Disclaimer of Opinion" section of this report, the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

d. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report, we are unable to state whether the aforesaid Ind AS financial statements comply with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. The matters described under the "Basis for Disclaimer of Opinion", "Material Uncertainty Related to Gong Concern" and "Emphasis of Matter" section above, in our opinion, may have an adverse effect on the functioning of the Company;

f. We have been explained that since 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. Accordingly, the Company has filed form DIR-12 and form GNL 2 on October 11, 2021 and February 1, 2022 respectively in respect of vacation of office of the erstwhile directors of the Company.

g. The reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith are as stated in the "Basis for Disclaimer of Opinion" section of this report.

h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" which expresses a disclaimer of opinion on the Company's internal financial controls with reference to financial statements of the Company for the reasons stated therein;

i. Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report, we are unable to comment whether the managerial remuneration paid/ provided by the Company during the year is in accordance with the provisions of Section 197 of the Act;

j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, and to the best of our information and according to the explanations given to us:

   (i) Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report and in absence of confirmations from the legal counsels/lawyers of the Company, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note No. 35 on Contingent Liabilities to the Ind AS financial statements;

(ii) Due to the possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report, we are unable to comment whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) As stated in Note no. 75 to the Ind AS financial statements and paragraph (I) of the "Basis for Disclaimer of Opinion" section of this report, the Company has not been able to transfer the amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The management of the Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (b) The management of the Company has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iv) (c) Due to possible effects of the matters described in the "Basis for Disclaimer of Opinion" section of this report, we are unable to comment whether the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with Section 123 of the Act is not applicable.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Manoj Daga
Partner
Membership No. 048523
UDIN : 22048523AJFJOM5420

Place : Mumbai
Date : May 18, 2022

For J. Kala & Associates
Chartered Accountants
ICAI Firm Registration No. 118769W

Jayesh Kala
Partner
Membership No. 101686
UDIN: 22101686AJFJOX1883

Place : Kolkata
Date : May 18, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Srei Equipment Finance Limited ("the Company") on the Ind AS financial statements for the year ended March 31, 2022]

In view of the significance of the matters described in "Basis for Disclaimer of Opinion" section of our Independent Auditors' Report of even date and the uncertainties involved, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the Ind AS financial statements and hence we do not express any opinion on the Ind AS financial statements of the Company for the year ended March 31, 2022. Our report on specific matters covered in this Annexure is based on the examination of books of account and after taking into consideration the information, explanations and written representations given to us by the management of the Company while performing our procedures and should be read along with our Independent Auditors' Report as stated above and the various matters stated therein. Accordingly, we report that:

(i)

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The Company has a program of physical verification of property, plant and equipment to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the said program, during the year, certain Property, Plant and Equipment of the Company have been physically verified by the management and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties recorded as Property, Plant and Equipment and Other Non-Financial Assets (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) disclosed in the Ind AS financial statements are held in the name of the Company, except for the details given below:

Description of property	Gross carrying value (INR in Lacs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Building	3,895	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since October-2019	Refer Note 1 below
Land	11,800	Murti Housing and Finance Private Limited	No	Since September-2017	
Land	639	Deccan Chronicle Secunderabad Private Limited and Deccan Chronicle Rajahmundry Private Limited	No	Since June-2018	

Description of property	Gross carrying value (INR in Lacs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Land	678	(i) Krystine Vintrade Private Limited Balanced Dealers Private Limited Shivdhan Sales Private Limited (ii) Oviation Marketing Private Limited Wellknown Vinimay Private Limited Malank Dealtrade Private Limited Balanced Commotrade Private Limited	No	Since March-2016	
Land	483	Mohamad Akil Shaikh and Ahmad Noor represented by its constituted attorney Mohamad Akil Shaikh	No	Since December-2016	Refer Note 2 below
Building	2,400	Kakarlapudi Venkata Madhava Varma	No	Since September-2016	
Building	32	Sierra Constructions Private Limited	No	Since September-2016	
Land	138	Kabbalamma, Smt. Sukanya & Sri Prasanna represented by constituted attorney holder Sri L. Chandrasekhar	No	Since September-2015	
Land	1,444	Wianxx Impex Private Limited	No	Since September-2017	

Note 1 - These immovable properties were transferred to the Company pursuant to the Business Transfer Agreement ('BTA') (Refer Note No. 63 to the Ind AS financial statements) entered by the Company with its Holding Company, SIFL.

Note 2 - These immovable properties were acquired in lieu of discharge of debts. Due to procedural issues, title deeds are still not registered in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year. Accordingly, reporting under clause (i)(d) of paragraph 3 of the Order is not applicable.

(e) As informed to us, to the best of the knowledge of the management of the Company, no proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder ('Benami Act'). However, in absence of independent confirmations from the legal counsels/lawyers of the Company with regards to the same, we are unable to report whether any proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Act.

(ii)

(a) The Company does not have any inventory and hence reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has availed working capital limits in excess of five crore rupees in earlier years, in aggregate from banks and/or financial institutions, on the basis of security of current assets. The quarterly returns/statements filed by the Company, for the quarter ended June 30, 2021 and September 30, 2021, with such banks and/or financial institutions are in prima facie in agreement with the books of account maintained by the Company. Further, pursuant to the initiation of CIRP, as stated in Note No 1.2 of the Ind AS financial statements no quarterly returns/statements has been filed by the Company thereafter.

(iii)

(a) The Company's principal business is to give loans and therefore, reporting under clause (iii)(a) and (e) of paragraph 3 of the Order are not applicable.

(b) During the year, the Company has not made investment in (other than the investments acquired by the Company through conversion of loan assets), provided any guarantee (other than renewal of existing guarantee) or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii)(b) of paragraph 3 of the Order is not applicable.

(c) The schedules of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans have been stipulated in the normal course of business. The aggregate amount of loan outstanding as at March 31, 2022 which are irregular is INR 19,867 Crores. In view of the nature of business and volume of transactions, it is not practicable to provide number of cases for the same. As required by various directions for NBFCs issued by Reserve Bank of India and Indian Accounting Standards (Ind AS), the Company has made required disclosures in Note No. 7 to the Ind AS financial statements and note 20 of Annexure I to the Ind AS financial statements regarding asset classifications.

(d) In respect of loans and advances in the nature of loans which are overdue for more than ninety days as at March 31, 2022, the aggregate amount of loan outstanding as at March 31, 2022 is INR 18,767 Crores. In view of the nature of business and volume of transactions, it is not practicable to provide number of cases for the same. As required by various directions for NBFCs issued by Reserve Bank of India and Indian Accounting Standards (Ind AS), the Company has made required disclosures in Note No. 7 to the Ind AS financial statements and note 20 of Annexure I to the Ind AS financial statements regarding asset classifications. Further, the Company has taken reasonable steps for recovery thereof in the normal course of business.

(e) As informed to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) During the year, the Company has not granted any loans, made investment in (other than the investments acquired by the Company through conversion of loan assets) or provided guarantee (other than renewal of existing guarantee) and security. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable. Further, the provisions of Section 186, except for Section 186(1) of the Act are not applicable to the Company as it is engaged in the business of financing.

(v) The Company is a Non-Banking Finance Company registered with the Reserve Bank of India to which the provisions of sections 73 to 76 of the Act and the relevant rules made there under are not applicable. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under. Accordingly, reporting under clause (vi) of paragraph 3 of the Order is not applicable.

(vii)

(a) The Company is generally regular in depositing with the appropriate authorities, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, duty of customs, cess and any other material statutory dues applicable to it, except as stated below. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

The Company has not been regular in depositing with appropriate authorities, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Goods and Services tax (GST), employees' state insurance, income-tax and professional tax, and there have been significant delays in a large number of cases. In respect of such dues, amount outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows: -

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the statute	Nature of the dues	Amount in (INR in Lacs)	Period to which the amount relates	Date of Payment	Remarks, if any
Goods and Services Tax*	Goods and Services Tax	545.90	2020-2021	Not yet paid **	
The Income-tax Act, 1961	Tax Deducted at Source	246.34	January 2021 to September 2021	Not yet paid **	Kindly refer Note No 1.2 to the Ind AS financial statements
The Jharkhand Tax on Professions, Trades, Callings and Employments Act, 2011	Professional Tax	0.35	July 2020 to June 2021	May 6, 2022 ***	

*Under various Goods and Services Tax Act enacted by the Central Government and State Governments.

** As informed by the Company, Trust Retention Account (TRA) mechanism was stipulated effective November 24, 2020, pursuant to which all payments were being approved/released based on the TRA mechanism. However, this payment was not approved/released. Thereafter, as stated in Note No. 1.2, CIRP was initiated against the Company and due to the moratorium imposed under the Code, the said dues were not released in FY 2021-22, as well.

*** As informed by the Company, the dues were delayed due to technical issues which appeared on the Commercial Tax portal. As the technical issue was resolved, the payment was made.

(b) There are no dues with respect to GST, custom duty and duty of excise which have not been deposited on account of any dispute. The dues outstanding as at March 31, 2022 with respect to income tax, entry tax, sales tax, service tax and value added tax, on account of any dispute, are as follows:

Statement of Disputed Dues**

Name of the statute	Nature of the dues	Amount (INR in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,873^	Financial Year 2002-03 to 2013-14	CGST & CX Commissioner; Customs Excise and Service Tax Appellate Tribunal Kolkata (CESTAT)
The Central Sales Tax Act, 1956 and VAT Laws	Central Sales Tax and VAT	1,112@	Various Financial Years from 2009-10 to 2017-18	At various levels from Commissioner to High Court
The Income Tax Act, 1961	Income Tax	6,484#	Financial Year 2011-12, 2012-13, 2016-17 and 2017-18	Commissioner of Income -Tax (Appeals)
Finance Act, 1994 *	Service Tax	4,641^^	Financial Year 2008-09, 2009-10 and 2011-12 to 2015-16	Customs, Excise and Service Tax Appellate Tribunal; CGST & CX Commissioner; CGST & CX Commissioner Appeal -1
Orissa Entry Tax Act, 1999	Entry Tax	18^^^	October 1, 2015 to June 30, 2017	The Joint Commissioner (Appeal), CT & GST Territorial Range, Bhubaneswar

Name of the statute	Nature of the dues	Amount (INR in Lacs)	Period to which the amount relates	Forum where dispute is pending
The West Bengal tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	11	April 1, 2017 to June 30, 2017	Senior Joint Commissioner, Commercial Taxes
The Central Sales Tax Act, 1956 *	Central Sales Tax	211	Financial Year 2010-11	West Bengal Sales Tax Appellate and Revisional Board
The Income Tax Act, 1961 *	Income Tax	9,356	Financial Year 2005-06 to 2008-09, 2010-11, 2011-12 and 2013-14 to 2017-18	At various levels from Commissioner of Income -Tax (Appeals) to Supreme Court of India
The Income Tax Act, 1961 *	Income Tax on Fringe Benefits	226	Financial Year 2005-06 to 2008-09	Calcutta High Court

^ Net of ₹455 Lacs paid under protest

@ Net of ₹187 Lacs paid under protest

Net of ₹672 Lacs paid under protest

^^ Net of ₹4 Lacs paid under protest

^^^ Net of ₹1 Lac paid under protest

* In terms of BTA (Refer Note No. 63 to the Ind AS financial statements), entered by the Company with its Holding Company, SIFL, the Company is liable to pay any future liability arising in relation to these dues, which are being held by SIFL, in its books of account, on behalf of the Company. Hence, these dues have been reported above.

** Also, refer paragraph (h) of "Basis of Disclaimer of Opinion" section of our Independent Auditor's Report of even date.

(viii) As informed to us, to the best of the knowledge of the management of the Company, there were no transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix)

(a) As stated in Note No. 63 to the Ind AS financial statements, during the financial year 2020-21, the Company had filed schemes of arrangement under Section 230 of the Act before the Hon'ble NCLT Kolkata and accordingly was not making payments to various lenders as it was awaiting the outcome of the schemes filed, as aforesaid. Accordingly, for the purpose of this clause, the cases where the Company has delayed after August 31, 2020 has not been considered. Thereafter, as stated in Note No. 1.2, the Company was admitted to CIRP on October 08, 2021 and accordingly due to the moratorium imposed as per the Code, no payments could be made thereafter to the creditors, until the resolution process is concluded. Hence, for the purpose of reporting under this clause, claims outstanding and accepted has been considered and since the borrowings including interest are overdue and in continuing default as on March 31, 2022, therefore, we are unable to provide the periods of default:

Particulars	Outstanding amount as at October 8, 2021* (INR In Lacs)	Period of default
Name of the Lenders:		
Axis Bank Limited	8,320.63	
Bank of Baroda	2,15,181.42	
Bank of India	97,199.53	
Bank of Maharashtra	60,988.64	
Canara Bank	3,15,607.45	
Central Bank of India	1,25,197.84	
Dhanlaxmi Bank Limited	8,478.08	
HDFC Bank Limited	21.36	
ICICI Bank Limited	24.82	
IDBI Bank Limited	40,604.32	

Particulars	Outstanding amount as at October 8, 2021* (INR In Lacs)	Period of default
Indian Bank	2,03,138.15	
Indian Overseas Bank	64,165.88	
Karnataka Bank Limited	1,264.68	
The Karur Vysya Bank Limited	1,841.07	
Lakshmi Vilas Bank	10,575.17	
Punjab and Sind Bank	1,30,047.71	
Punjab National Bank	2,93,441.45	
South Indian Bank Limited	6,626.11	
State Bank of India	2,80,778.78	Refer comments above
UCO Bank	1,06,613.11	
Union Bank of India	2,65,803.52	
IFCI Limited	19,020.20	
Small Industries Development Bank of India	1,00,208.66	
National Bank for Agriculture and Rural Development	88,363.31	
Toyota Financial Services India Limited	38.18	
Nicco Engineering Services Limited	106.00	
Non - Convertible Debentures	5,04,308.67	
External Commercial Borrowings	2,26,917.15	
Deferred Payment Liabilities	9,122.65	

* Includes claims received under CIRP (upto May 04, 2022), that are accepted and accounted for in the books of accounts as at March 31, 2022. Refer Note No. 65 to the Ind AS financial statements.

(b) As informed to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix)(c) of paragraph 3 of the Order is not applicable.

(d) We are unable to comment whether funds raised on short-term basis have been used for long-term purposes by the Company.

(e) During the year ended March 31, 2022, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (ix)(e) of paragraph 3 of the Order is not applicable. Also refer to paragraph (c) under "Emphasis of Matter" section of our Independent Auditor's Report of even date on the Ind AS financial statements of the Company.

(f) During the year ended March 31, 2022, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (ix)(f) of paragraph 3 of the Order is not applicable. Also refer to paragraph (c) under "Emphasis of Matter" section of our Independent Auditor's Report of even date on the Ind AS financial statements of the Company.

(x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.

(xi) (a) As informed to us, to the best of the knowledge of the management of the Company, there has been no instance of fraud noticed and reported during the year, except two cases of frauds on the Company by employees/ex-employee amounting to `207 Lacs. The Company has reported the same to RBI in terms of the Notification Issued by Reserve Bank of India vide DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17. Also refer Note No. 78 to the Ind AS financial statements of the Company for the year ended March 31, 2022.

(b) No report under section 143(12) of the Act has been filed with the Central Government by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report. Further, as informed by the Company, the Secretarial Auditor of the Company have not filed any report under section 143(12) of the Act with the Central Government in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards. Also, refer paragraph (g) of the “Basis for Disclaimer of Opinion” section of our Independent Auditors’ Report of even date on the Ind AS financial statements of the Company.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the Internal Audit Reports of the Company issued till date, for the period under audit in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 “Using the work of Internal Auditors”.

(xv) The Company has not entered into any non-cash transactions with its erstwhile directors (i.e. directors for the period April 01, 2021 to October 04, 2021) or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without having a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 (“Directions”) by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) of paragraph 3 of the Order are not applicable.

(d) In absence of any specific confirmation from the management of the Company, we are unable to comment whether the Group to which the Company belongs has CIC or not as part of the Group.

(xvii) In view of the “Disclaimer of Opinion” issued by us vide our Independent Auditor’s Report dated May 18, 2022 on the Ind AS financial statements of the Company for the year ended March 31, 2022, we are unable to comment on clause (xvii) of paragraph 3 of the Order in respect of current financial year. As informed to us, the Company has incurred cash losses in the immediately preceding financial year aggregating to INR 1,37,919 Lacs, however, in view of the various matters reported by us under “Emphasis of Matter” section of our Independent Auditor’s report dated June 29, 2021 on the Ind AS financial statements of the Company for the year ended March 31, 2021, we are not in a position to comment on the same.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.

(xix)On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the management and its plans and based on our examination of the evidence supporting the assumptions, we believe that material uncertainty exists as on the date of this audit report regarding the Company's ability to meet its liabilities existing as at the date of balance sheet. We further state that our reporting is based on the facts up to date of the audit report. We further draw attention to paragraph 'Material Uncertainty in relation to Going Concern' section of our independent auditor's report of even date, on the Ind AS financial statements of the Company, regarding the applicability of the going concern assumption.

(xx)

(a) In respect of other than ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year in compliance with second proviso to section 135(5) of the said Act, details of which are as follows:

Relevant Financial year (a)	Amount identified for Spending on CSR Activities "other than On going Projects" (INR in Lacs) (b)	Unspent amount of (b) (INR in Lacs) (c)	Amount Transferred to Fund specified in Sch. VII of the Act (INR in Lacs) (d)	Due date of transfer to the specified Fund (e)	Actual date of transfer to the specified Fund (f)	Numberof days of delay, if any (g)
2020-21	648	523	-	September 30, 2021	*	

*Refer paragraph (i) of "Basis of Disclaimer of Opinion" section of our Independent Auditor's Report of even date.

(b) The Company does not have any CSR activities for "ongoing projects" in terms of section 135(6) of the Act and accordingly, reporting under clause (xx)(b) of paragraph 3 of the Order is not applicable.

(xxi) During the year ended March 31, 2022, the Company did not have any subsidiaries, associates or joint ventures as defined under the Act. Accordingly, reporting under clause (xxi) of paragraph 3 of the Order is not applicable. Also refer paragraph (c) under "Emphasis of Matter" section of our Independent Auditor's Report of even date on the Ind AS financial statements of the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Manoj Daga
Partner
Membership No. 048523
UDIN: 22048523AJFJOM5420

Place : Mumbai
Date : May 18, 2022

For J. Kala & Associates
Chartered Accountants
ICAI Firm Registration No. 118769W

Jayesh Kala
Partner
Membership No. 101686
UDIN: 22101686AJFJOX1883

Place : Kolkata
Date : May 18, 2022

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Srei Equipment Finance Limited ('the Company') on the Ind AS financial statements for the year ended March 31, 2022]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls with reference to financial statements of the Company as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Administrator's Responsibility for Internal Financial Controls

As stated in "Responsibilities of the Administrator for the Ind AS Financial Statements" section of our Independent Auditor's Report of even date to the members of the Company, the Administrator and the existing officials of the Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We were engaged to audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the matters described in the "Basis for Disclaimer of Opinion" section of our Independent Auditor's Report of even date on the Ind AS financial statements of the Company, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Disclaimer of Opinion

Consequent to the matters mentioned in Note No. 1.2 of the Ind AS financial statements of the Company and the matters described in the "Basis for Disclaimer of Opinion" section of our Independent Auditor's Report of even date on the Ind AS financial statements of the Company, we are unable to determine if the Company has established adequate internal financial controls with reference to financial statements and whether they were operating effectively as at March 31, 2022. Accordingly, we do not express an opinion on the internal financial controls with reference to financial statements.

Explanatory Paragraph

We were engaged to audit, in accordance with the Standards on Auditing issued by the ICAI, as specified under section 143(10) of the Act, the accompanying Ind AS financial statements of the Company, which comprise of the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information. We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Ind AS financial statements of the Company for the year ended March 31, 2022 and this report affects our report dated May 18, 2022 which expresses a disclaimer of opinion on the Ind AS financial statements of the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048

Manoj Daga
Partner
Membership No. 048523
UDIN: 22048523AJFJOM5420

Place : Mumbai
Date : May 18, 2022

For J. Kala & Associates
Chartered Accountants
ICAI Firm Registration No. 118769W

Jayesh Kala
Partner
Membership No. 101686
UDIN: 22101686AJFJOX1883

Place : Kolkata
Date : May 18, 2022

BALANCE SHEET
as at March 31st, 2022

(₹ in Lacs)

Particulars	Note No.	As at March 31st, 2022	As at March 31st, 2021
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	3	1,27,881	41,642
(b) Bank Balance other than (a) above	4	18,261	98,657
(c) Derivative Financial Instruments	5	–	936
(d) Receivables			
(I) Trade Receivables	6	3,168	2,712
(e) Loans	7	20,47,125	21,85,791
(f) Investments	8	123,604	1,02,018
(g) Other Financial Assets	9	90,531	1,10,941
(2) Non-Financial Assets			
(a) Current Tax Assets (Net)	10	24,501	24,068
(b) Property, Plant and Equipment	11	1,83,412	2,55,620
(c) Right-of-use Assets	12	712	1,069
(d) Other Intangible Assets	13	838	1,173
(e) Other Non-Financial Assets	14	38,357	48,020
Total Assets		**26,58,390**	**28,72,647**
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments	5	–	1,151
(b) Payables	15		
(I) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises		175	–
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,243	8,875
(c) Debt Securities	16	2,59,552	2,44,148
(d) Borrowings (Other than Debt Securities)	17	26,76,863	26,47,553
(e) Subordinated Liabilities	18	2,61,581	2,45,531
(f) Lease Liabilities	12	828	1,142
(g) Other Financial Liabilities	19	18,672	23,019
(2) Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)	20	13,652	13,337
(b) Provisions	21	15,777	1,442
(c) Other Non-Financial Liabilities	22	4,268	8,140
(3) Equity			
(a) Equity Share Capital	23	7,902	7,902
(b) Other Equity	24	(6,07,123)	(3,29,593)
Total Liabilities and Equity		**26,58,390**	**28,72,647**
Significant Accounting Policies and Notes to Financial Statements	1-79		

The Notes referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place : Mumbai
Date : May 18th, 2022

For J. Kala & Associates
Chartered Accountants
ICAI Firm Registration No. 118769W

Jayesh Kala
Partner
Membership no. 101686

Place : Kolkata
Date : May 18th, 2022

For and on behalf of Srei Equipment Finance Limited
(a Company under Corporate Insolvency Resolution Process
by an order dated October 8th, 2021 passed by Hon'ble NCLT, Kolkata)

Rajneesh Sharma
Administrator Appointed Under IBC

Place : Kolkata
Date : May 18th, 2022

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 or 'the Code'). The affairs, business and property of Srei Equipment 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 - 700046, West Bengal.
Email ID for Correspondence - sreiadministrator@srei.com

STATEMENT OF PROFIT AND LOSS

for the year ended March 31st, 2022

(₹ in Lacs)

Particulars	Note No.	Year ended March 31st, 2022	Year ended March 31st, 2021
Revenue from Operations			
Interest Income	25	2,54,895	2,87,948
Rental Income		44,061	46,419
Fees and Commission Income		1,374	1,682
Net gain on fair value changes	26	8,142	–
Others	27	6,483	4,679
(I) Total Revenue from Operations		**3,14,955**	**3,40,728**
(II) Other Income	28	**(790)**	**4,906**
(III) Total Income (I+II)		**3,14,165**	**3,45,634**
Expenses			
Finance Costs	29	2,16,754	3,32,646
Fees and Commission Expense		662	4,283
Net loss on fair value changes	26	35,663	49,905
Net loss on derecognition of financial instruments under amortised cost category		12,328	3,635
Impairment on Financial Instruments (Net)	30	2,21,149	5,49,876
Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt		4,320	12,451
Employee Benefits Expenses	31	11,020	12,821
Depreciation, Amortisation and Impairment	11 to 13	56,331	72,636
Other Expenses	32	23,423	21,470
(IV) Total Expenses		**5,81,650**	**10,59,723**
(V) Profit/(Loss) Before Tax (III- IV)		**(2,67,485)**	**(7,14,089)**
(VI) Tax Expense:			
(1) Income Tax in respect of earlier years		9,807	(4,333)
(2) Deferred Tax		–	3,855
(VII) Profit/(Loss) After Tax (V-VI)		**(2,77,292)**	**(7,13,611)**
(VIII) Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurements Gains/(Losses) on Defined Benefit Plan		(42)	16
(b) Income tax relating to items that will not be reclassified to Profit or Loss		–	222
SUBTOTAL (a+b)		**(42)**	**238**
B (i) Items that will be reclassified to Profit or Loss			
(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge		14	1,573
(b) Gains/(Losses) on fair valuation of Loans		(210)	(2,713)
(c) Income tax relating to items that will be reclassified to Profit or Loss		–	800
SUBTOTAL (a+b+c)		**(196)**	**(340)**
Other Comprehensive Income [A+B]		**(238)**	**(102)**
(IX) Total Comprehensive Income (VII+VIII)		**(2,77,530)**	**(7,13,713)**
(X) Earnings per Equity Share (Face value of ₹10/- each)	33		
Basic (in ₹)		**(350.93)**	**(903.08)**
Diluted (in ₹)		**(350.93)**	**(903.08)**

Significant Accounting Policies and Notes to Financial Statements 1-79

The Notes referred to above form an integral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place : Mumbai
Date : May 18th, 2022

For J. Kala & Associates
Chartered Accountants
ICAI Firm Registration No. 118769W

Jayesh Kala
Partner
Membership no. 101686

Place : Kolkata
Date : May 18th, 2022

For and on behalf of Srei Equipment Finance Limited
(a Company under Corporate Insolvency Resolution Process by an order dated October 8th, 2021 passed by Hon'ble NCLT, Kolkata)

Rajneesh Sharma
Administrator Appointed Under IBC

Place : Kolkata
Date : May 18th, 2022

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 or 'the Code'). The affairs, business and property of Srei Equipment 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 - 700046, West Bengal.

Email ID for Correspondence - sreiadministrator@srei.com

STATEMENT OF CASH FLOWS

for the year ended March 31st, 2022

(₹ in Lacs)

Particulars	Year ended March 31st, 2022	Year ended March 31st, 2021
A. Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	(2,67,485)	(7,14,089)
Adjustments for:		
Depreciation, Amortisation and Impairment	56,331	72,636
Impairment on Financial Instruments (Net)	2,21,149	5,49,876
Impairment (gain)/loss on capital advance	(29)	500
Net loss on derecognition of Financial Instruments	12,328	3,635
Loss/write-off on Repossessed Assets and Assets acquired in satisfaction of debt	4,320	12,451
Net loss on derecognition of Property, Plant and Equipment	7,413	5,657
Liabilities no longer required written back	(3,087)	(271)
Finance Costs	2,16,754	3,32,646
Interest on Loans	(2,53,273)	(2,82,968)
Interest on Fixed Deposits with Banks	(1,421)	(4,955)
Net unrealised (gain)/loss on foreign currency transaction and translation	(3,555)	(4,860)
Net unrealised fair value loss	22,557	63,689
Operating profit/(loss) before working capital changes	**12,002**	**33,947**
Changes in working capital:		
Adjustments for:		
(Increase)/Decrease in Trade Receivables and Others Assets	17,888	(17,194)
(Increase)/Decrease in Loans Assets	63,807	3,16,650
Increase/(Decrease) in Trade Payables and Others Liabilities	(4,609)	(117,091)
(Increase)/Decrease in Other Bank Balances	79,839	30,976
Cash generated/(used) in operations	**1,68,927**	**2,47,288**
Finance Costs paid	(96,766)	(2,42,298)
Interest on Loans received	54,013	65,477
Interest on Fixed Deposits with Banks received	1,978	8,052
Advance taxes (paid)/refund (including Tax deducted at Source)	(118)	(559)
Net Cash generated/(used) in Operating Activities	**1,28,034**	**77,960**
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	(25)	(1,100)
Sale/(Purchase) of Investments (Net)	–	8,112
Proceeds from Sale of Property, Plant and Equipment	9,309	9,614
Net Cash generated/(used) in Investing Activities	**9,284**	**16,626**
C. Cash Flows from Financing Activities		
Repayment on redemption of Debt securities (including subordinated debt securities)	–	(42,775)
Increase/(Decrease) in Working Capital facilities (Net)	(15,500)	1,28,730
Proceeds from Other Borrowings	–	79,750
Repayments of Other Borrowings	(35,579)	(2,56,042)
Net Cash generated/(used) in Financing Activities	**(51,079)**	**(90,337)**
Net Increase in Cash and Cash Equivalents (A+B+C)	**86,239**	**4,249**
Cash and Cash Equivalents at the beginning of the year	**41,642**	**37,393**
Cash and Cash Equivalents at the end of year (Refer Note No. 3)	**1,27,881**	**41,642**

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

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	21	30
Balances with Banks - in Current Account	67,541	41,576
Balances with Banks - in Fixed Deposit Accounts having original maturity of upto 3 months	60,319	36
	1,27,881	**41,642**

Explanations:

The above Statement of Cash Flows has been prepared under the Indirect Method as set out in the Ind AS 7 'Statement of Cash Flows'.

This is the Statement of Cash Flows referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place : Mumbai
Date : May 18th, 2022

For J. Kala & Associates
Chartered Accountants
ICAI Firm Registration No. 118769W

Jayesh Kala
Partner
Membership no. 101686

Place : Kolkata
Date : May 18th, 2022

For and on behalf of Srei Equipment Finance Limited
(a Company under Corporate Insolvency Resolution Process
by an order dated October 8th, 2021 passed by Hon'ble NCLT, Kolkata)

Rajneesh Sharma
Administrator Appointed Under IBC

Place : Kolkata
Date : May 18th, 2022

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 or 'the Code'). The affairs, business and property of Srei Equipment 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 - 700046, West Bengal.

Email ID for Correspondence - sreiadministrator@srei.com

STATEMENT OF CHANGES IN EQUITY

as at March 31st, 2022

A. Equity Share Capital

(₹ in Lacs)

Balance as at April 1st, 2021	Issued during the year	Reductions during the year	Balance as at March 31st, 2022
7,902	–	–	7,902

(₹ in Lacs)

Balance as at April 1st, 2020	Issued during the year	Reductions during the year	Balance as at March 31st, 2021
7,902	–	–	7,902

B. Other Equity

(₹ in Lacs)

Particulars	Reserves and Surplus: Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)	Income Tax Special Reserve (created pursuant to Section36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Impairment Reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
Balance as at April 1st, 2021	**40,822**	**15,770**	**2,403**	**1,97,084**	**39,824**	**(10,75,165)**	**4,47,464**	**1,158**	**1,061**	**(14)**	**(3,29,593)**
Profit/(Loss) after tax for the year	–	–	–	–	–	(2,77,292)	–	–	–	–	(2,77,292)
Other comprehensive income (net of tax)	–	–	–	–	–	(42)	–	(210)	–	14	(238)
Transferred (from)/to retained earnings	–	–	–	–	–	(1,21,938)	1,22,999	–	(1,061)	–	–
Balance as at March 31st, 2022	**40,822**	**15,770**	**2,403**	**1,97,084**	**39,824**	**(14,74,437)**	**5,70,463**	**948**	**–**	**–**	**(6,07,123)**

(₹ in Lacs)

Particulars	Reserves and Surplus: Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)	Income Tax Special Reserve (created pursuant to Section36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Impairment Reserve	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
Balance as at April 1st, 2020	**40,822**	**15,770**	**2,403**	**1,97,084**	**41,487**	**84,256**	**–**	**2,518**	**814**	**(1,034)**	**384,120**
Profit/(Loss) after tax for the year	–	–	–	–	–	(7,13,611)	–	–	–	–	(713,611)
Other comprehensive income (net of tax)	–	–	–	–	–	(9)	–	(1,360)	247	1,020	(102)
Transferred (from)/to retained earnings	–	–	–	–	(1,663)	(4,45,801)	4,47,464	–	–	–	–
Balance as at March 31st, 2021	**40,822**	**15,770**	**2,403**	**1,97,084**	**39,824**	**(10,75,165)**	**4,47,464**	**1,158**	**1,061**	**(14)**	**(3,29,593)**

Refer Note No. 24 for nature and purpose of reserves.

This is the Statement of Changes in Equity referred to in our report of even date.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Manoj Daga
Partner
Membership no. 048523
Place : Mumbai
Date : May 18th, 2022

For J. Kala & Associates
Chartered Accountants
ICAI Firm Registration No. 118769W
Jayesh Kala
Partner
Membership no. 101686
Place : Kolkata
Date : May 18th, 2022

For and on behalf of Srei Equipment Finance Limited
(a Company under Corporate Insolvency Resolution Process
by an order dated October 8th, 2021 passed by Hon'ble NCLT, Kolkata)
Rajneesh Sharma
Administrator Appointed Under IBC
Place : Kolkata
Date : May 18th, 2022

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 or 'the Code'). The affairs, business and property of Srei Equipment 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 - sreiadministrator@srei.com

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Background and General Information

Srei Equipment Finance Limited ('the Company'), a wholly owned subsidiary of Srei Infrastructure Finance Limited, is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company's non-convertible debentures are listed on either Bombay Stock Exchange Limited (BSE) or both BSE and National Stock Exchange of India Limited (NSE). The Company had received a Certificate of Registration from the Reserve Bank of India ('RBI') on September 3, 2008 to commence/carry on the business of Non-Banking Financial Company ('NBFC') without accepting public deposits, classified as Systemically Important NBFC (NBFC-NDSI). Subsequently, the Company has been issued a new certificate by the RBI dated February 19, 2014 consequent to conversion from Private Limited Company to Public Limited Company. The principal business of the Company is financial services. The registration details are as follows:

RBI	N.05.06694
Corporate Identity Number (CIN)	U70101WB2006PLC109898

The registered office of the Company and the principal place of business is "Vishwakarma" 86C, Topsia Road (South), Kolkata - 700046.

These financial statements were approved for issue by the Administrator Appointed Under IBC on May 18, 2022.

1.2 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 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 1934, constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

Thereafter 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 08, 2021 admitted the application made 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, NCLT also retained the three-member Advisory Committee, as aforesaid, for advising the Administrator in the operations of the Company during the CIRP.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 ('the Act') along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions'), as amended and notification for Implementation of Indian Accounting Standards vide circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI.

These financial statements have been prepared on the historical cost basis, except for certain items which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of these financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenses and disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the Company are discussed in Note No. 2.23 'Significant accounting judgements, estimates and assumptions'.

The management believes that the estimates used in the preparation of these financial statements are prudent and reasonable. Actual results could differ from those estimates and the differences between the actual results and the estimates would be recognised in the periods in which the results are known/ materialised.

The financial statements are presented in Indian Rupees (INR) and all values are rounded off to the nearest Lacs, except otherwise indicated.

Comparative information has been regrouped/rearranged to accord with changes in presentations made in the current period, except where otherwise stated.

The financial statements of the Company are presented as per Schedule III (Division III) to the Act applicable to NBFCs, as notified by the Ministry of Corporate Affairs ('MCA').

These audited financial statements of the Company for the year ended March 31, 2022 have been taken on record by the Administrator on May 18, 2022 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. 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. As such, these financial results are subject to outcome of such audits/reviews. 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 statements 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 Chief Financial Officer, Company Secretary, Chief Business Officer, Chief Risk Officer, Chief Compliance Officer and Legal Head ('the existing officials of the Company'), who were also part of the Company prior to the appointment of the Administrator.

The accounting policies for some specific items of financial statements are disclosed in the respective notes to the financial statements. Other significant accounting policies and details of significant accounting assumptions and estimates are set out below in Note No. 2.2 to 2.23.

2.2 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from Operations is recognised in the Statement of Profit and Loss on an accrual basis as stated herein below:

(a) Interest income for financial assets other than those financial assets classified as at Fair value through profit or loss ("FVTPL") is recognised based on the effective interest rate method. Income from Credit Impaired Financial Assets is recognised on net basis i.e. after considering Impairment Loss Allowance.

(b) Interest on delayed payments by customers are treated to accrue only on realisation, due to uncertainty of realisation and are accounted accordingly.

(c) Income or net gain on fair value changes for financial assets classified as measured at FVTPL and Fair value through Other Comprehensive Income ("FVTOCI") is recognised as discussed in Note No. 2.3.3.

(d) Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

(e) Interest income on fixed deposits/margin money/pass through certificates is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(f) Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished or the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

(g) Referral income is recognised when it becomes due under the terms of the relevant mutually agreed arrangement.

(h) Fees and Commission Income other than those forming part of Interest income are recognised as revenue in the Statement of Profit and Loss, when the performance obligations are satisfied.

(i) Income from dividend is recognised when the Company's right to receive such dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(j) Income from joint controlled operation is recognised to the extent of the Company's share in jointly controlled operations arising out of sale of units generated as per the terms of the respective power purchase agreements with the State Electricity Boards.

(k) In case of assignment transactions, as the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable is recorded as 'Interest retained on pools assigned' with corresponding gain recognised in the Statement of Profit and Loss.

2.3 Financial Instruments

Classification of Financial Instruments

The Company classifies its Financial Assets into the following measurement categories:

1. Financial Assets to be measured at amortised cost

2. Financial Assets to be measured at FVTOCI
3. Financial Assets to be measured at FVTPL

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company classifies its financial liabilities at amortised cost unless it has designated liabilities at FVTPL or is required to measure liabilities at FVTPL such as derivative liabilities.

2.3.1 Recognition of Financial Instruments:

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments. Loans & advances and all other regular way purchases or sales of financial assets are recognised and derecognised on the trade date basis.

2.3.2 Initial Measurement of Financial Instruments:

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the Statement of Profit and Loss.

2.3.3 Subsequent Measurement:

(A) Financial Assets

Financial Assets carried at Amortised Cost:

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The decision to dispose-off assets under amortised cost category for any of the reasons shall be taken at the level of Asset Liability Committee (ALCO) and other Board level committee.

Financial Assets at Fair Value through FVTOCI:

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combinations' applies, are measured at FVTOCI, where an irrevocable election has been made by management on an instrument-by-instrument basis. These investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income ("OCI") and accumulated in the reserves. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments. Dividends on such investments are recognised in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Debt instruments measured at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

Financial Assets at FVTPL:

A financial asset which is not classified as Amortised Cost or FVTOCI is measured at FVTPL. A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss.

Effective Interest Rate (EIR) Method:

The Effective Interest Rate Method is a method of calculating the amortised cost of a debt instrument and of allocating interest income or expense over the relevant period. The Effective Interest Rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability on initial recognition.

Impairment of Financial Assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In case of debt instruments measured at FVTOCI, the loss allowance measured in accordance with the above requirements is recognised in OCI with a corresponding effect to the Statement of Profit and Loss but is not reduced from the carrying amount of the financial asset in the Balance Sheet; so the financial asset continues to be presented in the Balance Sheet at its fair value.

No Expected Credit Loss is recognised on equity investments.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to the expected credit losses.

Further, for the purpose of measuring expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. The expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience.

Derecognition of Financial Assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset accounted under Ind AS 109 in its entirety:

a) for financial assets measured at amortised cost, the gain or loss is recognised in the Statement of Profit and Loss.

b) for financial assets measured at FVTOCI, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, on the basis of the relative fair values of those parts on the date of the transfer.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, it continues to recognise the financial asset and also recognises a liability for the proceeds received.

Modification/ revision in estimates of cash flows of financial assets:

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with Ind AS 109, the Company recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in the Statement of Profit and Loss.

Various quantitative and qualitative factors are considered to determine whether the renegotiated terms are substantially different and whether the same would amount to extinguishment of financial asset and recognition of a new financial asset. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate. Any costs or fees incurred are adjusted to the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

(B) Financial Liabilities and Equity Instruments:

Classification as Debt or Equity:

Financial liabilities and equity instruments issued are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments:

An Equity Instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities:

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at FVTPL. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method except for those designated in an effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the EIR method.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost.

Financial Guarantee Contracts

Financial guarantees issued by the Company are those guarantees that require a payment to be made to reimburse the holder of the guarantee for a loss incurred by the holder because the specified debtor fails to make a payment, when due, to the holder in accordance with the terms of a debt instrument.

Financial guarantee are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

2.4 Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are as follows:

Level 1 financial instruments: Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the Balance Sheet date.

Level 2 financial instruments: Those where the inputs that are used for valuation and are significant, are derived directly or indirectly from observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments: Those that include one or more unobservable input that is significant to the measurement as whole.

2.5 Overview of the Expected Credit Loss (ECL) principles

ECL is the probability-weighted estimate of credit losses (i.e., the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between scheduled or contractual cash flows and actual expected cash flows. Consequently, ECL subsumes both the amount and timing of payments. A credit loss would arise even when a receivable was realised in full but later than when contractually due.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables. The Company has bucketed its portfolio into different homogeneous categories based on finance amount, as the same reflects similar customer behaviour, and the Probability of Default (PD) of each of the buckets is computed basis such historical data. Based on the historical data, the company has computed the realisable value of the securities hypothecated to it and thus derived the Loss Given Default (LGD). The combination of the PD and LGD is applied on the Exposure at Default (EAD) to compute the ECL provision, which is further adjusted for forward looking information, if any. Additionally, the Company reviews its large exposures to identify cases where the expected credit loss is expected to be higher than that derived from the model and recognises such impairments additionally.

In case of assets identified to be significantly credit-impaired to the extent that default has happened or seems to be a certainty rather than probability, ECL would be determined by directly estimating the receipt of cash flows and timing thereof, and applying net present value (NPV) on the shortfalls.

Unsegmented portfolio for ECL

In case of Loans transferred to the Company under slump exchange, financing was restricted to a large extent to the infrastructure sectors and having limited count over the past years. Considering the limitations of count, ECL is computed on an unsegmented portfolio basis.

Staging:

The loan portfolio would be classified into three stage-wise buckets – Stage 1, Stage 2 and Stage 3 corresponding to the contracts assessed as performing, under-performing and non-performing, in accordance with the Ind AS guidelines.

While the presumption for inter-stage threshold for Stage 1 is 30 days, the company has rebutted the presumption and has considered 60 days as the threshold. As the borrowers are typically operating in infrastructure sector, where receivables tend to be stretched, notwithstanding whether the principals are government/quasi-government entities or private sector entities. As per current market practice, NBFCs typically tend to be paid later than banks by borrowers since banks control their working capital financing.

Methodology:

The basis of the ECL calculations are outlined below which is intended to be more forward-looking. Key elements of ECL are as follows:

PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The key tenets of Company's methodology are as under:

Past performance as basis for ECL discovery: Company's ECL methodology is based on discovery of the relevant parameters namely EAD, PD and LGD from the company's actual performance of past portfolios.

Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

2.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Assets given on operating leases are included in Property, Plant and Equipment.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

For the revenue recognition policy on Lease Contracts, refer Note No. 2.2.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see Note No. 2.8 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Company's operating lease asset classes primarily consist of leases for buildings or part thereof. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities excludes these options as there is no reasonable certainty that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the lease term. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the average cost of borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities.

2.7 Foreign Currency Transactions

The financial statements are presented in INR in lacs, being the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

- Initial recognition of all transactions :

  Recorded at the rates of exchange prevailing at the dates of the respective transactions.

- Conversion :

  Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date.
  Non-monetary items (carried at fair value) as on reporting date are restated using the exchange rate prevailing at the date when the fair value was determined. Translation differences on such items are reported as part of the fair value gain or loss on such items.

  For non-monetary items (carried at historical cost) as on reporting date restatement is not required.

Foreign Exchange Gains and Losses:

Financial Assets:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated using the exchange rate prevailing at the reporting date.

- For monetary financial assets measured at amortised cost, FVTOCI or FVTPL and non-monetary financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.

- Foreign currency changes for non-monetary financial assets measured at FVTOCI are recognised in OCI.

Financial Liabilities:

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated using the exchange rate prevailing at the reporting date.

For monetary financial liabilities measured at amortised cost, FVTOCI or FVTPL and non-monetary financial liabilities measured at amortised cost or FVTPL, the exchange differences are recognised in the Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in OCI.

2.8 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds including interest expense calculated using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.9 Employee Benefits

(A) Retirement benefit costs and other termination benefits

Defined Contribution Plans:

Contributions to Provident Fund and Superannuation Fund are considered as defined contribution plans and are charged to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined Benefit Plans:

Gratuity Liability and Long Term compensated absences are defined benefit plans. The cost of providing benefits is determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in OCI in the period in which they occur. Re-measurements recognised in OCI is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(B) Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current Tax is determined at the amount of tax payable in respect of taxable profit for the year as per the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rate that has been enacted or substantively enacted by the end of the reporting period.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

The Company's deferred tax is calculated using tax rate that are substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in OCI or directly in equity, in which case, the current and deferred tax are also recognised in OCI or directly in equity respectively.

2.11 Property, Plant and Equipment

Property, Plant and Equipment shown in the Balance Sheet consist of assets used in operations. Assets used in operations are those used in the provision of services or for administrative purposes, and include assets leased by the Company as lessor under operating leases.

a) Initial and subsequent recognition

Property, Plant and Equipment are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Subsequent to initial recognition, Property, Plant and Equipment are measured at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

b) De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

c) Depreciation

Depreciation of these assets commences when the assets are ready for their intended use. It is recognised so as to amortise the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Average useful life of the assets determined is as under:

Operating lease Assets

Class of Assets	Useful Life as per the Companies Act 2013	Useful Life as followed by the management
Computer Equipment	3 years/6 years	5 years
Earth Moving Equipment	9 years	7 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15 years/30 years	8 years/15 years
Windmill	22 years	20 years

Own Use Assets

Class of Assets	Useful Life as per the Companies Act 2013	Useful Life as followed by the management
Computer Equipment	3 years/6 years	5 years
Motor Vehicles	8 years	7 years
Plant and Machinery	15 years/22 years	8 years/22 years

Management believes that the revised useful lives of the assets reflect the periods over which these assets are expected to be used.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Leasehold assets including improvements are amortised over estimated useful life or lease period, whichever is lower. Freehold Land is not depreciated.

Depreciation on assets purchased/sold during the period is recognised on a pro-rata basis.

2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

Useful life of 5 years is used in the calculation of amortisation for Software.

Software includes license amortised over license life or 5 years whichever is earlier.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is de-recognised.

2.13 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment on an annual basis, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

2.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

In case of litigations, provision is recognised once it has been established that the Company has a present obligation based on information available up to the date on which the Company's financial statements are finalised and may in some cases entail seeking expert advice in making the determination on whether there is a present obligation.

Contingent Liabilities

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent Assets

Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

2.15 Cash and Cash Equivalents

Cash and Cash Equivalents comprise of cash in hand and balances with banks, cheques on hand, remittances in transit and short-term investments with an original maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

2.16 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM assess the financial performance and position of the Company and makes strategic decisions.

The Company is predominantly engaged in a single reportable segment of 'Financial Services' as per the Ind AS 108 - Segment Reporting.

2.17 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.18 Repossessed Assets and Assets Acquired in Satisfaction of Debt

Repossessed assets and assets acquired in satisfaction of debt are those assets whose carrying amount is recovered principally through a sale transaction rather than through continuing use. These assets are disclosed as part of 'other non-financial assets' and are carried at the lower of their carrying amount and fair value less costs to sell.

2.19 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

2.20 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in notes to the financial statements.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.21 Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.22 Hedge Accounting

The Company designates certain derivatives, in respect of foreign currency risk and interest rate risk, as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in OCI and accumulated under the heading of 'Effective portion of cash flow hedges'. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, and is included in the 'Net gain on fair value changes' or 'Net loss on fair value changes' line item.

Amounts previously recognised in OCI and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects the Statement of Profit and Loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in OCI and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

2.23 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

2.23.1. Expected credit loss on loans and advances

The Company has used its judgement in determining various parameters of expected credit loss. These parameters includes defining pools, staging, default, discount rates, expected life, significant increase in credit risk, amount and timing of future cash flows. In estimating these cash flows, the Company makes judgement about the realisable value of the securities hypothecated/mortgaged to it, based on the historical data and/or independent valuation reports.

These assumptions are based on the assumptions about a number of factors and actual results may differ, resulting in future changes to the impairment allowance.

A collective assessment of impairment takes into account data from the loan portfolio (such as credit quality, nature of assets underlying assets financed, levels of arrears, credit utilization, loan to collateral ratios etc.), and the economic data (including levels of unemployment, country risk and performance of different individual groups). These critical assumptions have been applied consistently to all periods presented.

2.23.2. Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company monitors financial assets measured at amortised cost or at FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

2.23.3. Hedge Designation

The appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness at the inception/origination of the transaction.

2.23.4. Provisions other than ECL on loans and advances

Provisions are held in respect of a range of future obligations such as employee entitlements, litigation provisions, etc. Some of the provisions involve significant judgement about the likely outcome of various events and estimated future cash flows. The measurement of these provisions involves the exercise of management judgements about the ultimate outcomes of the transactions.

2.23.5. Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.23.6. Identification of Related Parties

Related Parties for the purpose of Companies Act, 2013 and relevant Ind AS, is identified by the Company, for necessary compliance/reporting/disclosures etc, as per the Board approved Related Party Transactions (RPT) Policy.

2.24 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

3. Cash and Cash Equivalents

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Cash on hand	21	30
Balances with Banks - in Current Account #	67,541	41,576
Balances with Banks - in Fixed Deposit Accounts having original maturity of upto 3 months (Including accrued interest)	60,319	36
Total	**1,27,881**	**41,642**

Includes ₹5,097 Lakhs pertaining to a cash credit account with a bank, having a debit balance as at March 31st, 2022.

4. Bank Balance other than above

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Balance with Banks - in Fixed Deposit Accounts having original maturity of more than 3 months * (Including accrued interest)	13,173	89,137
Earmarked Balances	5,088	9,520
Total	**18,261**	**98,657**

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
*Under lien:		
– Letter of Credit/Bank guarantee	9,917	44,659
– Cash collateral for securitisation and assignment of receivables under partial credit guarantee scheme	–	40,165
– Borrowings	38	35
– Others	2,697	2,888

(i) Changes in Cash Flows from Financing Activities

(₹ in Lacs)

Particulars	As at March 31st, 2021	Movement**		As at March 31st, 2022
		Cash	Non-Cash	
Debt Securities	2,44,148	–	15,404	2,59,552
Borrowings (Other than Debt Securities)	26,47,553	(51,120)	80,430	26,76,863
Subordinated Liabilities	2,45,531	41	16,009	261,581
Total	**31,37,232**	**(51,079)**	**1,11,843**	**31,97,996**

** Includes adjustments on account of effective interest rate and other adjustments

(₹ in Lacs)

Particulars	As at March 31st, 2020	Movement**		As at March 31st, 2021
		Cash	Non-Cash	
Debt Securities	2,62,725	(28,718)	10,141	2,44,148
Borrowings (Other than Debt Securities)	26,40,762	(47,803)	54,594	26,47,553
Subordinated Liabilities	2,48,736	(13,816)	10,611	2,45,531
Total	**31,52,223**	**(90,337)**	**75,346**	**31,37,232**

** Includes adjustments on account of effective interest rate and other adjustments

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

5. Derivative Financial Instruments

(₹ in Lacs)

Particulars	As at March 31st, 2022			As at March 31st, 2021		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency derivatives:						
– Spot and forwards	–	–	–	21,049	–	1,151
– Currency swaps	–	–	–	11,200	727	–
– Options purchased	–	–	–	16,190	209	–
Subtotal (i)	**–**	**–**	**–**	**48,439**	**936**	**1,151**
(ii) Interest rate derivatives						
– Forward Rate Agreements and Interest Rate Swaps	–	–	–	–	–	–
Subtotal (ii)	**–**	**–**	**–**	**–**	**–**	**–**
Total Derivative Financial Instruments (i)+(ii)	**–**	**–**	**–**	**48,439**	**936**	**1,151**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:	–	–	–	–	–	–
Subtotal (i)	**–**	**–**	**–**	**–**	**–**	**–**
(ii) Cash flow hedging:						
– Currency derivatives	–	–	–	222	–	14
– Interest rate derivatives	–	–	–	–	–	–
Subtotal (ii)	**–**	**–**	**–**	**222**	**–**	**14**
Undesignated Derivatives (iii)	**–**	**–**	**–**	**48,217**	**936**	**1,137**
Total Derivative Financial Instruments (i)+(ii)+(iii)	**–**	**–**	**–**	**48,439**	**936**	**1,151**

Refer Note No. 67

5.1 The following table details the derivative financial instruments as held for hedging and risk management purpose (cash flow hedging) outstanding at the end of the reporting year

Outstanding Contracts	Notional amounts (₹ in Lakhs)	Timing				Average Exchange Rate
	As at March 31st, 2022	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	
Spot and forwards - USD	–	–	–	–	–	–

Outstanding Contracts	Notional amounts (₹ in Lakhs)	Timing				Average Exchange Rate #
	As at March 31st, 2021	Less than 3 months	3 to 6 months	6 months to 1 year	More than 1 year	
Spot and forwards - USD	222	222	–	–	–	78

Average exchange rate includes forward premium charge

Spots and Forwards

There is an economic relationship between the hedged item and the hedging instrument as the terms of the forward contract match that of the foreign currency liabilities (notional amount, repayment date etc.). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the forward contracts are identical to the hedged risk components.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

6. Receivables:
(I) Trade Receivables

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
(a) Considered good - Secured	–	–
Less: Allowance for impairment loss allowance	–	–
	–	–
(b) Considered good - Unsecured	3,166	2,696
Less: Allowance for impairment loss allowance	70	26
	3,096	**2,670**
(c) Trade Receivables which have significant increase in credit risk	73	43
Less: Allowance for impairment loss allowance	1	1
	72	**42**
(d) Credit impaired	–	–
Less: Allowance for impairment loss allowance	–	–
	–	–
Total	**3,168**	**2,712**

(a) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

(b) Trade Receivables ageing schedule as at March 31st, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	3,096	–	–	–	–	3,096
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	72	–	–	–	–	72
(iii) Undisputed Trade Receivables Credit impaired	–	–	–	–	–	–
(iv) Disputed Trade Receivables - considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables - Which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables - credit impaired	–	–	–	–	–	–
Total	**3,168**	–	–	–	–	**3,168**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

Trade Receivables ageing schedule as at March 31st, 2021

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,670	–	–	–	–	2,670
(ii) Undisputed Trade Receivables - Which have significant increase in credit risk	42	–	–	–	–	42
(iii) Undisputed Trade Receivables - Credit impaired	–	–	–	–	–	–
(iv) Disputed Trade Receivables - considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables - Which have significant increase in credit risk	–	–	–	–	–	–
(vi) Disputed Trade Receivables - credit impaired	–	–	–	–	–	–
Total	**2,712**	–	–	–	–	**2,712**

(c) Movements in Expected Credit Losses Allowance is as below:

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Balance at the beginning of the year	27	211
Charge in Statement of Profit and Loss	49	4
Utilized during the year	(5)	(188)
Balance at the end of the year	**71**	**27**

(d) Ageing of Trade Receivables and Credit Risk arising therefrom is as below:

(₹ in Lacs)

Particulars	As at March 31st, 2022		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	3,239	71	3,168
Overdue between three to six months	–	–	–
Overdue between six months to one year	–	–	–
More than 1 year overdue	–	–	–
	3,239	**71**	**3,168**

(₹ in Lacs)

Particulars	As at March 31st, 2021		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	2,739	27	2,712
Overdue between three to six months	–	–	–
Overdue between six months to one year	–	–	–
More than 1 year overdue	–	–	–
	2,739	**27**	**2,712**

The contractual amount outstanding on financial assets that were written off during the reporting period but are still subject to enforcement activity is ₹Nil (March 31st, 2021 ₹Nil).

The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio and movements between age buckets as a result of increase or decrease in credit risk of the receivables.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

7. Loans

(₹ in Lacs)

Particulars	As at March 31st, 2022						As at March 31st, 2021					
		At Fair Value						At Fair Value				
	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Total
	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)	(1)	(2)	(3)	(4)	(5=2+3+4)	(6)=(1)+(5)
(A)												
(i) Term Loans	27,59,046	16,462	39,187	–	55,649	28,14,695	26,74,026	46,482	51,920	–	98,402	27,72,428
(ii) Leasing (Refer Note No. 7.1)	6,140	–	–	–	–	6,140	8,476	–	–	–	–	8,476
(iii) Others												
Inter-Corporate Deposits	25,901	–	–	–	–	25,901	28,218	–	–	–	–	28,218
Total (A) Gross	**27,91,087**	**16,462**	**39,187**	**–**	**55,649**	**28,46,736**	**27,10,720**	**46,482**	**51,920**	**–**	**98,402**	**28,09,122**
Less: Impairment loss allowance	7,99,611	–	–	–	–	7,99,611	6,23,331	–	–	–	–	6,23,331
Total (A) Net	**19,91,476**	**16,462**	**39,187**	**–**	**55,649**	**20,47,125**	**20,87,389**	**46,482**	**51,920**	**–**	**98,402**	**21,85,791**
(B)												
(i) Secured by tangible assets/ cash flows*	2,5,91,496	16,462	39,187	–	55,649	26,47,145	25,40,685	46,482	51,920	–	98,402	26,39,087
(ii) Unsecured	1,99,591	–	–	–	–	1,99,591	1,70,035	–	–	–	–	1,70,035
Total (B) Gross	**27,91,087**	**16,462**	**39,187**	**–**	**55,649**	**28,46,736**	**27,10,720**	**46,482**	**51,920**	**–**	**98,402**	**28,09,122**
Less: Impairment loss allowance	7,99,611	–	–	–	–	7,99,611	6,23,331	–	–	–	–	6,23,331
Total (B) Net	**19,91,476**	**16,462**	**39,187**	**–**	**55,649**	**20,47,125**	**2,08,7,389**	**46,482**	**51,920**	**–**	**98,402**	**21,85,791**
(C)												
In India												
(i) Public Sector	1,078	–	–	–	–	1,078	1,533	–	–	–	–	1,533
(ii) Others	27,90,009	16,462	39,187	–	55,649	28,45,658	27,09,187	46,482	51,920	–	98,402	2,807,589
Total (C) Gross	**27,91,087**	**16,462**	**39,187**	**–**	**55,649**	**28,46,736**	**27,10,720**	**46,482**	**51,920**	**–**	**98,402**	**2,809,122**
Less: Impairment loss allowance	7,99,611	–	–	–	–	7,99,611	6,23,331	–	–	–	–	623,331
Total (C) Net	**19,91,476**	**16,462**	**39,187**	**–**	**55,649**	**20,47,125**	**20,87,389**	**46,482**	**51,920**	**–**	**98,402**	**2,185,791**

* Loans are secured by underlying hypothecated assets/receivables/immovable properties and in certain cases, are additionally secured by pledge of equity shares of the borrowers by way of collateral security. Exposures which are secured by charge over future toll revenue/cash flows/receivables etc. have been considered as secured. Securities created by the borrowers, against loan assets are based on valuation of the underlying assets, where applicable, carried out by an external valuer and relied upon. Also refer Note No. 62 for valuation of the assets of the Company and assets/ collateral held as securities.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

7. Loans (continued)

i. An analysis of changes in the gross carrying amount of loans is as follows:

(₹ in Lacs)

Particulars	As at March 31st, 2022					As at March 31st, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount - opening balance	**8,09,825**	**95,852**	**18,51,525**	**–**	**27,57,202**	**24,36,943**	**1,89,689**	**332,466**	**–**	**29,59,098**
New assets originated or purchased/net disbursement	107	–	–	–	107	1,92,869	–	–	–	192,869
Assets derecognised or repaid (excluding write offs and includes interest accruals adjusted) #	(31,625)	4,569	(2,935)	–	(29,991)	(2,85,426)	(67,707)	(17,792)	–	(37,0,925)
Effective interest on net carrying amount	–	–	1,20,669	–	1,20,669	–	–	51,762	–	51,762
Transfers to Stage 1	2,02,720	(857)	(2,01,863)	–	–	13,237	(13,030)	(207)	–	–
Transfers to Stage 2	(7,032)	10,442	(3,410)	–	–	(94,078)	94,122	(44)	–	–
Transfers to Stage 3	(3,73,747)	(9,701)	3,83,448	–	–	(14,19,665)	(1,05,829)	15,25,494	–	–
Amounts written off	(17,350)	(160)	(22,928)	–	(40,438)	(34,055)	(1,393)	(40,154)	–	(75,602)
Gross carrying amount - closing balance @	**5,82,898**	**1,00,145**	**21,24,506**	**–**	**28,07,549**	**8,09,825**	**95,852**	**18,51,525**	**–**	**27,57,202**

@ Excludes gross carrying amount of loans designated at fair value through profit or loss amounting to ₹39187 lacs (March 31st, 2021 ₹51,920 lacs) out of which ₹25,924 lacs (March 31st, 2021 ₹Nil) is classified as Stage 3 assets.
# Represents balancing figure.

ii. Reconciliation of ECL balance is given below: *

(₹ in Lacs)

Particulars	As at March 31st, 2022					As at March 31st, 2021				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	**36,049**	**4,395**	**5,83,598**	**–**	**6,24,042**	**27,048**	**21,581**	**1,13,249**	**–**	**1,61,878**
New assets originated or purchased/net disbursement	1	–	–	–	1	1,528	–	–	–	1,528
Impact on year end ECL of Exposures transferred between stages during the year and reversal of ECL on account of Recovery #	(20,482)	19	2,07,707	–	1,87,244	20,041	2,576	4,57,903	–	4,80,520
Transfers to Stage 1	34,869	(128)	(34,741)	–	–	2,330	(1,690)	(640)	–	–
Transfers to Stage 2	(63)	708	(645)	–	–	(1,089)	1,143	(54)	–	–
Transfers to Stage 3	(13,843)	(780)	14,623	–	–	(12,496)	(19,078)	31,574	–	–
Amounts written off	(958)	(40)	(10,025)	–	(11,023)	(1,313)	(137)	(18,434)	–	(19,884)
ECL allowance - closing balance	**35,573**	**4,174**	**7,60,517**	**–**	**8,00,264**	**36,049**	**4,395**	**5,83,598**	**–**	**6,24,042**

* Includes ECL allowance of ₹6,273 Lacs (March 31st, 2021 ₹5,880 Lacs) on off balance sheet exposure.
* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹653 Lacs (March 31st, 2021 ₹711 Lacs).
# Represents balancing figure.

iii. The contractual amount outstanding on loan assets that were written off during the reporting period but are still subject to enforcement activity is ₹5,090 Lacs (March 31st, 2021 ₹16,457 Lacs).

iv. The change in Expected Credit Loss Allowance of the portfolio was driven by a change in the size of the portfolio, change in the composition of the portfolio and movements between stages as a result of increase or decrease in credit risk of the borrowers.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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7.1 In the capacity of lessor (Finance Lease)

The Company has given assets under finance lease arrangement for periods ranging between 1 to 6 years. Such arrangement does not have clause for contingent rent and hence, the Company has not recognised any contingent rent as income during the year.

The details of gross Investments, unearned finance income and future minimum lease payments in respect of the above non-cancellable finance lease are as follows :

Gross Investments

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
i. not later than one year	4,430	5,609
ii. later than one year and not later than five years	3,226	4,117
iii. later than five years	–	–
Total	**7,656**	**9,726**

Unearned Finance Income

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
i. not later than one year	1,159	876
ii. later than one year and not later than five years	358	374
iii. later than five years	–	–
Total	**1,517**	**1,250**

Minimum Lease Payments

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
i. not later than one year	3,271	4,733
ii. later than one year and not later than five years	2,868	3,743
iii. later than five years	–	–
Total	**6,139**	**8,476**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND

for the year ended March 31st, 2022

8. Investments

(₹ in Lacs)

Particulars	As at March 31st, 2022							As at March 31st, 2021						
		At Fair Value							At Fair Value					
	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total	Amortised cost	Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	Others	Total
	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)	(1)	(2)	(3)	(4)	(5)=(2)+(3)+(4)	(6)	(7)=(1)+(5)+(6)
Debt Securities*	16,574	–	57,812	–	57,812	–	74,386	9,590	–	25,288	–	25,288	–	34,878
Equity Instruments **	–	–	57,900	–	57,900	–	57,900	–	–	76,730	–	76,730	–	76,730
In Units of Trusts and Scheme of Venture Funds ***	–	–	908	–	908	–	908	–	–	–	–	–	–	–
Total Gross (A)	**16,574**	–	**1,16,620**	–	**1,16,620**	–	**1,33,194**	**9,590**	–	**1,02,018**	–	**1,02,018**	–	**1,11,608**
(i) Overseas Investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–
(ii) Investments in India	16,574	–	1,16,620	–	1,16,620	–	1,33,194	9,590	–	1,02,018	–	1,02,018	–	1,11,608
Total (B)	**16,574**	–	**1,16,620**	–	**1,16,620**	–	**1,33,194**	**9,590**	–	**1,02,018**	–	**1,02,018**	–	**1,11,608**
Less: Impairment loss allowance (C)	9,590	–	–	–	–	–	9,590	9,590	–	–	–	–	–	9,590
Total - Net D = (A) - (C)	**6,984**	–	**1,16,620**	–	**1,16,620**	–	**1,23,604**	–	–	**1,02,018**	–	**1,02,018**	–	**1,02,018**

* 950 nos. Non-Convertible Debentures (NCD's) having face value ₹10,00,000 each issued by Fortis Healthcare Holdings Private Ltd were received from Srei Infrastructure Finance Limited (SIFL) by way of slump exchange to the Company through a Business Transfer Agreement ("BTA") (Refer Note No. 63). Since these NCD's are matured, the depository has rejected the transfer request given by SIFL in favour of the Company. Therefore, these NCD's are being held by SIFL for the benefit of the Company.

** Refer Note No. 76

*** Anagha Steel Marketing Limited (erstwhile Essar Steel Marketing Limited and formerly Essar Pellets Marketing Limited) had against a loan granted by SIFL pledged 32,57,400 units of Infrastructure Project Development Fund (IPDF) having face value ₹100/- each as security for the loan. Pursuant to the BTA (Refer Note No. 63) the said Loan was transferred to the Company. Due to non-payment of the dues by Anagha Steel Marketing Limited, the pledge was invoked by virtue of which the units were transferred to SIFL on February 24th, 2022. SIFL continues to hold the units on behalf of the Company. Further, the Company has initiated the process to get the units transferred in its name.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

9. Other Financial Assets

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31st, 2021
Security Deposits		
To Related Parties	17,350	17,350
To Others	1,047	1,018
Less: Impairment loss allowance on Security Deposits	(7,739)	(184)
Rental accrued but not due	191	4,984
Less: Impairment loss allowance for Rental accrued but not due [Refer Note No. 6(I)(a)]	(20)	(31)
Interest retained on Pool Assigned	5,753	16,245
Less: Impairment loss allowance for Interest retained on Pool Assigned	(1,351)	(2,604)
Claims Receivable (measured at fair value through profit or loss) #	72,542	65,897
Loan to Employees	54	59
Others ##	2,704	8,207
Total	**90,531**	**1,10,941**

Amount as at March 31st, 2022 represents fair value of claims assigned in favour of Company in satisfaction of Debt and the said amount is subject matter of legal proceedings.

Includes receivables from the lenders on account of 'interest on interest' charged by the lenders during the moratorium period, i.e. March 1st, 2020 to August 31st, 2020 in conformity with the Hon'ble Supreme Court of India's judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on March 23rd, 2021 amounting to ₹1,064 Lacs (March 31st, 2021 : ₹5,671 Lacs) and also includes amount receivable from holding Company, Srei Infrastructure Finance Limited (SIFL) in Trust and Retention Account (TRA) amounting to ₹Nil (March 31st, 2021 : ₹1,756 Lacs).

10. Current Tax Assets (Net)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31st, 2021
Advance income tax [net of Income tax provision of ₹32,596 Lacs (March 31st, 2021 : ₹32,596 Lacs)]	24,501	24,068
Total	**24,501**	**24,068**

10(i). Income Tax Expense

The reconciliation of estimated income tax to income tax expense for current and previous year is as below:

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Profit/(Loss) Before Tax	(2,67,485)	(7,14,089)
Statutory Income Tax Rate	25.168%	25.168%
Expected income tax expense at statutory income tax rate	(67,321)	(,179,722)
Adjustments for :		
(i) Reversal of MAT Credit entitlement due to adoption of new tax regime	–	(4,333)
(ii) Deferred Tax Asset not recognised on loss under Income Tax	14,413	161,360
(iii) Expenses allowable for tax purpose when paid	38,130	–
(iv) Provision against disputed statutory dues under litigation (Refer Note No. 70)	9,807	–
(v) Other adjustments	14,778	22,217
Total Tax Expense recognised in the Statement of Profit and Loss	**9,807**	**(478)**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

11. Property, Plant and Equipment

(₹ in Lacs)

Particulars	Gross block				Depreciation/amortisation/ impairment				Net book value	
	As at April 1st, 2021	Additions	Disposals and other adjustments	As at March 31st, 2022	As at April 1st, 2021	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2022	As at March 31st, 2022
Assets for Own use										
Land - Freehold	3,307	–	–	3,307	–	–	–	–	–	3,307
Buildings*	3,973	–	–	3,973	119	77	–	–	196	3,777
Furniture and fixtures	3,191	–	35	3,156	1,321	520	–	28	1,813	1,343
Plant and Machinery	22,474	–	–	22,474	4,092	1,023	–	–	5,115	17,359
Motor vehicles	402	–	–	402	221	52	–	–	273	129
Leasehold Improvements	2,324	–	–	2,324	966	607	–	–	1,573	751
Computers and office equipment	1,102	3	6	1,099	969	75	–	5	1,039	60
(A)	**36,773**	**3**	**41**	**36,735**	**7,688**	**2,354**	**–**	**33**	**10,009**	**26,726**
Assets given on operating lease										
Aircrafts	379	–	379	–	162	18	–	180	–	–
Earthmoving Equipment	1,34,706	–	15,858	1,18,848	72,671	18,119	–	8,892	81,898	36,950
Motor vehicles	88,694	–	6,819	81,875	50,324	11,687	–	3,579	58,432	23,443
Plant and Machinery	1,69,347	–	11,902	1,57,445	65,747	15,382	–	5,801	75,328	82,117
Wind Mills	7,821	–	–	7,821	2,937	734	–	–	3,671	4,150
Computers	36,556	–	1,418	35,138	24,078	6,356	–	1,222	29,212	5,926
Furniture and fixtures	8,255	–	28	8,227	3,304	838	–	15	4,127	4,100
(B)	**4,45,758**	**–**	**36,404**	**4,09,354**	**2,19,223**	**53,134**	**–**	**19,689**	**2,52,668**	**1,56,686**
Total for Property, Plant and Equipment (C) = (A+B)	**4,82,531**	**3**	**36,445**	**4,46,089**	**2,26,911**	**55,488**	**–**	**19,722**	**2,62,677**	**1,83,412**

* Buildings includes ₹3,895 Lacs (Net book value of ₹3,707 Lacs) in respect of which conveyance is pending. These immovable properties were transferred to the Company pursuant to BTA (Refer Note No. 63).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND

for the year ended March 31st, 2022

11. Property, Plant and Equipment *(Continued)*

(₹ in Lacs)

Particulars	Gross block					Depreciation/amortisation/ impairment						Net book value
	As at April 1st, 2020	Additions	Adjustment**	Disposals	As at March 31st, 2021	As at April 1st, 2020	Depreciation/ amortisation Charge	Impairment Charge	Adjustment	Disposals	As at March 31st, 2021	As at March 31st, 2021
Assets for Own use												
Land - Freehold	16,060	–	(12,753)	–	3,307	–	–	–	–	–	–	3,307
Buildings***	5,481	–	(1,445)	63	3,973	43	77	–	–	1	119	3,854
Furniture and fixtures	3,165	16	14	4	3,191	737	584	–	2	2	1,321	1,870
Plant and Machinery	22,474	–	–	–	22,474	3,069	1,023	–	–	–	4,092	18,382
Motor vehicles	380	–	30	8	402	126	73	–	30	8	221	181
Leasehold Improvements	2,324	–	–	–	2,324	328	638	–	–	–	966	1,358
Computers and office equipment	1,090	12	6	6	1,102	810	145	–	20	6	969	133
(A)	**50,974**	**28**	**(14,148)**	**81**	**36,773**	**5,113**	**2,540**	**–**	**52**	**17**	**7,688**	**29,085**
Assets given on operating lease												
Aircrafts	379	–	–	–	379	122	40	–	–	–	162	217
Earthmoving Equipment	1,53,954	–	–	19,248	1,34,706	61,809	21,960	–	–	11,098	72,671	62,035
Motor vehicles	97,157	–	–	8,463	88,694	43,183	13,465	–	–	6,324	50,324	38,370
Plant and Machinery	1,74,172	212	–	5,037	1,69,347	43,530	17,570	7,276	–	2,629	65,747	1,03,600
Wind Mills	9,968	–	–	2,147	7,821	2,869	812	–	–	744	2,937	4,884
Computers	40,452	–	–	3,896	36,556	20,196	7,040	–	–	3,158	24,078	12,478
Furniture and fixtures	9,229	–	–	974	8,255	2,889	1,020	–	–	605	3,304	4,951
(B)	**4,85,311**	**212**	**–**	**39,765**	**4,45,758**	**1,74,598**	**61,907**	**7,276**	**–**	**24,558**	**2,19,223**	**2,26,535**
Total for Property, Plant and Equipment (C)= (A+B)	**5,36,285**	**240**	**(14,148)**	**39,846**	**4,82,531**	**1,79,711**	**64,447**	**7,276**	**52**	**24,575**	**2,26,911**	**2,55,620**

** Gross Block of Freehold Land and Building amounting to ₹12,753 Lacs and ₹1,447 Lacs has been transferred to assets acquired in satisfaction of debt.

*** Buildings includes ₹3,895 Lacs (Net book value of ₹3,782 Lacs) in respect of which conveyance is pending. These immovable properties were transferred to the Company pursuant to BTA (Refer Note No. 63).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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12. Leases

a) In the capacity of Lessee

The Company has taken various premises (offices and yards) under lease. Generally, the lease agreements provide for cancellation by either party and contain clause for escalation and renewal of agreements.

Following are the changes in the carrying value of right-of-use assets for the year ended March 31st, 2022:

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Opening Balance	1,069	1,210
Addition	817	860
Deletion	666	510
Depreciation	508	491
Closing Balance	**712**	**1,069**

The aggregate depreciation expense on right-of-use assets is included under Depreciation, Amortisation and Impairment expense in the Statement of Profit and Loss.

The following is the movement in lease liabilities during the year ended March 31st, 2022:

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Opening Balance	1,142	1,292
Addition	817	762
Deletion	670	537
Finance cost accrued during the year	132	173
Payment of lease liabilities	593	548
Closing Balance	**828**	**1,142**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31st, 2022 on an undiscounted basis:

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Less than one year	387	502
One to five years	505	818
More than five years	–	17
Total	**892**	**1,337**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases is ₹172 Lacs for the year ended March 31st, 2022 (₹1,846 Lacs for the year ended March 31st, 2021).

b) In the capacity of Lessor (Operating lease)

The Company has given assets on operating lease arrangements (refer Note No. 11) for periods ranging between 1 to 15 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognized as income in the Statement of Profit and Loss for the year ended March 31st, 2022 is amounting to ₹566 Lacs (As at March 31st, 2021 : ₹253 Lacs).

The future minimum lease receivables in respect of non-cancellable operating leases are as follows:

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Not later than one year	52,414	86,057
Later than one year but not later than five years	14,012	48,348
Later than five years	–	8
Total	**66,426**	**1,34,413**

13. Other Intangible Assets

(₹ in Lacs)

Particulars	Gross block				Depreciation/amortisation/ impairment				Net book value	
	As at April 1st, 2021	Additions	Disposals and other adjustments	As at March 31st, 2022	As at April 1st, 2021	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2022	As at March 31st, 2022
Assets for Own use										
Softwares	3,200	–	–	3,200	2,047	317	–	–	2,364	836
(A)	**3,200**	**–**	**–**	**3,200**	**2,047**	**317**	**–**	**–**	**2,364**	**836**
Assets given on operating lease										
Softwares	614	–	60	554	594	18	–	60	552	2
(B)	**614**	**–**	**60**	**554**	**594**	**18**	**–**	**60**	**552**	**2**
Total for Other Intangible assets (A+B)	**3,814**	**–**	**60**	**3,754**	**2,641**	**335**	**–**	**60**	**2,916**	**838**

(₹ in Lacs)

Particulars	Gross block				Depreciation/amortisation/ impairment				Net book value	
	As at April 1st, 2020	Additions	Disposals and other adjustments	As at March 31st, 2021	As at April 1st, 2020	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2021	As at March 31st, 2021
Assets for Own use										
Softwares	2,050	1,150	–	3,200	1,671	376	–	–	2,047	1,153
(A)	**2,050**	**1,150**	**–**	**3,200**	**1,671**	**376**	**–**	**–**	**2,047**	**1,153**
Assets given on operating lease										
Softwares	682	–	68	614	616	46	–	68	594	20
(B)	**682**	**–**	**68**	**614**	**616**	**46**	**–**	**68**	**594**	**20**
Total for Other Intangible assets (A+B)	**2,732**	**1,150**	**68**	**3,814**	**2,287**	**422**	**–**	**68**	**2,641**	**1,173**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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14. Other Non-Financial Assets

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Capital Advances	33	11
Repossessed Assets and Assets acquired in satisfaction of debt*	36,127	38,399
Advance to Vendors	451	1,937
Advances to Employees	29	55
Amount Lying in Trust Account **	–	5,024
Balances with Service Tax/VAT/GST authorities	1,410	2,467
Others	307	127
Total	**38,357**	**48,020**

* Includes repossessed assets amounting to ₹17,917 Lacs (March 31st, 2021: ₹19,919 Lacs) and also includes assets/collaterals acquired in satisfaction of debt amounting to ₹18,210 Lacs (March 31st, 2021: ₹18,480 Lacs)

** Amount lying in Trust Account for Cash Collateral against Collateralised Borrowings.

15. Payables

I Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 65)

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
a) The principal amount and interest due thereon remaining unpaid to any supplier #	175	–
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day	–	–
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	–	–
d) The amount of interest accrued and remaining unpaid	–	–
e) The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–
Total	**175**	**–**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available.

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. No interest was payable till the insolvency commencement date i.e. October 8th, 2021 and post CIRP the Company has not provided for any interest.

(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note No. 65)

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Due to others		
Other than Acceptance	6,243	8,875
Total	**6,243**	**8,875**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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15. Payables *(Continued)*

Trade Payables ageing schedule as at March 31st, 2022 : (₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	175	–	–	–	175
(ii) Others	3,244	892	583	472	5,191
(iii) Disputed dues - MSMEs	–	–	–	–	–
(iv) Disputed dues - Others	138	233	433	248	1,052
Total	**3,557**	**1,125**	**1,016**	**720**	**6,418**

Trade Payables ageing schedule as at March 31st, 2021 : (₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	–	–	–	–	–
(ii) Others	5,040	1,070	1,440	575	8,125
(iii) Disputed dues - MSMEs	–	–	–	–	–
(iv) Disputed dues - Others	79	110	498	63	750
Total	**5,119**	**1,180**	**1,938**	**638**	**8,875**

16. Debt Securities

(₹ in Lacs)

Particulars	As at March 31st, 2022				As at March 31st, 2021			
	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
Secured (Refer Note No. 65 and 74)								
Non-convertible debentures (Refer Note No. 16.1)	2,55,503	–	–	2,55,503	2,40,281	–	–	2,40,281
Long-Term Infrastructure Bond (Refer Note No. 16.2)	4,049	–	–	4,049	3,867	–	–	3,867
Total	**2,59,552**	–	–	**2,59,552**	**2,44,148**	–	–	**2,44,148**
Debt securities in India	2,59,552	–	–	2,59,552	2,44,148	–	–	2,44,148
Debt securities outside India	–	–	–	–	–	–	–	–
Total	**2,59,552**	–	–	**2,59,552**	**2,44,148**	–	–	**2,44,148**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

16.1 Secured Non-Convertible Debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) ## As at March 31st, 2022 (Refer Note No. 1.2, 63, 64, 65 & 66)	Amount outstanding (₹ in Lacs) ## As at March 31st, 2021 (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021)	Interest rate (%) *	Earliest redemption date/Balance tenure (years)
Private Placement:					
18 January, 2018	10,00,000	1,000	1,000	11.00%	18 January, 2028
20 December, 2016	10,00,000	1,000	1,000	11.00%	20 December, 2026
26 March, 2018	10,00,000	1,650	1,650	11.00%	26 March, 2025
09 December, 2014	10,00,000	1,900	1,900	12.05%	09 December, 2024
03 October, 2017	10,00,000	600	600	10.99%	03 October, 2024
15 September, 2017	10,00,000	2,350	2,350	10.50%	15 September, 2024
22 June, 2017	10,00,000	2,000	2,000	11.23%	22 June, 2024
20 June, 2014 $$	10,00,000	1,000	1,000	12.90%	20 June, 2024
13 June, 2014 $$	10,00,000	1,000	1,000	12.92%	13 June, 2024
10 June, 2014	10,00,000	1,000	1,000	13.40%	10 June, 2024
31 May, 2017	10,00,000	1,000	1,000	11.32%	31 May, 2024
26 May, 2017	10,00,000	2,000	2,000	11.45%	26 May, 2024
30 January, 2019	10,00,000	30,000	30,000	12.50%	30 January, 2024
02 December, 2016	10,00,000	500	500	11.00%	02 December, 2023
29 November, 2013	10,00,000	450	450	13.10%	29 November, 2023
04 April, 2018	10,00,000	1,400	1,400	10.30%	04 April, 2023
14 March, 2018	10,00,000	500	500	10.30%	14 March, 2023
24 January, 2013	10,00,000	110	110	13.50%	24 January, 2023
05 October, 2012	10,00,000	2,000	2,000	13.35%	05 October, 2022
31 July, 2012	10,00,000	130	130	13.40%	31 July, 2022
8 June 2012 $	10,00,000	70	70	13.40%	08 June, 2022
29 October, 2011	10,00,000	3,000	3,000	13.90%	29 October, 2021
06 October, 2016	10,00,000	500	500	11.95%	06 October, 2021
09 September, 2011	10,00,000	1,000	1,000	13.90%	09 September, 2021
Public Issue:					
11 May, 2015 #	1,000	3,215	3,215	12.25%-12.50%	7 years
17 January, 2017 #	1,000	33,842	33,842	11.11%-11.76%	5 years
25 May 2018	1,000	41,598	41,598	10.75%-11.61%	3 - 10 years
24 January 2019	1,000	14,005	14,005	11.81%-12.78%	3 - 5 years
06 October 2016	1,000	15,585	15,585	11.60%-12.00%	5 years
27 February 2017	1,000	17,547	17,547	11.12%-11.75%	5 years
16 March 2018	1,000	27,110	27,110	10.65%-11.25%	5 years
15 May 2019	1,000	9,363	9,363	12.05%-13.00%	3 - 5 years
Total		**2,18,425**	**2,18,425**		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

* Includes penal interest

Does not include effective interest rate adjustment ₹Nil (March 31st, 2021: ₹1,586 Lacs), Interest Accrued and not due ₹Nil (March 31st, 2021: ₹13,112 Lacs), discounting on face value impact of ₹Nil (March 31st, 2021: ₹3 Lacs) and overdue interest ₹37,078 Lacs (March 31st, 2021: ₹10,333 Lacs).

Security: (Refer Note No. 73 and 74)

$ The Secured Non-Convertible Debentures are secured by way of pari-passu charge on immovable properties at West Bengal.

$$ The Secured Non-Convertible Debentures are secured by way of pari-passu charge on the Company's immovable properties located at West Bengal and exclusive & specific charge on the identified receivables of the Company.

The public issue of Secured Non-Convertible Debentures are secured by way of pari-passu charge on the Company's immovable properties located at Tamil Nadu and exclusive and/or specific charge on specific receivables/assets of the Company.

All the above Non-Convertible Debentures except those marked #,$,$$ are secured by way of pari-passu charge on immovable properties and/or exclusive first charge on the specific receivables/assets of the Company.

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16.2 Long-Term Infrastructure Bond

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) *** As at March 31st, 2022 (Refer Note No. 1.2, 63, 64, 65 & 66)	Amount outstanding (₹ in Lacs) *** As at March 31st, 2021 (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021)	Interest rate (%) **	Earliest redemption date
Thursday, March 22, 2012	1,000	967	967	11.15%	Monday, March 22, 2027
Thursday, March 22, 2012	1,000	1,055	1,055	10.90%	Tuesday, March 22, 2022
Total		**2,022**	**2,022**		

The above debentures are redeemable at par in single instalment.

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

** Includes penal interest

*** Does not include Interest Accrued and not due ₹Nil (March 31st, 2021: ₹1,799 Lacs) and overdue interest ₹2,027 Lacs (March 31st, 2021: ₹46 Lacs).

Security : Long-term infrastructure bonds are secured by way of pari-passu mortgage/charge on immovable properties located at West Bengal and exclusive charge on specific receivables of the Company.

17. Borrowings (Other than Debt Securities)

(₹ in Lacs)

Particulars	As at March 31st, 2022				As at March 31st, 2021			
	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value Through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
SECURED (Refer Note No. 74)								
(a) Term Loans (Refer Note No. 17.1 and 65)								
(i) From Banks								
Rupee loans	2,19,716	–	–	2,19,716	2,09,517	–	–	2,09,517
Foreign currency loans	95,196	–	–	95,196	90,278	–	–	90,278
(ii) From Others								
Rupee loans	2,07,630	–	–	2,07,630	1,54,448	–	–	1,54,448
Foreign currency loans	74,778	–	–	74,778	1,14,605	–	–	1,14,605
(b) Working capital facilities (Refer Note No. 17.2 and 65)								
(i) From Banks								
Rupee loans	19,99,378	–	–	19,99,378	19,61,033	–	–	19,61,033
(c) Collateralised Borrowings (Refer Note No. 17.3)	13,993	–	–	13,993	40,451	–	–	40,451
UNSECURED								
(a) Term Loans (Refer Note No. 17.4 and 65)								
(i) From Banks								
Foreign currency loans	31,765	–	–	31,765	30,582	–	–	30,582
(ii) From Others								
Foreign currency loans	25,178	–	–	25,178	23,933	–	–	23,933
(b) Deferred payment liabilities (Refer Note No. 17.5 and 65)	9,123	–		9,123	22,601	–	–	22,601
(c) Inter corporate deposit (Refer Note No. 17.6 and 65)	106	–	–	106	105	–	–	105
Total	**26,76,863**	**–**	**–**	**26,76,863**	**26,47,553**	**–**	**–**	**26,47,553**
Borrowings in India	24,49,946	–	–	24,49,946	24,31,607	–	–	24,31,607
Borrowings outside India	226,917	–	–	2,26,917	2,15,946	–	–	2,15,946
Total	**26,76,863**	**–**	**–**	**26,76,863**	**26,47,553**	**–**	**–**	**26,47,553**

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17.1 Secured Term Loans

Particulars	Outstanding (₹ in Lacs)		Repayment terms (Refer Note No. 1.2, 63, 64, 65 & 66) (₹ in Lacs)				Balance tenure (years)	Rate of Interest per annum	Nature of security (Refer Note No. 74)
	As at March 31st, 2022	Overdue @	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans From Banks	2,19,716	2,19,716	–	–	–	–	0 - 4	8%-19%	Hypothecation of specific assets covered by hypothecation loan agreements and/or lease agreements with customers and/or receivables arising there from.
From Financial institutions	2,07,630	2,07,630	–	–	–	–	0 - 3	8%-16%	
Total	**4,27,346**	**4,27,346**	–	–	–	–			
Foreign currency term loans From Banks	95,196	95,196	–	–	–	–	1 - 3	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and/or receivables arising there from.
From Financial institutions	74,778	74,778	–	–	–	–	0 - 7	5%-12%	
Total	**1,69,974**	**1,69,974**	–	–	–	–			

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

Does not include effective interest rate adjustment and Interest Accrued and not due ₹Nil.

@ It includes interest overdue.

Particulars	Outstanding (₹ in Lacs)		Repayment terms (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021) (₹ in Lacs)				Balance tenure (years)	Rate of Interest per annum	Nature of security (Refer Note No. 74)
	As at March 31st, 2021	Overdue @@	Monthly	Quarterly	Half yearly	Single instalment			
Rupee term loans From banks **	2,09,604	64,734	7,087	1,37,783	–	–	0 - 5	8%-13%	Hypothecation of specific assets covered by hypothecation loan agreements and/or lease agreements with customers and/or receivables arising there from.
From financial institutions ***	1,54,110	24,651	50	57,375	72,034	–	0 - 4	8%-13%	
Total	**3,63,714**	**89,385**	**7,137**	**1,95,158**	**72,034**	–			
Foreign currency term loans From banks #	90,557	1,569	–	–	88,988	–	2 - 4	<10%	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and/or receivables arising there from.
From financial Institutions ##	1,14,687	15,680	–	–	89,869	9,138	0 - 8	<10%	
Total	**2,05,244**	**17,249**	–	–	**1,78,857**	**9,138**			

** Does not include effective interest rate adjustment ₹199 Lacs and Interest Accrued and not due ₹112 Lacs.

*** Does not include effective interest rate adjustment ₹13 Lacs and Interest Accrued and not due ₹351 Lacs.

Does not include effective interest rate adjustment ₹879 Lacs and Interest Accrued and not due ₹600 Lacs.

Does not include effective interest rate adjustment ₹592 Lacs and Interest Accrued and not due ₹510 Lacs.

@@ It also includes interest overdue.

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17.2 Secured Working capital facilities (Refer Note No. 1.2, 63, 64, 65 & 66 and for previous year refer note no. 53 to the Financial Statements for the year ended March 31st, 2021)

Working capital facilities (earmarked against cash credit limits) from banks are secured by hypothecation of underlying assets covered by respective hypothecation loan agreements and lease agreements with customers and receivables arising therefrom ranking pari-passu (excluding assets specifically charged to others) (Refer Note No. 74). Further collateral security in the form of fixed deposits amounting to ₹38 Lacs (March 31st, 2021: ₹35 Lacs) is also given on behalf of the consortium.

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

a) As at March 31st, 2022, Working capital facilities from banks include Working capital demand loans (WCDL) aggregating to ₹6,85,517 Lacs (March 31st, 2021: ₹6,56,526 Lacs). Does not include Interest accrued and not due ₹Nil (March 31st, 2021 : ₹46 Lacs). Rate of interest for WCDL ranges from 8% to 19% per annum (March 31st, 2021 : from 7% to 14% per annum). The above WCDL includes principal and interest overdue.

b) As at March 31st, 2022, Working capital facilities from banks includes Funded Interest Term Loan (FITL) ₹81,506 lacs (March 31st, 2021: ₹94,027 Lacs). Does not include Interest accrued and not due ₹Nil (March 31st, 2021 : ₹Nil). Rate of interest for FITL ranges from 9% to 19% per annum (March 31st, 2021 : from 7% to 16% per annum). The above FITL amount includes principal and interest overdue.

c) As at March 31st, 2022, for other working capital facilities (Cash credit) aggregating to ₹12,32,355 Lacs (March 31st, 2021: ₹12,10,434 lLacs) includes overdue interest, rate of interest ranges from 9% to 18% per annum (March 31st, 2021 : from 8% to 14% per annum).

17.3 Secured Collateralised Borrowings

Particulars	Outstanding (₹ in Lacs)	Repayment terms (₹ in Lacs)				Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at March 31st, 2022	Overdue @#	Monthly	Quarterly	Single instalment			
Collateralised Borrowings	14,212	750	10,834	2,628	–	0-4	8%-13%	This represents amount against assignment of future lease rentals.
Total	**14,212**	**750**	**10,834**	**2,628**	–			

Does not include effective interest rate adjustment ₹321 Lacs and Interest accrued and not due ₹102 Lacs.

@ It also includes interest overdue.

The overdue is due to outstanding receivables from the customers.

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021) (₹ in Lacs)				Balance tenure (years)	Rate of Interest per annum	Nature of security
	As at March 31st, 2021	Overdue @#	Monthly	Quarterly	Single instalment			
Collateralised Borrowings	41,032	5,919	29,063	6,050	–	0-5	7%-13%	This represent amount received against securitisation of hypothecation loan, which does not qualify for derecognition, and assignment of future lease rentals.
Total	**41,032**	**5,919**	**29,063**	**6,050**	–			

Does not include effective interest rate adjustment ₹821 Lacs and Interest accrued and not due ₹240 Lacs.

@ It also includes interest overdue.

The overdue is due to outstanding receivables from the customers.

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17.4 Unsecured term loans

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 1.2, 63, 64, 65 & 66) (₹ in Lacs)				Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2022	Overdue @	Quarterly	Half yearly	Yearly		
Foreign currency term loan from bank	31,765	31,765	–	–	–	4-7	<10%
Foreign currency term loan from financial Institutions	25,178	25,178	–	–	–	0-6	<10%
Total	56,943	56,943	–	–	–		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

Does not include effective interest rate adjustment ₹Nil and Interest accrued and not due ₹Nil.

@ It also includes interest overdue.

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021) (₹ in Lacs)				Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2021	Overdue @	Quarterly	Half yearly	Yearly		
Foreign currency term loan from bank *	30,972	1,076	–	29,896	–	5-8	<10%
Foreign currency term loan from financial Institutions **	24,123	5,377	8,773	9,973	–	0-7	<10%
Total	**55,095**	**6,453**	**8,773**	**39,869**	–		

* Does not include effective interest rate adjustment ₹544 Lacs and Interest accrued and not due ₹154 Lacs.

** Does not include effective interest rate adjustment ₹300 Lacs and Interest accrued and not due ₹110 Lacs.

@ It also includes interest overdue.

17.5 Unsecured Deferred payment liabilities

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 1.2, 64, 65 & 66) (₹ in Lacs)					Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2022	Overdue @	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities	9,123	9,123	–	–	–	–	0-2	0%-10%
Total	**9,123**	**9,123**	–	–	–	–		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

@ It also includes interest overdue.

Particulars	Outstanding (₹ in Lacs)	Repayment terms (₹ in Lacs)					Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2021	Overdue @	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities	22,601	8,450	14,151	–	–	–	0-3	0%-10%
Total	**22,601**	**8,450**	**14,151**	–	–	–		

@ It also includes interest overdue.

17.6 Inter-corporate deposits

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 1.2, 64, 65 & 66) (₹ in Lacs)					Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2022	Overdue	Monthly	Quarterly	Half yearly	Single instalment		
Inter-corporate deposits	106	106	–	–	–	–	0-1	7%
Total	**106**	**106**	–	–	–	–		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

Does not includes Interest accrued and not due ₹Nil.

Particulars	Outstanding (₹ in Lacs)	Repayment terms (₹ in Lacs)					Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2021	Overdue	Monthly	Quarterly	Half yearly	Single instalment		
Inter-corporate deposits	100	–	–	–	–	100	0-1	7%
Total	**100**	–	–	–	–	**100**		

Does not includes Interest accrued and not due ₹5 Lacs.

18. Subordinated Liabilities

(₹ in Lacs)

Particulars	As at March 31st, 2022				As at March 31st, 2021			
	Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Designated at fair value through profit or loss	Total
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(1)	(2)	(3)	(4)=(1)+(2)+(3)
UNSECURED								
Subordinated perpetual debentures (Tier I Capital) (Refer Note No. 18.1 and 65)	15,015	–	–	15,015	14,193	–	–	14,193
Rupee subordinated loans (Tier II Capital) (Refer Note No. 18.2 and 65)	16,825	–	–	16,825	16,634	–	–	16,634
Subordinated redeemable non convertible debentures (Tier II Capital) (Refer Note No. 18.3 and 65)	2,29,741	–	–	2,29,741	2,14,704	–	–	2,14,704
Total	**2,61,581**	–	–	**2,61,581**	**2,45,531**	–	–	**2,45,531**
Subordinated Liabilities in India	2,61,581	–	–	2,61,581	2,45,531	–	–	2,45,531
Subordinated Liabilities outside India	–	–	–	–	–	–	–	–
Total	**2,61,581**	–	–	**2,61,581**	**2,45,531**	–	–	**2,45,531**

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18.1 Unsecured subordinated perpetual debentures (Tier I Capital) *

During the year ended March 31st, 2022, the Company raised Unsecured subordinated perpetual debentures amounting ₹Nil (March 31st, 2021 : ₹Nil). As at March 31st, 2022, the amount of principal outstanding in respect of unsecured subordinated perpetual debentures is ₹13,750 Lacs (March 31st, 2021 : ₹13,750 Lacs). These perpetual debentures have call option as per contractual terms which is exercisable with prior approval of RBI. These perpetual debentures have a step up coupon rate of 100 basis points per annum for subsequent years, if Call Option is not exercised by the Company at the end of 10th year from the date of allotment.

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lacs)		Interest rate (%) ***	Earliest call option date
		As at March 31st, 2022 (Refer Note No. 1.2, 63, 64, 65 & 66)	As at March 31st, 2021 (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021)		
13 December, 2018	10,00,000	10,000	10,000	13.00%	13 December, 2028
30 December, 2011 **	10,00,000	3,750	3,750	14.50%	30 December, 2021
Total	**13,750**	**13,750**			

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

* Does not include effective interest rate adjustment ₹Nil (March 31st, 2021: ₹4 Lacs), Interest accrued and not due ₹Nil (March 31st, 2021: ₹447 Lacs) and overdue interest ₹1,265 Lacs (March 31st, 2021: ₹Nil).

** CIRP has been initiated against the Company, as stated in Note No. 1.2 and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8th, 2021 (i.e. date of commencement of CIRP). Considering the same, the Company has not able to exercise Call Option at the end of 10th year from the date of allotment.

*** Includes penal interest

18.2 Unsecured Rupee subordinated loans (Tier II Capital)

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 1.2, 63, 64, 65 & 66) (₹in Lacs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2022	Overdue @	Quarterly	Single instalment		
Rupee Subordinated term loans (Tier II Capital) *	16,825	16,825	–	–	0 - 1	10%-11%
Total	**16,825**	**16,825**	–	–		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.

* Does not include effective interest rate adjustment ₹Nil and interest accrued and not due ₹Nil.

@ It also includes interest overdue.

Particulars	Outstanding (₹ in Lacs)	Repayment terms (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021) (₹in Lacs)			Balance tenure (years)	Rate of Interest per annum
	As at March 31st, 2021	Overdue @	Quarterly	Single instalment		
Rupee Subordinated term loans (Tier II Capital)	16,631	1,631	–	15,000	0 - 2	10%-11%
Total	**16,631**	**1,631**	–	**15,000**		

Does not include effective interest rate adjustment ₹41 Lacs and interest accrued and not due ₹44 Lacs.

@ It also includes interest overdue.

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18.3 Unsecured subordinated redeemable non-convertible debentures (Tier II Capital)

During the year ended March 31st, 2022, the Company raised subordinated redeemable non-convertible debentures qualifying for Tier II Capital amounting ₹Nil (March 31st, 2021 ₹Nil). The following table sets forth, outstanding as at the Balance Sheet date:

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) # As at March 31st, 2022 (Refer Note No. 1.2, 63, 64, 65 & 66)	Amount outstanding (₹ in Lacs) # As at March 31st, 2021 (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021)	Interest rate (%) *	Earliest redemption date/Balance tenure (years)
Private Placement:					
10 October, 2018	10,00,000	500	500	12.25%	10 October, 2028
23 June, 2017	10,00,000	4,500	4,500	11.00%	23 June, 2027
30 March, 2017	10,00,000	5,000	5,000	12.25%	30 March, 2027
04 November, 2016	10,00,000	1,000	1,000	11.85%	04 November, 2026
07 October, 2016	10,00,000	4,000	4,000	12.75%	07 October, 2026
04 October, 2016	10,00,000	1,500	1,500	12.75%	04 October, 2026
24 August, 2016	10,00,000	3,000	3,000	11.50%	24 August, 2026
26 May, 2016	10,00,000	350	350	12.25%	26 May, 2026
25 May, 2016	10,00,000	2,000	2,000	12.75%	25 May, 2026
31 March, 2016	10,00,000	2,000	2,000	12.00%	31 March, 2026
18 March, 2016	10,00,000	500	500	12.70%	18 March, 2026
05 February, 2016	10,00,000	500	500	12.60%	05 February, 2026
20 January, 2016	10,00,000	500	500	12.60%	20 January, 2026
11 January, 2016	10,00,000	1,500	1,500	12.60%	11 January, 2026
24 September, 2015	10,00,000	500	500	12.50%	24 September, 2025
20 August, 2015	10,00,000	1,000	1,000	12.50%	20 August, 2025
13 August, 2015	10,00,000	15,000	15,000	12.75%	13 August, 2025
16 March, 2015	10,00,000	500	500	13.00%	16 March, 2025
01 March, 2017	10,00,000	500	500	12.40%	01 June, 2024
03 July, 2018	10,00,000	5,000	5,000	12.25%	03 May, 2024
25 October, 2016	10,00,000	5,000	5,000	11.80%	25 April, 2024
10 March, 2017	10,00,000	7,500	7,500	12.95%	10 March, 2024
17 July, 2013	10,00,000	2,300	2,300	12.75%	17 July, 2023
29 June, 2013	10,00,000	3,540	3,540	12.75%	29 June, 2023
07 May, 2013	10,00,000	2,080	2,080	13.25%	07 May, 2023
24 September, 2015	10,00,000	1,200	1,200	12.40%	24 April, 2023
29 March, 2016	10,00,000	200	200	12.70%	29 March, 2023
28 March, 2013	10,00,000	1,650	1,650	13.25%	28 March, 2023
01 March, 2013	10,00,000	1,750	1,750	13.25%	01 March, 2023
28 January, 2013	10,00,000	700	700	13.80%	28 January, 2023
24 January, 2013	10,00,000	900	900	13.25%	24 January, 2023
24 January, 2013	10,00,000	6,070	6,070	13.80%	24 January, 2023
16 January, 2013	10,00,000	250	250	13.70%	16 January, 2023
16 January, 2013	10,00,000	7,000	7,000	13.85%	16 January, 2023
17 December, 2012	10,00,000	1,700	1,700	13.50%	17 December, 2022
31 October, 2012	10,00,000	490	490	13.70%	31 October, 2022
18 October, 2012	10,00,000	1,060	1,060	13.70%	18 October, 2022

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18.3 Unsecured subordinated redeemable non-convertible debentures (Tier II Capital) *(Continued)*

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lacs) #		Interest rate (%) *	Earliest redemption date/Balance tenure (years)
		As at March 31st, 2022 (Refer Note No. 1.2, 63, 64, 65 & 66)	As at March 31st, 2021 (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021)		
28 September, 2012	10,00,000	2,890	2,890	13.70%	28 September, 2022
13 August, 2015	10,00,000	5,000	5,000	12.75%	13 August, 2022
31 July, 2012	1,00,000	1,206	1,206	13.50%	31 July, 2022
09 March, 2017	10,00,000	500	500	12.18%	09 June, 2022
01 June, 2012	1,00,000	1,130	1,130	13.50%	01 June, 2022
30 March, 2012	10,00,000	10,000	10,000	13.40%	30 March, 2022
12 January, 2012	1,00,000	8,410	8,410	13.90%	12 January, 2022
11 January, 2012	1,00,000	6,600	6,600	13.90%	11 January, 2022
23 December, 2011	1,00,000	6,905	6,905	13.90%	23 December, 2021
01 February, 2016	10,00,000	700	700	12.15%	01 May, 2021
24 September, 2015	10,00,000	2,360	2,360	12.30%	24 April, 2021
Public Issue:					
24 January, 2019	1,000	1,428	1,428	12.75%-13.00%	10 years
08 August, 2017	1,000	56,199	56,199	11.25%-11.70%	5 - 10 years
16 March, 2018	1,000	2,702	2,702	11.12%-11.75%	10 years
Total		**1,98,770**	**1,98,770**		

All the above debentures are redeemable at par in single instalment.
Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.
* Includes penal interest
# Does not include effective interest rate adjustment ₹Nil (March 31st, 2021: ₹1,941 Lacs), Interest Accrued and not due ₹Nil (March 31st, 2021: ₹9,814 Lacs), discounting on face value impact of ₹Nil (March 31st, 2021: ₹122 Lacs) and overdue interest ₹30,971 Lacs (March 31st, 2021: ₹8,183 Lacs).

19. Other Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Trade deposits received	11,784	15,384
Advance From Operating Lease customer	2,065	1,913
Payable to Employees	1,306	999
Liability for Operating Expenses	2,949	4,252
Financial Guarantee Contract Liability	85	110
Unclaimed debentures and interest accrued thereon (Refer Note No. 75)	333	361
Others	150	–
Total	**18,672**	**23,019**

20. Current Tax Liabilities (Net)

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Current Tax Liabilities [net of advance income tax of ₹23,959 Lacs (March 31st, 2021 : ₹24,274 Lacs)	13,652	13,337
Total	**13,652**	**13,337**

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21. Provisions

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Provision for Gratuity	338	298
Provision for compensated absence	438	945
Others		
Provision against disputed statutory dues under litigation (Refer Note No. 70)	15,001	199
Total	**15,777**	**1,442**

22. Other Non-Financial Liabilities

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Pre-received amount for lease contracts	290	1,473
Interest Capitalisation Account	1,495	1,891
Statutory dues payable	2,483	4,776
Total	**4,268**	**8,140**

23. Equity Share Capital

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Authorised		
Equity shares, ₹10/- face value		
50,00,00,000 (March 31st, 2021 : 50,00,00,000) Equity shares	50,000	50,000
Preference shares, ₹100/- face value		
5,00,00,000 (March 31st, 2021 : 5,00,00,000) Preference shares	50,000	50,000
	100,000	**100,000**
Issued, Subscribed and fully paid-up		
Equity shares, ₹10/- face value		
7,90,16,415 (March 31st, 2021 : 7,90,16,415) Equity shares	7,902	7,902
Total	**7,902**	**7,902**

23.1.1 Reconciliation of the number of Equity Shares outstanding

The reconciliation of the number of Equity Shares outstanding and the corresponding amount thereof as at the Balance Sheet date is set out below:

Equity Shares	As at March 31st, 2022		As at March 31st, 2021	
	No. of Shares	₹ in Lacs	No. of Shares	₹ in Lacs
At the beginning of the year	7,90,16,415	7,902	7,90,16,415	7,902
Add: Issued as fully paid during the year	–	–	–	–
At the end of the year	**7,90,16,415**	**7,902**	**7,90,16,415**	**7,902**

23.1.2 Rights, preferences and restrictions in respect of each class of shares

The Company's authorised capital consists of two classes of shares referred to as Equity Shares and Preference Shares having face value of ₹10/- each and ₹100/- each, respectively. Each holder of Equity Shares is entitled to one vote per share. Preference shareholders have a preferential right over equity shareholders, in respect of repayment of capital and payment of dividend. However, no such Preference Shares have been issued by the Company till date.

The Company declares and pays dividend in Indian rupees. The dividend, if any, proposed by Administrator Appointed Under IBC (Refer Note No. 1.2) is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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23.1.3 The details of shareholders holding more than 5% of the equity shares each:

Class of shares and names of shareholders	As at March 31st, 2022		As at March 31st, 2021	
Equity shares, ₹10/- face value	No. of Shares	% held	No. of Shares	% held
Srei Infrastructure Finance Limited (Holding Company)$	7,90,16,415	100	79,016,415	100

$ Including nominee shareholders

23.1.4 The details of shares held by promoters* as at March 31st, 2022:

Shares held by promoters at the end of the year

Promoter Name	No. of Shares**	% of total shares	% change during the year
Srei Infrastructure Finance Limited (Holding Company) $	7,90,16,415	100%	–

$ Including nominee shareholders

23.1.4A The details of shares held by promoters* as at March 31st, 2021:

Promoter Name	No. of Shares**	% of total shares	% change during the year
Srei Infrastructure Finance Limited (Holding Company) $	7,90,16,415	100%	–

$ Including nominee shareholders

* Promoter here means promoter as defined in the Companies Act, 2013

** Class of shares is Equity Shares, ₹10/- face value

23.1.5 Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.

In the financial year 2019-20, the Company had given the effect of the BTA (Refer Note No. 63) with its Holding Company, SIFL w.e.f. October 1st, 2019. Accordingly, the Company had allotted 1,93,56,415 equity shares of ₹10/- each to SIFL at a premium of ₹481/- per share thereby increasing the share capital by ₹1,936 Lacs and securities premium by ₹93,104 Lacs. The Company has not issued any shares without payment being received in cash from financial year 2016-17 to financial year 2018-19 and financial year 2020-21.

23.1.6 Refer Note No. 50 - “Capital Management” for the Company’s objectives, policies and processes for managing capital.

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24. Other Equity

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)		
Opening balance	40,822	40,822
Add: Transferred from Retained Earnings	–	–
Closing balance	**40,822**	**40,822**
Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)		
Opening balance	15,770	15,770
Add: Transferred from Retained Earnings	–	–
Closing balance	**15,770**	**15,770**
Capital Reserve		
Opening balance	2,403	2,403
Add/Less: Transferred from/to Retained earnings	–	–
Closing balance	**2,403**	**2,403**
Securities Premium		
Opening balance	1,97,084	1,97,084
Add: Received on issue of equity shares for the year	–	–
Closing balance	**1,97,084**	**1,97,084**
Debenture Redemption Reserve		
Opening balance	39,824	41,487
Add: Transferred from Retained Earnings	–	–
Less: Transferred to Retained Earnings on redemption	–	(1,663)
Closing balance	**39,824**	**39,824**
Retained Earnings		
Opening balance	(10,75,165)	84,256
Add: Profit/(Loss) after tax for the year	(277,292)	(7,13,611)
Add: Other Comprehensive Income (net of tax)	(42)	(9)
Amount available for appropriation	**(13,52,499)**	**(6,29,364)**
Appropriations:		
Less: Amount transferred to Impairment Reserve (Refer Note No. 62)	(1,22,999)	(4,47,464)
Add: Amount transferred from Debt Redemption Reserve on Redemption	–	1,663
Add: Amount transferred from Equity Instruments through Other Comprehensive Income	1,061	–
Closing balance	**(14,74,437)**	**(10,75,165)**
Impairment Reserve		
Opening balance	4,47,464	–
Add: Transferred from Retained Earnings (Refer Note No. 62)	1,22,999	4,47,464
Closing balance	**5,70,463**	**4,47,464**
Debt Instruments through Other Comprehensive Income		
Opening balance	1,158	2,518
Add: Addition/(Reduction) during the year	(210)	(1,360)
Closing balance	**948**	**1,158**
Equity Instruments through Other Comprehensive Income		
Opening balance	1,061	814
Add: Addition during the year	–	247
Less: Reclassified to Retained Earnings	(1,061)	–
Closing balance	**–**	**1,061**
Effective portion of Cash Flow Hedges		
Opening balance	(14)	(1,034)
Add: Addition during the year	14	1,020
Closing balance	**–**	**(14)**
Total	**(6,07,123)**	**(3,29,593)**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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24. Other Equity (continued)

Nature and purpose of Reserves

Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)

Every year the Company transfers a sum of not less than twenty percent of net profit after tax of that year as disclosed in the Statement of Profit and Loss to its Statutory Reserve pursuant to Section 45-IC of The Reserve Bank of India Act, 1934.The conditions and restrictions for distribution attached to Special Reserve is as follows:

No appropriation of any sum from the reserve fund shall be made by the Company except for the purpose as may be specified by the RBI from time to time and every such appropriation shall be reported to the RBI within twenty-one days from the date of such withdrawal. RBI may, in any particular case and for sufficient cause being shown, extend the period of twenty one days by such further period as it thinks fit or condone any delay in making such report.

Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)

This reserve has been created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961 and any withdrawal from same will be taxable as per provisions of the Income Tax Act, 1961.

Capital Reserve:

Pursuant to the scheme of arrangement (the Scheme) between BNP Paribas Lease Group (BPLG) and SIFL, approved by shareholders and sanctioned by Hon'ble High Court of Calcutta vide order of 28th January 2008, and further in the financial year 2019-20, the Company has given the effect of the BTA with its Holding Company, SIFL w.e.f. 1st October, 2019. The surplus, being the difference between the net book value of assets and liabilities taken over and shares issued as consideration has been accounted for as Capital Reserve in the books of the Company.

Securities Premium:

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve (DRR):

Pursuant to Section 71 of the Companies Act, 2013 and circular 04/2013, read with notification issued date June 19th, 2016 issued by Ministry of Corporate Affairs, the Company is required to transfer 25% of the value of the outstanding debentures issued through public issue as per the present SEBI (Issue and Listing of Debt Securities) Regulation, 2008 to DRR and no DRR is required in case of privately placed debenture.

As per the notification G.S.R. 574(E) dated August 16th, 2019, the Ministry of Corporate Affairs has amended the Companies (Share Capital & Debentures) Rules, DRR is not required for debentures issued by NBFCs regulated by Reserve Bank of India for both public as well as private placement debentures.

Retained Earnings:

This reserve represents the cumulative profits/(loss) of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

Impairment Reserve:

Impairment reserve created pursuant to paragraph 2 (b) of Annex to the guidelines DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 issued by RBI on Implementation of Indian Accounting Standards for Non-Banking Finance Companies and Asset Reconstruction Companies comprises of the excess provision as per Income Recognition, Asset classification and Provisioning norms (IRAC norms) as compared to the provision as per the ECL model adopted by the Company.

Debt Instruments through Other Comprehensive Income:

Debt instruments measured at Fair Value through Other Comprehensive Income (FVTOCI) are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Other net gains and losses on account of fair value changes are recognised in Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

Equity Instruments through Other Comprehensive Income:

This Reserve represents the cumulative gains (net of losses) arising on account of change in Fair Value of Equity Instruments measured at FVTOCI, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed off.

Effective portion of Cash Flow Hedges:

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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25. Interest Income

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022				For the year ended March 31st, 2021			
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans	2,458	2,48,026	2,789	2,53,273	5,969	2,76,382	617	2,82,968
Interest income from Investment	–	178	23	201	–	–	25	25
Interest on Fixed Deposits with Banks	–	1,421	–	1,421	–	4,955	–	4,955
Total	**2,458**	**2,49,625**	**2,812**	**2,54,895**	**5,969**	**2,81,337**	**642**	**2,87,948**

26. Net gain/ (loss) on fair value changes

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022			For the year ended March 31st, 2021		
	Net Gain	Net Loss	Total	Net Gain	Net Loss	Total
Net gain/ (loss) on financial instruments at fair value through profit or loss						
(i) Trading Portfolio						
– Derivatives	1,128	–	1,128	–	(10,500)	(10,500)
(ii) Others						
– Investments	–	(22,664)	(22,664)	–	(2,207)	(2,207)
– Loan	–	(12,999)	(12,999)	–	(23,594)	(23,594)
– Claims Receivable	7,014	–	7,014	–	(13,604)	(13,604)
Total Net gain/(loss) on fair value changes	**8,142**	**(35,663)**	**(27,521)**	**–**	**(49,905)**	**(49,905)**
Fair Value changes:						
– Realised	(507)	(4,457)	(4,964)	–	13,784	13,784
– Unrealised	8,649	(31,206)	(22,557)	–	(63,689)	(63,689)
Total Net gain/(loss) on fair value changes	**8,142**	**(35,663)**	**(27,521)**	**–**	**(49,905)**	**(49,905)**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

27. Others

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Liabilities no longer required written back	3,087	271
Income from joint controlled operation	1,913	1,889
Referral Income	49	68
Others	1,434	2,451
Total	**6,483**	**4,679**

28. Other Income

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Net gain or (loss) on foreign currency transaction and translation (other than considered as finance cost)	(1,074)	3,398
Others	284	1,508
Total	**(790)**	**4,906**

29. Finance Costs

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022 (Refer Note No. 66)			For the year ended March 31st, 2021		
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
Interest on Borrowings	–	1,84,789	1,84,789	–	2,81,336	2,81,336
Interest on Debt Securities	–	15,413	15,413	–	23,901	23,901
Interest on Subordinated Liabilities	–	16,051	16,051	–	25,874	25,874
Other Interest Expense	–	501	501	–	1,535	1,535
Total	**–**	**2,16,754**	**2,16,754**	**–**	**3,32,646**	**3,32,646**

30. Impairment on Financial Instruments (Net)

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022			For the year ended March 31st, 2021		
	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	Total	On Financial Instruments measured at fair value through OCI	On Financial Instruments measured at Amortised Cost	Total
Loans	(57)	2,14,870	2,14,813	(644)	5,42,291	5,41,647
Others	–	6,336	6,336	–	8,229	8,229
Total	**(57)**	**2,21,206**	**2,21,149**	**(644)**	**5,50,520**	**5,49,876**

31. Employee Benefits Expenses

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Salaries and Wages	10,217	11,833
Contribution to provident and other funds*	724	890
Staff Welfare Expenses	79	98
Total	**11,020**	**12,821**

* This includes amount expended under defined contribution plans of ₹570 Lacs (March 31st, 2021: ₹698 Lacs).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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32. Other Expenses

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Rates & Taxes	5,547	68
Rent	173	1,885
Electricity charges	250	319
Repairs and Maintenance – Machinery	1,764	1,910
– Others	890	1,393
Communication Costs	247	261
Printing and Stationery	66	67
Advertisement and Subscription	76	383
Director's fees, Allowances and Expenses	131	76
Auditor's Fees and Expenses (Refer Note No. 32.1)	357	293
Legal and Professional charges	3,497	5,399
Insurance	227	151
Travelling and Conveyance	1,252	1,412
Net loss on derecognition of Property, Plant and Equipment	7,413	5,657
Repossession Expenses	659	823
Corporate Social Responsibility Expenses (Refer Note No. 32.2)	–	648
Charity and Donations	–	5
Conference and Seminar	2	25
Exchange Fluctuations (Net)	1	1
Impairment loss on capital advance	(29)	500
CIRP Expense (Refer Note No. 32.3)	884	–
Other Expenditure	16	194
Total	**23,423**	**21,470**

32.1 Payments to the Auditor (including GST)

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
As Auditor - Statutory Audit & Limited Reviews	300	250
Other Services (Certification etc.)	38	37
For Reimbursement Expenses	19	6
Total	**357**	**293**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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32.2 Corporate Social Responsibility Expenses

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
(a) Gross amount required to be spent by the Company during the year	–	648
(b) Amount of expenditure incurred (paid in cash)	–	125
(c) Shortfall at the end of the year	–	523
(d) Total of previous years shortfall	523	439
(e) Reason for shortfall	Refer Note No. 71	Refer Note No. 71
(f) Nature of CSR activities	Not Applicable	Education and Skills Development, Healthcare/Medical facilities, Social and Economic Welfare & Environmental Sustainability
(g) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Not Applicable	Not Applicable
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	Not Applicable	Not Applicable

32.3 CIRP Expense

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Fees to Resolution professional	701	–
Manpower Cost	67	–
Reimbursement of expenses	6	–
Other Expenses	110	–
Total	**884**	–

33. Earnings Per Share

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Net Profit attributable to Equity Shareholders (₹ in Lacs)	(2,77,292)	(7,13,611)
Weighted average number of Equity Shares Basic (Nos.)	7,90,16,415	7,90,16,415
Weighted average number of Equity Shares Diluted (Nos.)	7,90,16,415	7,90,16,415
Nominal Value of Equity per share (in ₹)	10	10
Basic and Diluted Earnings per share (in ₹)	(3,50.93)	(9,03.08)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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34. Deferred Tax (Assets)/Liabilities (Net)

(₹ in Lacs)

Particulars	Balance as at March 31st, 2022	Balance as at March 31st, 2021
Deferred Tax Liabilities on		
Property, Plant and Equipment and Intangible Assets	10,715	19,188
Gross deferred tax liabilities	10,715	19,188
Deferred Tax Assets on		
Financial assets and liabilities at fair value	20,404	13,389
Financial assets and liabilities at amortised cost	32,879	27,693
Loss under Income Tax	1,75,773	1,61,360
Expenses allowable for tax purpose when paid	38,130	–
Other timing differences	85	697
Gross deferred tax assets	**2,67,271**	**2,03,139**
Deferred tax liabilities/(Assets) (Net) *	**(2,56,556)**	**(1,83,951)**

* The Company as a matter of prudence has not recognised deferred tax assets as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

(₹ in Lacs)

Particulars	Balance as at April 1st, 2021	Recognised/ (reversed) in the Statement of Profit and Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to the Statement of Profit and Loss/ adjusted with current tax liabilities	Balance as at March 31st, 2022
Deferred Tax Liabilities on					
Property, Plant and Equipment and Intangible Assets	–	–	–	–	–
Gross Deferred Tax Liabilities	–	–	–	–	–
Deferred Tax Assets on					
Financial Assets and Liabilities at fair value	–	–	–	–	–
Financial Assets and Liabilities at amortised cost	–	–	–	–	–
Loss under Income Tax	–	–	–	–	–
Expenses allowable for tax purpose when paid	–	–	–	–	–
Other timing differences	–	–	–	–	–
Gross Deferred Tax Assets	–	–	–	–	–
Deferred Tax Liabilities/(Assets) (Net)	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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34. Deferred Tax (Assets)/Liabilities (Net) (continued)

(₹ in Lacs)

Particulars	Balance as at April 1st, 2020	Recognised/ (reversed) in the Statement of Profit and Loss	Recognised/ (reversed) in Other Comprehensive Income	Reclassified to the Statement of Profit and Loss/ adjusted with current tax liabilities	Balance as at March 31st, 2021
Deferred Tax Liabilities on					
Property, Plant and Equipment and Intangible Assets	39,118	(39,118)	–	–	–
Gross Deferred Tax Liabilities	39,118	(39,118)	–	–	–
Deferred Tax Assets on					
Financial Assets and Liabilities at fair value	1,374	(2,396)	1,022	–	–
Financial Assets and Liabilities at amortised cost	33,440	(33,440)	–	–	–
Loss under Income Tax	2,547	(2,547)	–	–	–
Expenses allowable for tax purpose when paid	–	–	–	–	–
Other timing differences	257	(257)	–	–	–
Gross Deferred Tax Assets	37,618	(38,640)	1,022	–	–
Net Deferred Tax Liabilities before MAT Credit Entitlement	1,500	(478)	(1,022)	–	–
Less: MAT Credit Entitlement	(4,333)	4,333	–	–	–
Deferred Tax Liabilities/(Assets) (Net)	(2,833)	3,855	(1,022)	–	–

35. Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Contingent liabilities		
Claims against the Company not acknowledged as debt *		
Disputed demands		
– Entry Tax [deposits made under protest March 31st, 2022: ₹1 Lac (March 31st, 2021 : ₹1 Lac)	–	67
– Value Added Tax (VAT) [deposits made under protest March 31st, 2022: ₹186 Lacs (March 31st, 2021 : ₹180 Lacs)	1,212	1,538
– Central Sales Tax [deposits made under protest March 31st, 2022: ₹1 Lac (March 31st, 2021 : ₹1 Lac)	–	25
– Service tax [deposits made under protest March 31st, 2022: ₹455 Lacs (March 31st, 2021 : ₹455 Lacs) #	1,410	1,810
– Income Tax [deposits made under protest March 31st, 2022: ₹672 Lacs (March 31st, 2021 : ₹672 Lacs)	6,931	6,931
(A) **	**9,553**	**10,371**
Disputed demands ##		
– Central Sales Tax	–	211
– Service Tax [deposits made under protest March 31st, 2022: ₹4 Lacs (March 31st, 2021: ₹4 Lacs)	382	4,645
– Income Tax	–	7,981
(B) ***	**382**	**12,837**
Bank guarantees	79	88
(C)	**79**	**88**
Total (A+B+C)	**10,014**	**23,296**
Commitments Estimated amount of capital contracts remaining to be executed [Net of advances of ₹33 Lacs (March 31st, 2021: ₹11 Lacs)]	****	**1**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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* The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and result of operations.

Based on the directions of RBI, during the year ended March 31st, 2022 the Company has made provision amounting to ₹9,807 lacs and ₹4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where the Company was under various stages of appeal with the relevant tax authorities (Refer Note No. 70), details of which is as given below :

** Entry Tax - ₹30 Lacs, Value Added Tax - ₹86 Lacs, Central Sales Tax - ₹1 Lac, Service tax - ₹400 Lacs, Income Tax - ₹225 Lacs

*** Central Sales Tax - ₹211 Lacs, Service Tax - ₹4,263 Lacs, Income Tax - ₹9,582 Lacs

**** ₹40,103/-

Net of ₹518 Lacs (March 31st, 2021: ₹518 Lacs) already provided for in the books of accounts.

During the year ended March 31st, 2020, the Company has given the effect of the BTA with its Holding Company, SIFL wef October 1st, 2019, by virtue of which the Company has undersigned to repay any liability with respect to disputed demands for the Transferred Undertaking (refer Note No. 63), if any arising in future. Accordingly the same has been shown as contingent liability.

For the purpose of above disclosure, pursuant to initiation of CIRP (Refer Note No. 1.2) any order received after the CIRP date i.e October 8th, 2021 has not been considered as per section 14 of the code.

36. Financial Guarantees

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Bank Guarantee @	36,141	45,794
Corporate Guarantee @@	9,289	20,324
Total	**45,430**	**66,118**

@ Represents bank guarantees issued on behalf of the customer and other parties.

@@ Represents corporate guarantee issued on behalf of the customers.

37. Title deeds of Immovable Properties not held in name of the Company

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ in Lacs)@		Title deeds held in the name of	Whether title deed holder is promoter*, director or relative # of promoter/ director or employee of promoter/ director	Property held since which date$	Reason for not being held in the name of the Company
		As at March 31st, 2022	As at March 31st, 2021				
Property, Plant and Equipment	Building	3895##	3895##	Srei Infrastructure Finance Limited	Promoter	October-2019	These immovable properties were transferred to the Company pursuant to the BTA (Refer Note No. 63) entered by the Company with its Holding Company, SIFL. These immovable properties are still in the name of SIFL.
Other Non-Financial Assets - Assets acquired in satisfaction of debt	Land	11,800	11,800	Murti Housing and Finance Private Limited	No	September -2017	The immovable property was transferred to the Company pursuant to the BTA (Refer Note No. 63) entered by the Company with its Holding Company, SIFL.
	Land	639	639	Deccan Chronicle Secunderabad Private Limited and Deccan Chronicle Rajahmundry Private Limited	No	June-2018	Due to procedural issues, title deeds are not registered in the name of the Company.
	Land	678	678	(i) Krystine Vintrade Pvt. Ltd. Balanced Dealers Pvt. Ltd. Shivdhan Sales Pvt. Ltd. (ii) Oviation Marketing Pvt. Ltd. Wellknown Vinimay Pvt. Ltd. Malank Dealtrade Pvt. Ltd. Balanced Commotrade Pvt. Ltd.	No	March-2016	

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37. Title deeds of Immovable Properties not held in name of the Company *(Contd..)*

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (` in Lacs)@ As at March 31st, 2022	As at March 31st, 2021	Title deeds held in the name of	Whether title deed holder is promoter*, director or relative # of promoter/ director or employee of promoter/ director	Property held since which date$	Reason for not being held in the name of the Company
	Land	483	483	Mohamad Akil Shaikh and Ahmad Noor represented by its constituted attorney Mohamad Akil Shaikh	No	December-2016	
	Building	2,400	2,400	Kakarlapudi Venkata Madhava Varma	No	September-2016	
	Building	32	32	Sierra Constructions Pvt Ltd	No	September-2016	
	Land	138	138	Kabbalamma, Smt. Sukanya & Sri Prasanna represented by constituted attorney holder Sri L. Chandrasekhar	No	September-2015	
	Land	1,444	1,444	Wianxx Impex Private Limited	No	September-2017	

* Promoter here means promoter as defined in the Companies Act, 2013.

Relative here means relative as defined in the Companies Act, 2013.

This represents Gross Block of PPE.

@ Gross carrying value represents value of Assets acquired in satisfaction of debt as disclosed in Other Non-Financial Assets given in Note No. 14.

$ Month and year since the property is acquired by the Company

38. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder during the year ended March 31st, 2022 and March 31st, 2021.

39. Relationship with Struck off Companies

(₹ in Lacs)

Name of struck off Company	Nature of transactions with struck off Company	Balance outstanding as on March 31st, 2022	Balance outstanding as on March 31st, 2021	Relationship with the Struck off Company, if any, to be disclosed #
Magnate Marketing Services Private limited	Receivable (Stamp Duty Charges)	*	*	Not Applicable
Raffles Supply Chain Solutions Private Limited	Receivables (Loans outstanding)	2,158	1,924	Not Applicable
Vishal Packaging Private Limited	Receivables (Loans outstanding)	210	287	Not Applicable
Uday Associates Private Limited	Receivables (Loans outstanding)	107	60	Not Applicable
	Other Outstanding Balances (Interest retained on Pool Assigned)	–	6	Not Applicable
Ishanika Plywoods Private Limited	Receivables (Loans outstanding)	34	42	Not Applicable
Bhatti Automobiles Private Limited	Receivables (Loans outstanding)	34	33	Not Applicable
Shakti Infraestate And Trade Mart Private Limited	Receivables (Loans outstanding)	4	4	Not Applicable
Shreem Coal Carriers Private Limited	Receivables (Loans outstanding)	–	40	Not Applicable
Piyush Developers Private Limited	Receivables (Loans outstanding)	–	11	Not Applicable
Welspun India Limited	Receivables (Loans outstanding)	–	4	Not Applicable
	Other Outstanding Balances (Interest retained on Pool Assigned)	–	1	Not Applicable
Mumtaj Construction Private limited	Receivables (Loans outstanding)	–	5	Not Applicable
Conneqt Business Solutions Limited	Receivables (Trade Receivables)	–	**	Not Applicable

* ₹33,000

** ₹3,779

As per the defination of 'related party' under section 2(76) of the Act.

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40. Undisclosed Income

There are no transactions not recorded in the books of accounts during the year ended March 31st, 2022 and March 31st, 2021 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961.

There are no previously unrecorded income and related assets to be recorded in the books of account during the year ended March 31st, 2022 and March 31st, 2021.

41. Registration of charges or satisfaction with Registrar of Companies (ROC)

Any charges or satisfaction yet to be registered with ROC beyond the statutory period, details and reasons thereof is disclosed as below:

Satisfaction yet to be registered with ROC (₹ in Lacs)

Facility Name	Charge ID	Date of charge Creation /Modification	Name of charge holder	Charge amount	
				As at March 31st, 2022	As at March 31st, 2021
Collateralised Borrowings	100275885	June 12th, 2019	Axis Trustees Services Limited	8,178	8,178
Debt Securities	100150739	December 28th, 2017	Catalyst Trusteeship Limited	500	500
Term Loans	100084037	March 16th, 2017	Small Industries Development Bank of India	10,000	10,000
Term Loans	100055724	September 26th, 2016	The Karur Vysya Bank Limited	7,500	7,500
Term Loans	10261668	November 24th, 2010	Axis Trustees Services Limited	36,800	36,800
Term Loans	100237513	January 8th, 2019	Axis Bank Limited	–	30,000
Total				**62,978**	**92,978**

Charges not yet registered with ROC (₹ in Lacs)

Facility Name	Name of lender	Reason for Non-registration	Amount *	
			As at March 31st, 2022	As at March 31st, 2021
Debt Securities	Catalyst Trusteeship Limited	Form CHG-1 filed with ROC but yet to be approved **	10,836	9,965
Debt Securities	Axis Trustee Services Limited		86,575	73,898
Debt Securities	Axis Trustee Services Limited	Novation Agreement signed but Form CHG-1 not filed **	81	70
Term Loans	HDFC Bank Limited	Form CHG-1 not filed with ROC	21	24
Term Loans	ICICI Bank Limited		25	38
Term Loans	Toyota Financial Services India Limited		38	50
Term Loans	Bank of India	Novation Agreement not signed **	38,147	36,363
Term Loans	Canara Bank		8,956	8,309
Term Loans	IFCI Limited		19,020	17,618
Term Loans	Indian Bank		6,862	6,443
Term Loans	Lakshmi Vilas Bank		1,113	1,033
Term Loans	Punjab and Sind Bank		3,953	3,768
Term Loans	Punjab National Bank		18,586	17,040
Term Loans	South Indian Bank Limited		295	277
Term Loans	State Bank of India		2,759	2,618
Term Loans	Union Bank of India		23,897	24,489
Working Capital Facilities ***	Consortium with Lead Bank Axis Bank Limited		8,76,761	8,15,239
Total			**10,97,925**	**10,17,242**

The Location of ROC is Kolkata
* This represents amount outstanding and does not include effective interest rate adjustment and interest accrued and not due.
** Refer Note No. 63 and 74.
*** Includes WCDL, FITL and Cash credit

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for the year ended March 31st, 2022

42. The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender during the year ended March 31st, 2022 and March 31st, 2021.

43. The Company does not have any subsidiary as at March 31st, 2022 and March 31st, 2021 and accordingly clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

44. The Company has taken borrowings from banks or financial institutions on the basis of security of current assets.

Quarterly returns or statements of current assets filed by the Company with banks or financial institutions for the quarter ended June 30th, 2021 and September 30th, 2021 are in agreement with the books of accounts.

For the quarter ended December 31st, 2021 and March 31st, 2022, pursuant to initiation of CIRP (Refer Note No. 1.2) the Company has not filed quarterly returns or statements regularly with banks or financial institutions.

Current assets for this purpose includes loans and other receivables which are expected to be realised within twelve months after the reporting date.

45. Utilisation of Borrowed funds and share premium:

(A) During the year ended and as at March 31st, 2022 and March 31st, 2021, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) During the year ended and as at March 31st, 2022 and March 31st, 2021, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended March 31st, 2022 and March 31st, 2021.

47. Disclosure pursuant to Ind AS 19 - Employee Benefits

I. Defined Contribution Plan

Contributions under Defined Contribution Plan as recognised in the Statement of Profit and Loss by the Company are as follows:

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Employer contribution towards:		
– Provident Fund	555	683
– Employee State Insurance	15	15

II. Defined Benefit Plan

(A) Gratuity Fund :

The Company makes periodic contributions to the Srei Equipment Finance Limited Employees' Gratuity Fund, a funded defined benefit-plan for qualifying employees. The trustees of the gratuity scheme for the employees of the Company have entrusted the administration of the scheme to the Life Insurance Corporation of India (LIC). The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

47. Disclosure pursuant to Ind AS 19 - Employee Benefits *(Continued)*

Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(B) Long-term Compensated Absence:

The employees' long-term compensated absence scheme, which is a Defined Benefit Plan is unfunded.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary cost inflation risk and demographic risk.

(a) Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

(b) Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation was carried out as at March 31st, 2022.

47.1. Particulars in respect of post retirement defined benefit plans of the Company are as follows :- (₹ in Lacs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	As at March 31st , 2022	As at March 31st , 2021	As at March 31st , 2022	As at March 31st , 2021
1. Change in the defined benefit obligation (DBO)				
Present value of obligation at the beginning of the year	1,265	1,346	517	576
Current Service Cost	139	163	1	72
Interest Cost	71	80	2	36
Settlement (Credit)/Cost	–	–	105	–
Past Service Costs - plan amendments	–	–	–	–
Acquisitions Cost/(Credit)	–	–	–	–
Actuarial (gain)/loss - experience	63	(16)	121	(80)
Actuarial (gain)/loss - demographic assumptions	–	–	–	–
Actuarial (gain)/loss - financial assumptions	(29)	–	(2)	–
Benefits paid	(399)	(307)	(666)	(87)
Present value of obligation at the end of the year	**1,110**	**1,266**	**78**	**517**
2. Change in plan assets				
Fair value of Plan Assets at the beginning of the year	967	616	–	–
Acquisitions adjustment	–	–	–	–
Interest income on plan assets	57	51	–	–
Contributions by the employer	156	607	–	–
Return on Plan assets greater/(lesser) than discount rate	(8)	*	–	–
Benefits paid	(399)	(307)	–	–
Fair value of Plan Assets at the end of the year	**773**	**967**	**–**	**–**

* ₹(-) 17,100/-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is determined based on government bond rate

(₹ in Lacs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	As at March 31st , 2022	As at March 31st , 2021	As at March 31st , 2022	As at March 31st , 2021
3. Amount recognised in Balance Sheet consists of :**				
Fair value of Plan Assets at the end of the year	773	967	–	–
Present Value of Obligation at the end of the year	1,111	1,265	78	517
Funded status [surplus/(deficit)]	(338)	(298)	(78)	(517)
Net defined benefit Asset/(Liabilities)	**(338)**	**(298)**	**(78)**	**(517)**

** Also includes DBO in respect of sick leave amounting to ₹360 lacs as at March 31st, 2022 (As at March 31st, 2021 ₹428 lacs).

(₹ in Lacs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
4. Expenses recognised in the Statement of Profit and Loss consists of :	For the year ended March 31st , 2022	For the year ended March 31st , 2021	For the year ended March 31st , 2022	For the year ended March 31st , 2021
Employee benefits expenses:				
Current Service cost	139	163	106	72
Net Interest cost	15	29	2	36
Actuarial (Gain)/Loss due to DBO experience	–	–	119	(80)
Actuarial (Gain)/Loss due to DBO assumptions changes	–	–	–	–
Total [A]	**154**	**192**	**227**	**28**
Other Comprehensive Income				
Actuarial (Gain)/Loss due to DBO experience	63	(16)	121	(80)
Actuarial (Gain)/Loss due to DBO assumptions changes	(29)	–	(2)	–
Actuarial (Gain)/Loss during the year	34	(16)	119	(80)
Return on Plan assets (greater)/lesser than discount rate	8	***	–	–
Actuarial (Gains)/Losses recognised in OCI [B]	**42**	**(16)**	**–**	**–**
Adjustment for limit on net asset	–	–	–	–
Expense recognised during the year [A+B]	**196**	**176**	**227**	**28**

*** ₹17,100/-

The expense for the Defined Benefits (referred to in note no. 47.1 above) are included in the line item under 'Contribution to Provident and other Funds' in Note No. 31.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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47.2. Particulars in respect of post retirement defined benefit plans and long term employment benefits of the Company are as follows :-

Description	Gratuity (Funded) % Invested		Compensated absence (Unfunded) % Invested	
	As at March 31st , 2022	As at March 31st , 2021	As at March 31st , 2022	As at March 31st , 2021
5. Investment Details of Plan Assets				
Schemes of insurance- conventional products	100%	100%	Not Applicable	Not Applicable
6. Principle assumptions at the Balance Sheet date are as follows:				
Discount rate per annum	7.00%	6.70%	7.00%	6.70%
Salary escalation rate per annum	5.00%	5.00%	5.00%	5.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Method used	Projected Unit Credit Method		Projected Unit Credit Method	

47.3. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in employee market.

47.4. Sensitivity Analysis

The sensitivity results below determine their individual impact on the plan's end of year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the plan's sensitivity to such changes can vary over time.

Description	As at March 31st, 2022				As at March 31st, 2021			
	Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)	
	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)	%	(₹ in Lacs)
1. Discount Rate + 1%	-8.00%	(89)	-8.40%	(7)	-9.00%	(114)	-9.30%	(48)
2. Discount Rate – 1%	9.10%	101	9.60%	8	10.40%	132	10.80%	56
3. Salary Increase Rate + 1%	7.50%	83	9.70%	8	9.20%	116	10.90%	56
4. Salary Increase Rate – 1%	-7.00%	(77)	-8.60%	(7)	-8.30%	(105)	-9.50%	(49)

47.5. Maturity analysis of the defined benefit obligation are as follows:

(₹ in Lacs)

	As at March 31st , 2022		As at March 31st , 2021	
	Gratuity (Funded)	Compensated absence (Unfunded)	Gratuity (Funded)	Compensated absence (Unfunded)
Within 1 year	51	3	64	22
1-2 years	98	5	63	21
2-3 years	63	3	102	34
3-4 years	80	4	70	22
4-5 years	113	5	89	25
5-10 years	833	47	812	290

The Company expects to contribute ₹405 Lacs to the fund in the next financial year.

47.6. Weighted average duration of the defined benefit obligation is 9 years (Previous year: 10 years)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

48. Disclosure pursuant to Ind AS 24, Related Party Disclosures

List of Related Parties

Entities related to the Company

Name	Nature of Relationship
Adisri Commercial Private Limited	Ultimate Parent Company
Srei Infrastructure Finance Limited	Parent Company
Controlla Electrotech Private Limited	Fellow Subsidiary
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary
Srei Capital Markets Limited	Fellow Subsidiary
Srei Insurance Broking Private Limited	Fellow Subsidiary
Trinity Alternative Investment Managers Limited (erstwhile Srei Alternative Investment Managers Limited)	Fellow Subsidiary
Srei Equipment Finance Limited Employees Gratuity Fund	Employees' Benefit Plan

Key Management Personnel (KMP)

Name	Designation
Mr. Rajneesh Sharma (w.e.f. October 4th, 2021)*	Administrator
Mr. Hemant Kanoria (till October 4th, 2021)*	Chairman
Mr. Sunil Kanoria (till October 4th, 2021)*	Vice Chairman
Mr. Devendra Kumar Vyas (till October 4th, 2021)* and (w.e.f. March 1st, 2022)	Managing Director (till October 4th, 2021) Chief Business Officer (w.e.f. March 1st, 2022)
Mr. Indranil Sengupta (w.e.f. August 1st, 2020) (till October 4th, 2021)*	Whole Time Director
Mr. Manoj Kumar Beriwala (till June 29th, 2021) and (w.e.f. March 1st, 2022)	Chief Financial Officer (till June 29th, 2021) Chief Compliance Officer - RBI Compliances (w.e.f. March 1st, 2022)
Mr. Yogesh Kajaria (wef June 30th, 2021)	Chief Financial Officer
Ms. Ritu Bhojak (till May 10th, 2021)	Company Secretary
Mr. Sumit Kumar Surana (w.e.f. August 20th, 2021)	Company Secretary
Ms. Nidhi Saharia (w.e.f. March 1st, 2022)	Chief Risk Officer
Mr. Ashwani Kumar (till March 3rd, 2021)	Independent Director
Mr. Suresh Kumar Jain (till October 4th, 2021)*	Independent Director
Dr. Tamali Sengupta (till October 4th, 2021)*	Independent Director
Mr. Uma Shankar Paliwal (till October 4th, 2021)*	Independent Director
Mr. Shyamalendu Chatterjee (w.e.f. April 2nd, 2020) (till October 4th, 2021)*	Independent Director
Mr. Malay Mukherjee (w.e.f. March 6th, 2021) (till October 4th, 2021)*	Independent Director
Mr. Deepak Verma (w.e.f. April 23rd, 2021) (till October 4th, 2021)*	Independent Director

Others

Name	Nature of Relationship
Yogesh Kajaria - HUF (w.e.f. June 30th, 2021)	KMP is Karta
Manoj Kumar Beriwala - HUF (till June 29th, 2021) and (w.e.f. March 1st, 2022)	KMP is Karta
Vandana Kumari (w.e.f. April 1st, 2021)	Relative of KMP of Parent Company
Prabha Sureka (w.e.f. March 1st, 2022)	Relative of KMP

*Refer Note No. 1.2

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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48. Disclosure pursuant to Ind AS 24, Related Party Disclosures (continued)

48(a) Summary of Transactions/Balance Outstanding

(₹ in Lacs)

Name of the Related Party	Nature of relationship/ designation	Nature of transactions	For the period ended March 31st, 2022	Balance as at March 31st, 2022	For the period ended March 31st, 2021	Balance as at March 31st, 2021
Srei Infrastructure Finance Limited	Parent Company	Rent paid for Leased Premises	20	229	1,172	229
		Security Deposit paid for Leased Premises - Excluding impairment loss allowance of ₹7,500 Lacs as at March 31st 2022 (₹ Nil as at March 31st, 2021)	–	15,000	15,000	15,000
		Rent received for Leased Premises	3	3	–	–
		Sale of Property	–	–	17	–
		Intercorporate Deposit Given (on maximum outstanding basis) - Excluding impairment loss allowance of ₹13,316 Lacs as at March 31st, 2022 (₹377 Lacs as at March 31st, 2021)	19	25,723	33,355	25,669
		Refund of Intercorporate Deposit Given	2,350	–	–	–
		Interest earned on Intercorporate Deposit Given	–	–	2,428	–
		Interest Accrued and Due on Intercorporate Deposit Given	–	–	–	2,386
		Purchase of Investment	–	–	641	–
		Other Receivables : Advance Given #	1,559	–	1,756	1,756
		Other Receivables : Refund of Advance Given #	3,315	–	–	–
		Reimbursement of Expenses	–	–	246	–
		Bank Guarantee released (Refer Note No. 63)	88	–	541	–
		Bank Guarantee issued (Refer Note No. 63)	–	416	–	504
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary	Loan Given (Secured) (Refer Note No. 63) - Excluding impairment loss allowance of ₹21 Lacs as at March 31st, 2022 (₹17 Lacs as at March 31st, 2021)	–	119	–	106
		Interest Income on Loan Given	15	–	13	–
Trinity Alternative Investment Managers Ltd. (erst while Srei Alternative Investment Managers Limited)	Fellow Subsidiary	Loan Given (Secured) - Excluding impairment loss allowance of ₹1,190 Lacs as at March 31st, 2022 (`833 Lacs as at March 31st, 2021)	–	3,089	2,600	2,780
		Interest Income on Loan Given	309	–	216	–
Controlla Electrotech Private Limited	Fellow Subsidiary	Rent paid for Leased Premises	156	156	312	156
		Security Deposit paid for Leased Premises	–	2,350	–	2,350
		Security Deposit refund for Leased Premises	–	–	50	–
		Interest Received on Security Deposit	117	113	237	113
Srei Capital Markets Limited	Fellow Subsidiary	Rent received for Leased Premises	1	1	–	–
Srei Insurance Broking Private Limited	Fellow Subsidiary	Rent received for Leased Premises	3	–	–	–
Mr. Rajneesh Sharma	Administrator (w.e.f. October 4th, 2021)	Consultancy Fees	27	–	–	–
Mr. Hemant Kanoria	Chairman (till October 4th, 2021)	Short-term employee benefits	2	54	178	54
		Post-employment benefits	–	–	18	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

48. Disclosure pursuant to Ind AS 24, Related Party Disclosures (continued)

(₹ in Lacs)

Name of the Related Party	Nature of relationship/ designation	Nature of transactions	For the period ended March 31st, 2022	Balance as at March 31st, 2022	For the period ended March 31st, 2021	Balance as at March 31st, 2021
Mr. Sunil Kanoria	Vice Chairman (till October 4th, 2021)	Short-term employee benefits	2	18	175	18
		Post-employment benefits	–	–	18	–
Mr. Devendra Kumar Vyas	Managing Director (till October 4th, 2021) and Chief Business Officer (w.e.f. March 1st, 2022)	Short-term employee benefits	158	93	217	82
		Post-employment benefits	10	5	17	5
		Rent paid for Leased Premises	–	–	11	–
Mr. Indranil Sengupta	Whole Time Director (w.e.f. August 1st, 2020) (till October 4th, 2021)	Short-term employee benefits	45	2	35	3
		Post-employment benefits	2	–	1	–
Mr. Yogesh Kajaria	Chief Financial Officer (w.e.f. June 30th, 2021)	Short-term employee benefits	49	8	–	–
		Post-employment benefits	3	–	–	–
Mr. Manoj Kumar Beriwala	Chief Financial Officer (till June, 29th, 2021) and Chief Compliance Officer – RBI Compliances (w.e.f. March 1st, 2022)	Short-term employee benefits	27	10	83	7
		Post-employment benefits	1	–	4	–
Ms. Ritu Bhojak	Company Secretary (till May 10th, 2021)	Short-term employee benefits	6	–	35	4
		Post-employment benefits	*	–	2	–
Ms. Nidhi Saharia	Chief Risk Officer (w.e.f. March 1st, 2022)	Short-term employee benefits	4	3	–	–
		Post-employment benefits	**	–	–	–
Mr. Sumit Kumar Surana	Company Secretary (w.e.f. August 20th, 2021)	Short-term employee benefits	20	1	–	–
		Post-employment benefits	1	–	–	–
Mr. Shyamalendu Chatterjee	Independent Director (w.e.f. April 2nd, 2020) (till October 4th, 2021)	Sitting Fees	19	***	13	*****
Mr. Suresh Kumar Jain	Independent Director (till October 4th, 2021)	Sitting Fees	23	–	15	–
Dr. Tamali Sengupta	Independent Director (till October 4th, 2021)	Sitting Fees	22	2	10	–
Mr. Ashwani Kumar	Independent Director (till March 3rd, 2021)	Sitting Fees	–	–	14	–
Mr. Uma Shankar Paliwal	Independent Director (till October 4th, 2021)	Sitting Fees	23	–	15	–
Mr. Malay Mukherjee	Independent Director (w.e.f. March 6th, 2021) (till October 4th, 2021)	Sitting Fees	26	3	3	–
Mr. Deepak Verma	Independent Director (w.e.f. April 23rd, 2021) (till October 4th, 2021)	Sitting Fees	8	–	–	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

48. Disclosure pursuant to Ind AS 24, Related Party Disclosures (continued)

(₹ in Lacs)

Name of the Related Party	Nature of relationship/ designation	Nature of transactions	For the period ended March 31st, 2022	Balance as at March 31st, 2022	For the period ended March 31st, 2021	Balance as at March 31st, 2021
Yogesh Kajaria - HUF	KMP is Karta (w.e.f. June 30th, 2021)	Car Hire Charges	5	2	–	–
Manoj Kumar Beriwala - HUF	KMP is Karta (till June, 29th, 2021) and KMP is Karta (w.e.f. March 1st, 2022)	Car Hire Charges	2	3	6	3
Vandana Kumari	Relative of KMP of Parent Company (w.e.f. April 1st, 2021)	Car Hire Charges	3	–	–	–
Prabha Sureka	Relative of KMP (w.e.f. March 1st, 2022)	Car Hire Charges	****	–	–	–

* ₹20,077/-

** ₹17,739/-

*** ₹45,000/-

**** ₹50,000/-

***** ₹25,000/-

This represents amount receivable from Parent Company, SIFL in TRA.

Note 1. Settlement of outstanding balances as at year end generally occurs in cash.

Note 2. Income or expenses are presented excluding GST.

48(b) Compensation to KMPs

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Short-term employee benefits	432	792
Other long-term employee benefits	14	5
Post-employment benefits	18	60

49. As at March 31st, 2022 and as at March 31st, 2021, there are no loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

50. Capital Management

The primary objectives of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, in view of deteriorating asset quality and substantial increase in the loan loss provisioning and liquidity problems faced by the Company, the net worth of the Company has been fully eroded. The Company is presently under CIRP w.e.f. October 8th, 2021 (Refer Note No. 1.2) and continues to operate as a going concern.

In view of present situation, any improvement in the capital structure is envisaged through a successful implementation of the Resolution plan. Also refer Note No. 61, 62, 63, 64 and 68.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Tier I capital	(11,86,181)	(7,91,385)
Tier II capital	22,892	27,566
Total capital *	**(11,86,181)**	**(7,91,385)**
Risk weighted assets **	18,31,340	22,72,337
Tier I Ratio	(64.77)%	(34.83)%
Tier II Ratio	1.25%	1.21%

* If Tier II capital exceeds Tier I capital, amount exceeding Tier I capital is not considered for Total capital funds & if Tier I capital is negative, Tier II capital is ignored. Further, as at March 31st, 2022 subordinated debts have not been considered in Tier II capital as Tier I capital is negative.

** Does not include off-balance sheet items as considering the same under the scenario of negative Tier I capital will have a favourable impact on Tier I Ratio.

Regulatory capital consists of Tier I capital, which comprises share capital, securities premium, retained earnings including current year loss, statutory reserves and other free reserves less deferred revenue expenditure and intangible assets etc. The other component of regulatory capital is Tier II Capital Instruments, which includes subordinate debts.

51. Financial Instruments and Related Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in Note No. 2 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying value and fair value of the Company's financial instruments:

(₹ in Lacs)

Particulars	As at March 31st, 2022		As at March 31st, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	1,27,881	127,881	41,642	41,642
ii) Bank Balance other than (i) above	18,261	18,261	98,657	98,657
iii) Trade Receivables	3,168	3,168	2,712	2,712
iv) Loans	19,91,476	20,27,362	20,87,389	21,77,168
v) Investments	6,984	6,996	–	–
vi) Other Financial Assets	17,989	17,989	45,044	45,044
Sub-total	**21,65,759**	**22,01,657**	**22,75,444**	**23,65,223**
b) Measured at Fair value through Profit or Loss				
i) Derivative Financial Instruments	–	–	936	936
ii) Loans	39,187	39,187	51,920	51,920
iii) Investments	1,16,620	1,16,620	1,02,018	1,02,018
iv) Other Financial Assets	72,542	72,542	65,897	65,897
Sub-total	**2,28,349**	**2,28,349**	**2,20,771**	**2,20,771**
c) Measured at Fair value through Other Comprehensive Income				
i) Loans	16,462	16,462	46,482	46,482
Sub-total	**16,462**	**16,462**	**46,482**	**46,482**
Total Financial Assets	**24,10,570**	**24,46,468**	**25,42,697**	**26,32,476**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

51. Financial Instruments and Related Disclosures *(Continued)*

(₹ in Lacs)

Particulars	As at March 31st, 2022		As at March 31st, 2021	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial Liabilities				
a) Measured at Amortised Cost				
i) Trade Payables	6,418	6,418	8,875	8,875
ii) Debt Securities	2,59,552	2,59,552	2,44,148	2,62,624
iii) Borrowings (Other than Debt Securities)	26,76,863	26,76,992	26,47,553	2,6,46,248
iv) Subordinated Liabilities	2,61,581	2,61,581	2,45,531	2,46,202
v) Lease Liabilities	828	828	1,142	1,142
vi) Other Financial Liabilities	18,672	18,672	23,019	23,019
Sub-total	**32,23,914**	**32,24,043**	**31,70,268**	**31,88,110**
b) Measured at Fair value through Profit or loss				
i) Derivative Financial Instruments	–	–	1,151	1,151
Sub-total	–	–	**1,151**	**1,151**
Total Financial Liabilities	**32,23,914**	**32,24,043**	**31,71,419**	**31,89,261**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables:

Loans measured at amortised cost

The fair values of loan assets are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at average lending rate.

Investments measured at amortised cost

The fair values of Investments at amortised cost (quoted bonds) are estimated using the most recent quoted price available from a recognised stock exchange.

Other Financial Assets measured at amortised cost

For other financial assets that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value.

Such instruments majorly include: Cash and Cash Equivalents, Other Bank Balances, Trade and Other Receivables and Security Deposits.

Debt Securities, Subordinated Liabilities and Other Borrowings measured at amortised cost

The fair values of collateralised borrowings are estimated using a discounted cash flow model based on contractual future cash flows based on terms, discounted at average borrowing rate. For all other Debt Securities, Subordinated Liabilities and Other Borrowings, pursuant to CIRP (Refer Note No. 1.2, 65) the carrying value as at March 31st, 2022 has been considered as fair value .

Other Financial Liabilities and Lease Liabilities measured at amortised cost

For other financial liabilities and Lease Liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.

Such instruments majorly include: Trade and Other payables and Trade Deposits.

B) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND

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51. Financial Instruments and Related Disclosures *(Continued)*

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, Loans and Other Financial Assets and Liabilities included in level 3.

(₹ in Lacs)

Particulars	As at March 31st, 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	–	–	–	–
Loans	–	–	55,649	55,649
Investments	421	1,484	1,14,715	1,16,620
Other Financial Assets	–	–	72,542	72,542
	421	**1,484**	**2,42,906**	**2,44,811**
Financial Liabilities				
Derivative Financial Instruments	–	–	–	–
	–	–	–	–

(₹ in Lacs)

Particulars	As at March 31st, 2021			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Financial Instruments	–	936	–	936
Loans	–	–	98,402	98,402
Investments	130	623	1,01,265	1,02,018
Other Financial Assets	–	–	65,897	65,897
	130	**1,559**	**2,65,564**	**2,67,253**
Financial Liabilities				
Derivative Financial Instruments	–	1,151	–	1,151
	–	**1,151**	**–**	**1,151**

Fair value of the Company's assets and liabilities that are measured at fair value on a recurring basis

(₹ in Lacs)

Particulars	Fair Value as at March 31st, 2022	Fair Value as at March 31st, 2021	Fair Value Hierarchy	Valuation Technique and Key Inputs	Significant Unobservable Inputs
Financial Assets					
Derivative Financial Instruments	–	936	Level 2	Note (i)	Not applicable
Loans	55,649	98,402	Level 3	Note (ii)	Note (vi) and (vii)
Investments	421	130	Level 1	Note (iii)	Not applicable
Investments	1,484	623	Level 2	Note (iv) & (v)	Not applicable
Investments	1,14,715	1,01,265	Level 3	Note (ii)	Note (vi)
Other Financial Assets	72,542	65,897	Level 3	Note (ii)	Note (viii)
Financial Liabilities					
Derivative Financial Instruments	–	1,151	Level 2	Note (i)	Not applicable

(i) **Mark-to-Market**
Fair value of the asset and liability has been estimated using the current market price, or price for similar assets and liabilities as applicable.

(ii) **Income Approach**
The discounted cash flow method was used to capture the present value of the expected future benefits (including contractual cash flows) to be derived from the Loans, Investments and Other Financial Assets.

51. Financial Instruments and Related Disclosures *(Continued)*

(iii) **Quoted Prices**
Quoted bid prices of an active market was used.

(iv) **Price to Revenue/Earnings Multiple Method**
Price was derived as a multiple of revenue/earnings based on relevant information from companies operating in similar economic environment and industry.

(v) **Net Asset Value Method**
The adjusted net asset value is arrived at after making adjustments for the Fair value of Assets and Liabilities as on the date of valuation.

(vi) Discount rate, determined using average lending rate of the company or discount rate considered by the Valuer.

(vii) The fair value of loans is derived based on the valuation of the underlying assets.

(viii) Probability of recovery and discount rate considered by the Valuer.

Reconciliation of Level 3 fair value measurements

(₹ in Lacs)

Reconciliation	Investments		Loans		Other Financial Assets	
	March 31st, 2022	March 31st, 2021	March 31st, 2022	March 31st, 2021	March 31st, 2022	March 31st, 2021
Opening Balance	**1,01,265**	**76,116**	**98,402**	**1,94,020**	**65,897**	**51,015**
Addition	36,174	24,906	9,769	34,101	–	28,486
Repayment/Transfers to amortised cost *	(6)	(8,373)	(43,824)	(1,06,370)	(1,804)	–
Transfers into Level 3	–	9,660	–	–	–	–
Transfers from Level 3	–	–	–	–	–	–
Unrealised income/(loss)	(22,718)	(1,044)	(8,546)	(21,280)	8,449	(13,604)
Other Comprehensive Income	–	–	(152)	(2,069)	–	–
Closing Balance	**1,14,715**	**1,01,265**	**55,649**	**98,402**	**72,542**	**65,897**

* includes write off

Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonable possible alternatives. Sensitivity data are calculated using a number of techniques, including analysing price dispersion of different price sources, adjusting model inputs to reasonable changes within the fair value methodology.

The ranges are not comparable or symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.

Below table shows impact of increase/decrease in fair valuation measurement at 2%

(₹ in Lacs)

Particulars	As at March 31st, 2022		As at March 31st, 2021	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans at FVTOCI	419	(378)	2,643	(1,291)
Loans at FVTPL	1,657	(1,556)	2,299	(2,135)
Investments at FVTPL	6,911	(6,114)	4,461	(3,368)
Other Financial Assets at FVTPL	1,983	(1,894)	2,902	(2,587)
Total	**10,970**	**(9,942)**	**12,305**	**(9,381)**

C) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. Post CIRP, the Company has reconstituted the Risk Management Committee including constitution of its sub committees viz Operational Risk Management Committee of Executives, Credit Risk Management Committee of Executives and the Product & Process Approval Committee. The Asset Liability Management Committee (ALCO) has also been reconstituted. The Financial risk management framework would undergo revision post implementation of the approved resolution plan.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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51. Financial Instruments and Related Disclosures *(Continued)*

a) Market risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk:

i. Foreign Currency Risk

ii. Interest Rate Risk

iii. Price Risk

i. Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees).

The company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. The foreign currency liabilities have been crystallised into INR as on October 8th, 2021 (Insolvency Commencement Date or 'ICD'). Hence, there is no foreign currency risk and consequently foreign currency sensitivity is not applicable as at March 31st, 2022.

Foreign Currency Exposure (₹ in Lacs)

As at March 31st, 2022	**USD**	**EURO**	**Total**
Borrowings (Other than Debt Securities)	1,46,388	80,529	2,26,917
As at March 31st, 2021	**USD**	**EURO**	**Total**
Borrowings (Other than Debt Securities)	1,82,308	78,030	2,60,338

(₹ in Lacs)

Hedged Foreign Currency balances :		**As at March 31st, 2022**	**As at March 31st, 2021***
Borrowings (Other than Debt Securities)	USD	–	20,088
	EURO	–	25,288

* The same does not meet hedge documentation criteria as per Ind AS 109. Also Refer Note No. 67

(₹ in Lacs)

Unhedged Foreign Currency balances :**		**As at March 31st, 2022**	**As at March 31st, 2021**
Borrowings (Other than Debt Securities)	USD	1,46,388	1,62,220
	EURO	80,529	52,742

** Includes Overdue Principal and Interest. Also Refer Note No. 67

Foreign currency sensitivity

Impact on increase in 2% (₹ in Lacs)

Particulars	**As at March 31st, 2022**	**As at March 31st, 2021**
USD	–	(3,646)
EURO	–	(1,561)

Impact on decrease in 2% (₹ in Lacs)

Particulars	**As at March 31st, 2022**	**As at March 31st, 2021**
USD	–	3,646
EURO	–	1,561

ii. Interest rate risk

The Company is exposed to interest rate risk as the Company borrows foreign currency funds at fixed plus floating interest rate benchmarks. The Company manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of derivative hedging products like interest rate swaps and cross currency interest rate swaps. It is pertinent to note that the Company is absolutely dependent on banks for such hedging limits.

51. Financial Instruments and Related Disclosures *(Continued)*

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code.The borrowings have been crystallised into INR as on October 8th, 2021 (Insolvency Commencement Date or 'ICD'). Hence, there is no interest rate risk and consequently interest rate sensitivity is not applicable as at March 31st, 2022 for the borrowings of the Company.

The Company is further exposed to interest rate risk as the Company also lends funds at floating interest rates.

Interest Rate Exposure [Financial Instruments at variable interest rates] (₹ in Lacs)

As at March 31st, 2022	INR	USD	EURO	Total
Financial Assets				
Loans	8,06,434	–	–	8,06,434
Financial Liabilities				
Borrowings (Other than Debt Securities)	–	–	–	–
Subordinated Liabilities	–	–	–	–
As at March 31st, 2021	**INR**	**USD**	**EURO**	**Total**
Financial Assets				
Loans	12,25,751	–	–	12,25,751
Financial Liabilities				
Borrowings (Other than Debt Securities)	22,01,336	182,308	78,030	24,61,674
Subordinated Liabilities	16,631	–	–	16,631

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's profit and loss and equity.

Interest Rate sensitivity

Impact on increase in 2% (₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
INR	16,129	(19,844)
USD	–	(3,646)
EURO	–	(1,561)

Impact on decrease in 2% (₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
INR	(16,129)	19,844
USD	–	3,646
EURO	–	1,561

The sensitivity analysis above has been determined based on the exposure to interest rates for assets and liabilities at the end of the reporting period. For floating rate assets and liabilities, the analysis is prepared assuming the amount of the liabilities/assets outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates.

iii. Price risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes. The fair value of quoted investments in equity, classified as fair value through profit or loss as at March 31st, 2022 is ₹421 Lacs (March 31st, 2021 ₹130 Lacs).

A 10% change in equity prices of such securities held as at March 31st, 2022 would result in an impact of ₹42 Lacs (March 31st, 2021 ₹13 Lacs).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND

for the year ended March 31st, 2022

51. Financial Instruments and Related Disclosures (continued)

b) Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's ALCO lays down a broad framework for liquidity risk management to ensure that it is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress from industry, market or a combination of them. The liquidity profile is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios and conduct of liquidity stress tests periodically.

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code, accordingly, a moratorium has been declared under section 14 of the Code. The current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the Company. The Liquidity risk management framework would undergo revision post implementation of the approved resolution plan.

(I) Liquidity risk management :

(₹ in Lacs)

Particulars	As at March 31st, 2022								
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial Assets									
i) Cash and Cash Equivalents	1,27,881	–	–	–	–	–	–	–	1,27,881
ii) Bank Balance other than above	5,314	271	28	1,914	6,926	3,803	2	3	18,261
iii) Derivative Financial Instruments	–	–	–	–	–	–	–	–	–
iv) Trade Receivables	3,239	–	–	–	–	–	–	–	3,239
v) (a) Loans	96,651	8,228	6,287	20,930	34,939	1,95,827	4,71,532	22,66,162	31,00,556
(b) Liability towards Assignment $	(2,05,934)	(6,693)	(6,397)	(14,365)	(13,426)	(6,995)	–	–	(2,53,810)
vi) Investments	284	–	54	20,442	21,190	25,360	17,589	38,685	1,23,604
vii) Other Financial Assets #	11,619	499	633	4,303	15,247	59,781	34	25	99,641
Total	**39,054**	**2,305**	**605**	**33,224**	**64,876**	**2,77,776**	**4,89,157**	**23,04,875**	**32,19,372**
B: Financial Liabilities									
i) Derivative Financial Instruments	–	–	–	–	–	–	–	–	–
ii) Trade Payables ##	187	187	187	562	–	–	–	–	6,418
iii) Debt Securities *	–	–	–	–	–	–	–	–	2,59,552
iv) Borrowings (Other than Debt Securities)*	2,727	948	720	2,770	3,825	3,212	112	–	26,77,184
v) Subordinated Liabilities *	–	–	–	–	–	–	–	–	2,61,581
vi) Lease Liabilities	37	36	35	96	183	431	74	–	892
vii) Other Financial Liabilities	13,361	538	439	616	1,487	2,033	198	–	18,672
Total	**16,312**	**1,709**	**1,381**	**4,044**	**5,495**	**5,676**	**384**	**–**	**32,24,299**

$ Amount in first bucket includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation
# Receivables of security deposits from SIFL are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2 and 64)
Repayments of Trade Payables admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2) are not determinable
* Repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2, 64 and 65)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

51. Financial Instruments and Related Disclosures (continued)

(₹ in Lacs)

Particulars	As at March 31st, 2021								
	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
A: Financial Assets									
i) Cash and Cash Equivalents	41,642	–	–	–	–	–	–	–	41,642
ii) Bank Balance other than above	9,744	289	1,333	11,736	49,958	25,126	471	–	98,657
iii) Derivative Financial Instruments	936	–	–	–	–	–	–	–	936
iv) Trade Receivables	913	913	913	–	–	–	–	–	2,739
v) (a) Loans	48,313	29,911	29,549	72,439	1,10,729	3,16,776	9,83,876	16,45,069	32,36,662
(b) Liability towards Assignment	(1,01,398)	(23,244)	(24,027)	(65,799)	(95,044)	(1,17,955)	–	–	(4,27,467)
vi) Investments	–	–	130	–	34,517	25,011	39,648	2,712	1,02,018
vii) Other Financial Assets	28,894	1,765	3,377	2,377	4,427	72,757	100	4	1,13,701
Total	**29,044**	**9,634**	**11,275**	**20,753**	**1,04,587**	**3,21,715**	**10,24,095**	**16,47,785**	**31,68,888**
B: Financial Liabilities									
i) Derivative Financial Instruments	1,151	–	–	–	–	–	–	–	1,151
ii) Trade Payables	1,479	1,479	1,479	4,438	–	–	–	–	8,875
iii) Debt Securities *	27,255	10,816	414	1,185	84,003	82,270	19,418	20,374	2,45,735
iv) Borrowings (Other than Debt Securities) # *	14,60,706	12,659	1,41,135	5,04,025	1,61,904	3,14,600	38,516	17,354	26,50,899
v) Subordinated Liabilities *	14,473	1,136	709	7,511	37,905	96,096	34,974	54,834	2,47,638
vi) Lease Liabilities	47	44	44	127	240	585	233	17	1,337
vii) Other Financial Liabilities	12,047	387	149	1,062	2,752	7,312	783	–	24,492
Total	**15,17,158**	**26,521**	**1,43,930**	**5,18,348**	**2,86,804**	**5,00,863**	**93,924**	**92,579**	**31,80,127**

The repayment of Working capital facilities (including WCDL and Cash credit facilities) has been considered based on the renewal date of the respective Working capital facilities. However, working capital facilities for cases where renewal is pending as on March 31st, 2021 amounting to ₹10,36,487 Lacs has been considered in the first bucket i.e. Upto 30/31 days.

* Repayment of overdue amount is based on contractual terms has been considered in the first bucket i.e. Upto 30/31 days.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

51. Financial Instruments and Related Disclosures (continued)

(II) Public disclosure on Liquidity Risk

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 4th, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

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

As at	Number of Significant Counterparties	Amount (₹ in Lacs) *	% of Total deposits	% of Total Liabilities
March 31st, 2022	16	24,98,661	Not applicable	77%
March 31st, 2021	16	24,32,399	Not applicable	76%

* Amount is as per commercial terms. Does not include overdue interest on Secured Non-convertible debentures, Secured Long Term Infrastructure Bond, Subordinated perpetual debentures and Subordinated redeemable non convertible debentures.

(ii) Top 20 large deposits (amount in ₹ in Lacs and % of total deposits) - Not applicable (March 31st, 2021: Not applicable)

(iii) Top 10 borrowings (amount in ₹ in Lacs and % of total borrowings)

As at March 31st, 2022		As at March 31st, 2021	
Amount (₹ in Lacs) **	% of Total Borrowings	Amount (₹ in Lacs) **	% of Total Borrowings
2,058,519	64%	20,09,794	64%

** Amount is as per commercial terms. Does not include overdue interest on Secured Non-convertible debentures, Secured Long Term Infrastructure Bond, Subordinated perpetual debentures and Subordinated redeemable non convertible debentures.

(iv) Funding Concentration based on significant instrument/product

Sl. No.	Name of the instrument/product	As at March 31st, 2022		As at March 31st, 2021	
		Amount (₹ in Lacs)#	% of Total Liabilities	Amount (₹ in Lacs)#	% of Total Liabilities
1	Term Loan from Banks				
	a. Rupee Term loans - Secured	2,19,716	7%	2,09,605	7%
	b. Foreign currency Term loans - Secured	95,196	3%	90,557	3%
	c. Foreign currency Term loans - Unsecured	–	–	30,972	1%
2	Working capital facilities	19,99,379	61%	19,60,988	61%
3	Term Loan from Others				
	a. Rupee Term loans - Secured	2,07,630	6%	1,54,110	5%
	b. Foreign currency Term loans - Secured	74,778	2%	1,14,686	4%
4	Non-convertible debentures - Secured	2,55,503	8%	2,28,757	7%
5	Subordinated Non convertible debentures (Tier II Capital)	2,29,741	7%	2,06,953	6%

\# Amount is as per commercial terms

(v) Stock Ratios:

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
1	Commercial Papers to Total Public Funds	–	–
2	Commercial Papers to Total Liabilities	–	–
3	Commercial Papers to Total Assets	–	–
4	NCDs (Original Maturity < 1 yr.) to Total Public Funds	–	–
5	NCDs (Original Maturity < 1 yr.) to Total Liabilities	–	–
6	NCDs (Original Maturity < 1 yr.) to Total Assets	–	–
7	Other Short-Term Liabilities to Total Public Funds ##	0.80%	1.01%
8	Other Short-Term Liabilities to Total Liabilities ##	0.78%	0.99%
9	Other Short-Term Liabilities to Total Assets ##	0.96%	1.10%

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.

51. Financial Instruments and Related Disclosures *(Continued)*

(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 October 4th, 2021, ALCO has been reconstituted w.e.f. December 10th, 2021.

Notes:

1. The Reserve Bank of India ('RBI') vide press release dated October 4th, 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, constituted a three-member Advisory Committee to assist the Administrator in discharge of his duties.

   Thereafter 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 8th, 2021 admitted the application made 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, 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.

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 - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

6. CIRP had been initiated against the Company, as stated in Note No. 1 above and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8th, 2021 (i.e. date of commencement of CIRP). As per the Code, the Administrator has to receive, collate and reconcile all the claims submitted by the creditors of the Company. Such claims can be made to the Administrator during the CIRP. The claims so received by the Administrator, as on May 4th, 2022 is in the process of being verified and wherever, the claims are admitted, the effect of the same has been given in the books of accounts. In respect of claims of creditors, which are rejected or under verification, the effect of the same in the books of accounts will be taken once the reconciliation of the same is completed and it is admitted. Further, as aforesaid, since the creditors can file their claims during the CIRP, the figures of claims admitted in the books of accounts might undergo changes during the CIRP or thereafter. Adjustments, if any arising out of the claim verification and admission process will be given effect in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

51. Financial Instruments and Related Disclosures (continued)

(III) Statement on Liquidity Coverage Ratio (LCR)

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 4th, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies

(₹ in Lacs)

Particulars	As at June 30th, 2021 ##		As at March 31st, 2021	
	Total Unweighted value (average)*	Total Weighted value (average)#	Total Unweighted value (average)*	Total Weighted value (average)#
HIGH QUALITY LIQUID ASSETS				
1 Total High Quality Liquid Assets (HQLA)	50,212	50,212	53,944	53,944
CASH OUTFLOWS				
2 Deposits (for deposit taking companies)	–	–	–	–
3 Unsecured wholesale funding	48,353	55,606	30,962	35,606
4 Secured wholesale funding	17,53,181	20,16,158	14,71,472	16,92,193
5 Additional requirements, of which	17,477	20,099	14,876	17,108
6 Other contractual funding obligations	1,35,968	1,56,363	1,01,398	1,16,608
7 Other contingent funding obligations	–	–	–	–
8 TOTAL CASH OUTFLOWS	**19,54,979**	**22,48,226**	**16,18,708**	**18,61,515**
CASH INFLOWS				
9 Secured lending	–	–	–	–
10 Inflows from fully performing exposures	47,311	35,483	49,226	36,919
11 Other cash inflows	28,000	21,000	29,742	22,307
12 TOTAL CASH INFLOWS	**75,311**	**56,483**	**78,968**	**59,226**
		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		**50,212**		**53,944**
14 TOTAL NET CASH OUTFLOWS OVER THE NEXT 30 DAYS {Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows)}		21,91,743		18,02,289
15 LIQUIDITY COVERAGE RATIO (%)		**2%**		**3%**

* Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow.

The figures pertaining to June 30th, 2021 are unaudited and are as represented by the management, which have been relied upon by the auditors.

Classification of inflows and outflows for determining the run off factors is based on the management estimates and assumptions, which has been relied upon by the auditors.

The figures as at January 31st, 2021 and February 28th, 2021 used in the computation of Total High Quality Liquid Assets (HQLA) as at March 31st, 2021, are as represented by the management, which have been relied upon by the auditors.

The figures as at April 30th, 2021 and May 31st, 2021 used in the computation of Total High Quality Liquid Assets (HQLA) as at June 30th, 2021, are as represented by the management, which have been relied upon by the auditors.

51. Financial Instruments and Related Disclosures *(Continued)*

Qualitative disclosure around Liquidity Coverage Ratio (LCR)

The Reserve Bank of India has prescribed Guidelines on Maintenance of Liquidity Coverage Ratio (LCR). All non-deposit taking NBFCs with asset size of ₹10,000 crore and above, and all deposit taking NBFCs irrespective of their asset size, is required to maintain a liquidity buffer in terms of LCR which will promote resilience of NBFCs to potential liquidity disruptions by ensuring that they have sufficient High Quality Liquid Asset (HQLA) to survive any acute liquidity stress scenario lasting for 30 days. The stock of HQLA to be maintained by the NBFCs shall be minimum of 100% of total net cash outflows over the next 30 calendar days.

The LCR requirement was applicable from December 1st, 2020 with the minimum HQLA s to be held being 50% of the LCR, progressively reaching a level upto 60%, 70%, 85% and 100% by December 1st, 2021, December 1st, 2022, December 1st, 2023, December 1st, 2024 respectively.

Liquidity Coverage Ratio (LCR) comprises of high quality liquid assets (HQLA s) as numerator and net cash outflows in 30 days as denominator.

The Company, during the quarter ended March 31st, 2021, had maintained average HQLA (after haircut) of ₹53,944 lacs against ₹23,374 lacs for the quarter ended December 31st, 2020. HQLA primarily includes cash on hand, bank balances in current account and non-lien demand deposits with Scheduled Commercial Banks.

The Company had submitted a letter dated November 30th, 2020 to RBI seeking forbearance of complaince with LCR till the scheme of arrangement (as stated in Note No. 53 to the Financial Statements for the year ended March 31st, 2021) is implemented. Further the Company has not been able to meet the regulatory requirement of the LCR framework for the reason stated in Note No. 51, 53 & 54 to the Financial Statements for the year ended March 31st, 2021.

Pursuant to initiation of CIRP as on October 8th, 2021 (Refer Note No. 1.2) and as stated in Note No. 65, the process of filing/admitting claims of financial/operational/other creditors is not yet completed and the figures of claims admitted in the books of accounts might undergo change during the CIRP, hence, the expected date of repayments of claims of financial/operational/other creditors and consequent total net cash outflows over the next 30 calendar days in respect of the quarters ended September 30th, 2021, December 31st, 2021 and March 31st, 2022 is not determinable. Accordingly, it is not practicable to disclose the LCR in respect of such quarters.

c) Credit Risk

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. Accordingly, a moratorium has been declared under Section 14 of the Code.

The principal business of the Company is to provide financing in the form of loans to its clients primarily to acquire assets and infrastructure lending. Credit Risk is the risk of default of the counterparty to repay its obligations in a timely manner resulting in financial loss. The Company also provides Leasing services to its clients which result in accrual of Trade Receivables. The Company is exposed to credit risk to the extent of such Trade Receivables. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. The Company has credit policies approved by the Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines. Post CIRP the Company has revised the Credit Policy. However, since the Company is under CIRP, no further lending is envisaged till the implementation of resolution plan.

The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on both loan assets and trade receivables as per accounting standards. In addition, the Company also assesses impairment on such assets as per RBI guidelines and accounted for in the books as per regulatory guidelines. It may be noted that credit risk has increased due to the prolonged impact of the Covid-19 pandemic which has impacted the overall economy including the infrastructure sector.

Any concentration breach as per prudential norms are reported as required by RBI. Currently, since the networth is negative, the entire exposure is under breach of such concentration norms.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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51. Financial Instruments and Related Disclosures *(Continued)*

d) Operational Risk

The Company is exposed to operational risk in view of the nature of its business. In the light of the evolving business scenario, the IT systems of the Company are being reviewed periodically to identify improvement areas and put in place enhanced controls to minimise operational risk.

The Operational Risk Framework has been strengthened post CIRP (Refer Note No. 1.2) to include risk control matrices and risk control self-assessment framework. The Policy framework within the organization has been strengthened within the organization with review of policies of the Company viz Credit Policy, Risk Policy and Stressed Asset Management Policy.

52. Transfers of Financial Assets

Transfers of financial assets that are not derecognised in their entirety

The Company has carried out securitisation transactions wherein it has securitised loans. Even though the loan assets have been securitised, the Company still holds the right (legal as well as contractual) to recover the entire overdue balance in respect of these loan assets. Further, the returns are dependent on the realisation from the securitised loan assets, leading to Company bearing the risk of non-realisation from the pool.

The table below outlines the carrying amounts and fair values of all financial assets transferred that are not derecognised in their entirety and associated liabilities.

(₹ in Lacs)

Particulars	As at March 31st, 2022	As at March 31st, 2021
Carrying amount of assets	–	15,515
Carrying amount of associated liabilities	–	10,889
Fair value of assets	–	15,633
Fair value of associated liabilities	–	10,831

53. Assets obtained by taking possession of collateral/assets

The Company has obtained certain non-financial assets during the year by taking possession of collaterals or underlying assets on default by the party. The Company's policy is to determine whether a repossessed asset can be released back to the customer or should be sold. Assets which are identified for sale are classified as Repossessed Assets and Assets acquired in satisfaction of debt at their fair value or carrying value, whichever is lower. The Company's policy is to realise collateral on a timely basis.

The table below outlines the nature and values of Repossessed Assets and Assets acquired in satisfaction of debt obtained during the year and where still lying with the Company as at the year end:

(₹ in Lacs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Land	–	–
Other	6,403	4,822
Total	**6,403**	**4,822**

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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54. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

(₹ in Lacs)

Assets	As at March 31st, 2022			As at March 31st, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	1,27,881	–	1,27,881	41,642	–	41,642
Bank Balance other than above	14,453	3,808	18,261	73,060	25,597	98,657
Derivative Financial Instruments	–	–	–	936	–	936
Trade Receivables	3,168	–	3,168	2,712	–	2,712
Loans	1,31,955	21,68,980	23,00,935	2,55,299	23,57,959	26,13,258
Liability towards Assignment $	(2,46,815)	(6,995)	(2,53,810)	(3,09,512)	(1,17,955)	(4,27,467)
Investments	41,970	81,634	1,23,604	34,647	67,371	102,018
Other Financial Assets #	23,191	59,840	90,531	39,172	71,769	110,941
Current Tax Assets (Net)	–	24,501	24,501	–	24,068	24,068
Property, Plant and Equipment	–	1,83,412	1,83,412	–	2,55,620	2,55,620
Right-of-use Assets	48	664	712	81	988	1,069
Other Intangible Assets	–	838	838	–	1,173	1,173
Other Non-Financial Assets	37,411	946	38,357	46,684	1,336	48,020
Total	**1,33,262**	**25,17,628**	**26,58,390**	**1,84,721**	**26,87,926**	**28,72,647**

For the current year, receivables of security deposits from SIFL are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2 and 64).

$ For the current year, amount within 12 months includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation .

(₹ in Lacs)

Liabilities	As at March 31st, 2022			As at March 31st, 2021		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Derivative Financial Instruments	–	–	–	1,151	–	1,151
Trade Payables ##	1,125	–	6,418	8,875	–	8,875
Debt Securities *	–	–	2,59,552	1,22,853	1,21,295	2,44,148
Borrowings (Other than Debt Securities) *	10,803	3,190	26,76,863	22,79,386	3,68,167	26,47,553
Subordinated Liabilities *	–	–	2,61,581	60,986	1,84,545	2,45,531
Lease Liabilities	70	758	828	88	1,054	1,142
Other Financial Liabilities	16,440	2,232	18,672	16,192	6,827	23,019
Current Tax Liabilities (Net)	–	13,652	13,652	–	13,337	13,337
Provisions	77	15,700	15,777	103	1,339	1,442
Other Non-Financial Liabilities	2,525	1,743	4,268	4,981	3,159	8,140
Total	**31,040**	**37,275**	**32,57,611**	**24,94,814**	**6,99,524**	**31,94,338**

Repayments of Trade Payables admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2) are not determinable.

* For the current year, repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2, 64 and 65).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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55. Disclosure of Joint Controlled Operation as on March 31st, 2022

During the year ended March 31st, 2017, the Company had entered into agreements with PL Solar Renewable Limited, PL Sunrays Power Limited and PL Surya Vidyut Limited ("SPVs"), respectively, for joint use and operation of certain assets in relation to Solar Power Generation project. These SPVs have already entered into a purchase power agreement (PPA) with Uttarakhand Power Corporation Limited (UPCL). Pursuant to the agreement, the revenue generated from the sale of power to UPCL will be shared among the Company and SPVs in the ratio of 80:20. Subsequently this revenue sharing ratio had been revised to 65:35 w.e.f. October 1st, 2018.

Accordingly, an amount of ₹1,913 Lacs (March 31st, 2021 : ₹1,889 Lacs) has been recognized as "Income from joint controlled operation" under the head "Revenue from Operations". None of the Company's assets has been transferred to the Joint Venture and there is no liability incurred in this respect.

There are no Contingent Liabilities or Capital Commitments in this respect.

56. Segment Reporting

The Company is primarily engaged in financial services to its customers across India. Consequently, there are no separate reportable segments as per 'Ind AS 108'.

57. (i) Information as required by terms of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions") is furnished vide Annexure – I attached herewith.

57. (ii) Disclosure as per Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24th, 2021.

57. (ii) (a) Disclosure relating to securitisation pursuant to Reserve Bank of India notification RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24th, 2021 for Non-STC (Simple, transparent and comparable) Securitisation Transaction*.

Sl. No.	Particulars	As at March 31st, 2022# No./(₹ in Lacs)	As at March 31st, 2021# No./(₹ in Lacs)
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitization exposures to be reported here)	–	6
2	Total amount of securitised assets as per books of the SPEs	–	11,174
3	Total amount of exposures retained by the originator to comply with MRR as on the date of balance sheet		
	a) Off-balance sheet exposures		
	First loss	–	–
	Others	–	–
	b) On-balance sheet exposures		
	First loss	–	5,839
	Others	–	–
4	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	–	–
	Others	–	–
	ii) Exposure to third party securitisations		
	First loss	–	–
	Others	–	–

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

Sl. No.	Particulars	As at March 31st, 2022# No./(₹ in Lacs)	As at March 31st, 2021# No./(₹ in Lacs)
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	First loss	–	–
	Others	–	–
	ii) Exposure to third party securitisations		
	First loss	–	–
	Others	–	–
5	Sale consideration received for the securitised assets	–	–
	Gain/loss on sale on account of securitisation	–	–
6	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc.		
7	Performance of facility provided. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	Credit enhancement (Nil as at March 31st, 2022 and 52.25% as at March 31st, 2021)		
	Fixed Deposit in favour of SPE		
	a) Amount paid	–	–
	b) Repayment received	815	24,181
	c) Outstanding amount	–	815
	Credit enchancement with SPE		
	a) Amount paid /Repayment received (net)**	–	5,024
	b) Outstanding amount	–	5,024
8	Average default rate of portfolios observed in the past ##	Not Applicable	47.44%
9	Amount and number of additional/top up loan given on same underlying asset		
	(a) Amount	—	—
	(b) Number	—	—
10	Investor complaints		
	(a) Directly/Indirectly received	—	6
	(b) Complaints outstanding	—	—

* The Company has not entered into Non-STC Securitisation transactions subsequent to the applicability of this Master Direction.

** Amount represents Net of Addition and Repayment received towards Credit enchancement with SPE.

The above figures are based on the information obtained from the SPEs, which is duly certified by the SPEs' auditor.

The Company is primarily engaged in financial services to its customer across India. The portfolio has been bifurcated into assets finance/infrastructure loans in various Infrastructure sectors which includes IT, construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

57. (ii) (b) Disclosure relating to securitisation pursuant to Reserve Bank of India notification RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24th, 2021 for STC (Simple, transparent and comparable) Securitisation Transactions are not applicable.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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57. (iii) In terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.

Disclosure of Restructured Accounts

(₹ in Lacs)

Sl. No.	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism Standard	Under CDR Mechanism Sub-Standard	Under CDR Mechanism Doubtful	Others Standard	Others Sub-Standard	Others Doubtful	Total Standard	Total Sub-Standard	Total Doubtful
1	Restructured Accounts on April 1st, 2021	No. of Borrowers	1 (1)	– (1)	1 (–)	8 (–)	45 (1)	3 (–)	9 (1)	45 (2)	4 (–)
		Amount Outstanding	119 (592)	– (2,183)	2,321 (–)	4,178 (–)	1,12,085 (6,611)	16,903 (–)	4,297 (592)	1,12,085 (8,794)	19,224 (–)
		Provision thereon	* (1)	– (323)	1,160 (–)	61 (–)	31,880 (1,983)	6,690 (–)	62 (1)	31,880 (2,306)	7,850 (–)
2	Fresh restructuring during the year	No. of Borrowers	– (–)	– (–)	– (–)	– (8)	6 (44)	– (2)	– (8)	6 (44)	– (2)
		Amount Outstanding	– (–)	– (–)	– (–)	– (4,178)	78,608 (1,12,085)	– (9,499)	– (4,178)	78,608 (1,12,085)	– (9,499)
		Provision thereon	– (–)	– (–)	– (–)	– (61)	14,401 (31,880)	– (2,856)	– (61)	14,401 (31,880)	– (2,856)
3	Upgradation to restructured Standard category during the year	No. of Borrowers	– (–)	– (–)	– (–)	8 (–)	–8 (–)	– (–)	8 (–)	–8 (–)	– (–)
		Amount Outstanding	– (–)	– (–)	– (–)	32,185 (–)	-39,329 (–)	– (–)	32,185 (–)	-39,329 (–)	– (–)
		Provision thereon	– (–)	– (–)	– (–)	2,376 (–)	-8,725 (–)	– (–)	2,376 (–)	-8,725 (–)	– (–)
4	Restructured Standard advances which cease to attract higher provisioning and/ or additional risk weight and hence need not be shown as restructured standard advances at the beginning of the next year	No. of Borrowers	– (–)	– (–)	– (–)	-8 (–)	– (–)	– (–)	-8 (–)	– (–)	– (–)
		Amount Outstanding	– (–)	– (–)	– (–)	-32,185 (–)	– (–)	– (–)	-32,185 (–)	– (–)	– (–)
		Provision thereon	– (–)	– (–)	– (–)	-2,376 (–)	– (–)	– (–)	-2,376 (–)	– (–)	– (–)
5	Downgradations of restructured accounts during the year	No. of Borrowers	– (–)	– (-1)	– (1)	-4 (–)	-14 (-1)	18 (1)	–4 (–)	–14 (-2)	18 (2)
		Amount Outstanding	– (–)	– (-2,183)	– (2,321)	-84 (–)	-53,684 (-6,611)	56,770 (7,404)	-84 (–)	-53,684 (-8,794)	56,770 (9,725)
		Provision thereon	– (–)	– (-323)	– (1,160)	-7 (–)	-17,946 (-1,983)	21,528 (3,834)	–7 (–)	-17,946 (-2,306)	21,528 (4,994)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
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Disclosure of Restructured Accounts *(Continued)*

(₹ in Lacs)

Sl. No.	Type of Restructuring / Asset Classification / Details		Under CDR Mechanism			Others			Total		
			Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful
6	Write-Offs of restructured accounts during the year	No. of Borrowers	–1 (–)	– (–)	– (–)	–3 (–)	–7 (–)	–1 (–)	–4 (–)	–7 (–)	–1 (–)
		Amount Outstanding	-119 (–)	– (–)	-14 (–)	-3,976 (–)	-2,018 (–)	-7,240 (–)	-4,095 (–)	-2,018 (–)	-7,254 (–)
		Provision thereon	* (–)	– (–)	-7 (–)	-33 (–)	-365 (–)	-1,464 (–)	-34 (–)	-365 (–)	-1,471 (–)
7	Restructured Accounts as on March 31st, 2022	No. of Borrowers	– (1)	– (–)	1 (1)	1 (8)	22 (45)	20 (3)	1 (9)	22 (45)	21 (4)
		Amount Outstanding	– (119)	– (–)	2,307 (2,321)	119 (4,178)	95,662 (112,085)	66,433 (16,903)	119 (4,297)	95,662 (112,085)	68,740 (19,224)
		Provision thereon	– (–)	– (–)	1,153 (1,160)	21 (61)	19,246 (31,880)	26,754 (6,690)	21 (61)	19,246 (31,880)	27,907 (7,850)

Figures in the bracket indicates figures for the previous year.
* ₹47,678

Note:

i) Additional facilities (if any) availed by borrowers or addition in outstanding balance in existing restructured accounts and partial repayments in existing restructured accounts are adjusted and disclosed under "Write-offs of restructured accounts".

ii) For the purpose of arithmetical accuracy, movement in provisions in the existing restructured account as compared to balance of provision as disclosed in opening balance and fresh restructuring on account sale/recovery/settlement (for any change in provision) is adjusted and disclosed under "Write-offs of restructured accounts" during the year

57. (iv) Disclosures on The Scheme for Sustainable Structuring of Stressed Assets (S4A), as at March 31st, 2022

(₹ in Lacs)

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision held
		In part A	In part B *	
One number of account classified as Doubtful	9,194	5,335	3,859	1,082
One number of account classified as Standard	1,119	–	1,119	–
One number of account classified as Doubtful	(8,182)	(4,884)	(3,298)	(870)
One number of account classified as Substandard	(956)	–	(956)	–

Figures in the bracket indicates figures for the previous year.

* Note: Part B represents the Optionally Convertible Debentures received as per the S4A scheme.

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58. Details of loan transferred/acquired during the year ended March 31st, 2022 pursuant to RBI Master Direction RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24th, 2021 on Transfer of Loan Exposures are given below # :

(a) The Company has not transferred or acquired any loans not in default during the year ended March 31st, 2022

(b) The Company has not transferred or acquired any stressed loan during the year ended March 31st, 2022

(c) Details on recovery ratings assigned for Security Receipts as on March 31st, 2022

Recovery Ratings	Anticipated recovery as per recovery rating	Amount (₹ in lacs)
RR1	100%-150%	19,456
RR2	75%- 100%	35,583
RR5*	0%- 25%	–

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

Disclosures are provided for the year ended March 31st, 2022 as the Master Direction is effective from September 24th, 2021.

59. 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 5th, 2021 and consequent to circular dated August 6th, 2020 on restructuring of advances to the MSME borrowers

(₹ in Lacs)

No. of accounts restructured	Amount outstanding As at March 31st, 2022
130	1,285

60. Disclosures as required by RBI circular dated August 6th, 2020 'Resolution Framework for Covid-19 - related Stress'(RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21) are as below for the period ended March 31st, 2022

(₹ in Lacs)

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*	7,930	–	–	354	8,073
Of which, MSMEs	–	–	–	–	–
Others	–	–	–	–	–
Total	7,930	–	–	354	8,073

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

61. Moratorium granted to borrowers pursuant to RBI guidelines due to Covid-19 pandemic

The outbreak of Covid-19 pandemic in 2020 followed by lockdown extended from time to time across India caused significant adverse impact due to slowdown in economic activities during the previous year, which has continued even thereafter.

In the previous year, as a measure for revival of economic activities, RBI issued guidelines relating to Covid-19 Regulatory Packages on March 27th, 2020, April 17th, 2020 and May 23rd, 2020 as well as resolution framework for Micro, Small and Medium Enterprises (MSME) sector and other eligible borrowers on August 6th, 2020 and May 5th, 2021. In accordance with these guidelines and on the basis of the then Board approved policy, the Company offered repayment moratorium/resolution plan to eligible borrowers to whom loans have been granted (including cases of co-lending and loans assigned) (hereinafter referred to as 'borrowers') and to eligible customers to whom assets are given on lease (hereinafter referred to as 'lessees').

Owing to the above, the collection from the borrowers and the lessees had been severely impacted and which also adversely affected the cash flows of the Company.

While economic activities are returning to normalcy, the extent to which the effect of remedial measures taken during pandemic may further unfold in foreseeable future and also the extent to which any new wave of Covid-19 may further impact the operations, financial results of the Company and asset quality, is still unascertainable at this point of time.

62. Loan loss provisioning

Based on the annual review of ECL model carried out during the year and also the overall assessment of financial stress being faced by the borrowers and the lessees and considering the overall economic and business uncertainty, the Company has made ECL provision aggregating to ₹1,75,003 lacs for the year ended March 31st, 2022.

In view of the uncertainty, as stated in Note No. 61 above, the Company has made further provision of ₹10,329 lacs as management overlay in the quarter and year ended March 2022, which is over and above the provision as required by the ECL model of the Company.

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 13th, 2020 issued by RBI on Implementation of Indian Accounting Standards for Non-Banking Finance Companies and Asset Reconstruction Companies, the Company has also considered provision amounting to ₹1,22,999 Lacs for the year ended March 31st, 2022, 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'.

As per the existing officials of the Company, in respect of borrowers/lessees where the above provisions have been made, based on the recent realization efforts being made, the Company is hopeful of recovery against such borrowers/lessees and also has assets/collaterals as applicable held as securities.

As a part of the ongoing CIRP process 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. Accordingly, the financial statements, disclosures, categorisation and classification of assets are subject to the outcome of such valuation process.

63. Business Transfer Agreement and Scheme of Arrangement

During the year 2019-20, the Company and its holding Company, Srei Infrastructure Finance Limited (SIFL) entered into an agreement ('Business Transfer Agreement') to transfer the Lending Business, Interest Earning Business & Lease Business of SIFL together with associated employees, assets & liabilities (including liabilities towards issued & outstanding non - convertible debentures) (Transferred Undertaking), as a going concern by way of slump exchange to the Company pursuant to the Business Transfer Agreement, subject to all necessary approvals. Accordingly, the Company and SIFL passed the relevant accounting entries in their respective books of account to reflect the slump exchange w.e.f. October 1st, 2019 while allotment of shares by SEFL was made on December 31st, 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, the Company had filed two separate applications under Section 230 of the Companies Act, 2013 ('the Act') before the Hon'ble NCLT (CA 1106/KB/2020 and CA 1492/KB/2020 at the Hon'ble NCLT Kolkata) proposing Schemes of Arrangement (the Schemes) with all its secured and unsecured lenders (Creditors). Business Transfer Agreement, 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 liabilities and outstanding to the creditor," (as set out in the Scheme filed CA 1106/KB/2020).

NOTES TO THE FINANCIAL STATEMENTS AS AT AND
for the year ended March 31st, 2022

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 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 21st, 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/NCLAT at that time.

Both the schemes of arrangement were rejected by the majority of the creditors during the meetings held pursuant to Hon'ble NCLT's directions (dated 21/10/2020 and 30/12/2020 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 which has been allowed by the Tribunal by an order dated February 11th, 2022. As stated in Note No. 64, 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.

In accordance with the obligations imposed on the Administrator under Section 18(f) of the Code, the Administrator has taken custody and control of the corporate debtor with the financial position as recorded in the balance sheet as on insolvency commencement date on an 'as-is where-is' basis. The accounts for the year ended March 31st, 2022 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 and this fact has also been informed by the Administrator to the lenders and other stakeholders. Further, in line with the provisions of Section 14 of the Code, the Company has not alienated any of the assets appearing on the insolvency commencement date.

64. Consolidated Resolution under CIRP

In view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and its Holding Company, 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 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 committee of creditors 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 14th, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL. Further, the Company has received Expression of Interest from various prospective Resolution Applicants and the Company has finalised the list of the prospective Resolution Applicants who are in the process of submitting the resolution plan in terms of the Code.

65. Payment to lenders/others and claims under CIRP

CIRP has been initiated against the Company, as stated in Note No. 1.2 and accordingly, as per the Code, the Administrator has invited the financial/operational/other creditors to file their respective claims as on October 8th, 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. The claims as on October 8th, 2021 so received by the Administrator till May 4th, 2022 is in the process of being verified/updated from time to time and wherever, the claims are admitted, the effect of the same has been given in the books of accounts.

In respect of claims of creditors, which are rejected or under verification, the effect of the same in the books of accounts will be taken once the verification of the same is completed and it is admitted. Further, as aforesaid, since the creditors can file their claims during the CIRP, the figures of claims admitted in the books of accounts might undergo changes during the CIRP. Adjustments, if any arising out of the claim verification and admission process will be given effect in subsequent periods.

Further, the foreign currency debt of the Company has been converted into INR as per the Code on the date of commencement of CIRP and accordingly, the Company has not translated its foreign currency exposure as on March 31st, 2022 as per the requirements of Ind AS 21 'The effects of changes in foreign exchange rates'.

66. Pursuant to the admission of the Company under the CIRP, the Company has not provided for interest amount of ₹1,99,970 Lacs approx. for the year ended March 31st, 2022 respectively, on Borrowings since insolvency commencement date i.e. October 8th, 2021 in respect of the Company'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. If the interest was accrued on borrowings, as aforesaid, the loss before tax for the year ended March 31st, 2022 would have resulted in a loss before tax of ₹4,67,455 Lacs for the year ended March 31st, 2022.

67. Unhedged Foreign Currency Exposure

As per the requirements of RBI notification RBI/FED/2018-19/67 FED Master Direction No.5/2018-19 dated March 26th, 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 the Company complied on an ongoing basis till the nine months ended December 31st, 2020. Thereafter, the Company was not able to meet the requirements of the aforesaid RBI notification due to procedural issues. The Company 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 ₹27,272 lacs as per contractual terms being not hedged, in terms of the aforesaid RBI notification, as on March 31st, 2022. The Company has reported the above fact to RBI and reply from the same is awaited.

68. Going Concern

The Company had reported losses during the year ended March 31st, 2022 and earlier year/periods as well. Hence, the net worth of the Company has fully eroded.

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. 1.2, CIRP was initiated in respect of the Company w.e.f. October 8th, 2021. The Company has assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these financial statements has been prepared on a going concern assumption basis as per below:

a) The Code requires the Administrator to, among other things, run the Company as a going concern during CIRP.

b) The Administrator, in consultation with the Committee of Creditors ('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 and with time bound recovery of its due from borrowers/lessees and monetization of assets/securities, the Company is very hopeful of significant improvement in its cash flows in due course of time.

c) Reduction in overhead expenditure.

d) The Company also formed 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 has started and ultimately a resolution plan needs to be presented to and approved by the CoC and further approved by the Hon'ble NCLT and RBI approval. Pending the completion of the said process under CIRP, these financial statements have been prepared on a going concern basis.

69. Probable Connected/Related Companies

The Reserve Bank of India (RBI) in its inspection report and risk assessment report (the directions) for the year ended March 31st, 2020 had identified 'certain borrowers' as probable connected/related companies. In the directions, the Company has 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 Srei Infrastructure Finance Limited ('SIFL' or 'Holding Company') and also whether these are on arm's length basis.

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for the year ended March 31st, 2022

It has been brought to the Administrator's notice that the erstwhile management of the Company had taken legal view to determine whether such borrowers are related parties to the Company or SIFL. Based on the legal view, the erstwhile management was advised and had therefore came to the conclusion that the Company or its Holding Company 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 its Holding Company. 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 the Company/SIFL 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/SIFL under the Companies Act, 2013 or Ind AS 24.

Further, in view of the RBI directions, in line with arm's length principles, the erstwhile management 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 the Company has gone into CIRP.

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. As such, these financials statements are subject to outcome of such audits/reviews.

The total exposure (net of impairment) towards such borrowers is ₹7,08,800 Lacs and ₹8,57,565 Lacs as on March 31st, 2022 and as on March 31st, 2021 respectively. The details of the same are as follows:

(₹ in Lacs)

Categories	As at March 31st, 2022	As at March 31st, 2021
Borrowers who are Investee Companies of the Alternative Investment Fund (AIF)	3,42,329	4,15,666
Borrowers where investment is done by investee companies of AIF	2,50,807	3,21,697
Power Trust and its Investee Companies	79,253	81,076
Shristi and its Investee Companies	36,411	39,126
Total	**7,08,800**	**8,57,565**

70. Based on the directions of RBI, during the year ended March 31st, 2022 the Company has made provision amounting to ₹9,807 Lacs and ₹4,991 Lacs in respect of direct tax cases and indirect tax cases respectively where the Company 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, the Company 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'.

71. As at March 31st, 2021 the Company was having funds amounting to ₹523 Lacs in relation to the Corporate Social Responsibility ('CSR') which were unspent. These unspent amounts as per the requirements of Section 135 of the Companies Act, 2013 ('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 Trust and Retention Account (TRA) mechanism effective November 24th, 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 awaited.

72. Pursuant to the RBI circular dated November 12th, 2021 - "Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications", the Company has taken necessary steps to comply with norms/changes as they become applicable. Thereafter, vide circular dated February 15th, 2022, RBI deferred the applicability of para 10 of the circular dated November 12th, 2021, till September 30th, 2022 pertaining to implementing the provisions for upgradation of NPA assets as 'standard' asset only if entire arrears of interest and principal are paid by the borrower and accordingly advances amounting to ₹6,703 lacs has been upgraded during the quarter ended March 31st, 2022 which was downgraded during quarter ended December 31st, 2021 as aforesaid.

73. As per Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the secured redeemable non-convertible debentures as on March 31st, 2022 are secured by first pari-passu charge by mortgage of immovable property at West Bengal and Tamil Nadu and exclusive and/or specific charge on the specific & identified receivables of the Company. Assets cover available as on March 31st, 2022, net of provisions as per Ind AS norms excluding provisions made under IRACP is 77.75% of the principal amount of its secured redeemable non-convertible debentures. The Company has not been able to maintain the asset cover as stated in the Information Memorandum/Debenture Trust Deeds etc. As stated in Note No. 62 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 as required under the provisions of the Code. Accordingly, the percentage of asset cover given above is subject to the outcome of such valuation process.

74. As stated in Note No. 63, the Company 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 the Company.

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 ₹70 lacs only. However, charges filed by SEFL w.r.t. such listed NCDs are yet to be approved by the ROC and thus the charges are appearing in the name of SIFL.

For cases of secured borrowings, other than the secured listed NCDs, as stated above, the relevant novation agreements are yet to be signed by all the banks/financial institutions. 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.

75. As per section 125 of the Companies Act, 2013 a Company is 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 8th, 2021 (CIRP commencement date) an amount of ₹18,574/- and post commencement of CIRP an amount of ₹31,633/- was transferable by SEFL to IEPF in terms of section 125 of the Companies Act, 2013 pertaining to the interest on application money due for refund of 2014-15 of SEFL.

The Company was unable to comply with the provision of Section 125 of the Companies Act, 2013 as its compliance will accord to breach of the moratorium in terms of section 14 of the IBC. To the extent that the provision of the Companies Act is inconsistent with section 14 of the IBC, the provisions of the IBC will prevail, in light of section 238 of the IBC. However, the Company has written to IEPF authorities and requested guidance in this regard/submission of their claim and await their response.

76. During the year ended March 31st, 2022, the Company has invoked 49% equity shares of Sanjvik Terminals Private Limited ('STPL'), which were pledged with the Company as security against the loan availed by one of the borrowers of the Company. As at March 31st, 2022, these shares appear in the demat statement of SIFL, whereas the borrower was transferred to the Company pursuant to BTA, as stated in Note No. 63 above. The

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for the year ended March 31st, 2022

Company is in the process of getting these shares transferred in its name. Till such name transfer, SIFL is holding these shares in trust for the Company for disposal in due course.

The Company has no intention to exercise any control/significant influence over STPL in terms of Ind AS 110/Ind AS 28.

The Company 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.

77. Analytical Ratios

Particulars	As at March 31st, 2022			As at March 31st, 2021	% Variance	Reasons for variance (if above 25%)
	Numerator	Denominator	Ratio			
Capital to risk-weighted assets ratio (CRAR) #	(11,86,181)	18,31,340	(64.77)%	(34.83)%	(29.94)%	*
Tier I CRAR #	(11,86,181)	18,31,340	(64.77)%	(34.83)%	(29.94)%	
Tier II CRAR #	22,892	18,31,340	1.25%	1.21%	(0.04)%	
Liquidity Coverage Ratio	Refer Note No. 51			3%	Not Applicable	

* Reasons for variances are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2)

Refer Note No. 50 and Note No. 1 of Annexure-I to Notes to the Financial Statements

78. Based on the information available in the public domain, few lenders have declared the bank account of the Company as fraud. However, in case of one of the lender, on the basis of petition filed by the ex-promoters, Hon'ble High Court of Delhi has restrained the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the petitioner's bank account as fraud. The next hearing in the matter has been listed August 23rd, 2022.

79. Previous year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification of the current year.

Signatories to Notes 1 to 79.

For Haribhakti & Co. LLP

Chartered Accountants
ICAI Firm Registration No.103523W/W100048

Manoj Daga
Partner
Membership no. 048523

Place : Mumbai
Date : May 18th, 2022

For J. Kala & Associates

Chartered Accountants
ICAI Firm Registration No. 118769W

Jayesh Kala
Partner
Membership no. 101686

Place : Kolkata
Date : May 18th, 2022

For and on behalf of Srei Equipment Finance Limited

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

Rajneesh Sharma
Administrator Appointed Under IBC

Place : Kolkata
Date : May 18th, 2022

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 or 'the Code'). The affairs, business and property of Srei Equipment 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 - 700046, West Bengal.
Email ID for Correspondence - sreiadministrator@srei.com

SREI

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

1. Capital to Risk Asset Ratio (CRAR)

(₹ in Lacs unless otherwise stated)

Sl. No.	Items	As at March 31st, 2022	As at March 31st, 2021
(i)	CRAR (%) **	(64.77)	(34.83)
(ii)	CRAR - Tier I Capital (%)	(64.77)	(34.83)
(iii)	CRAR - Tier II Capital (%)	1.25	1.21
(iv)	Amount of subordinated debt raised as Tier-II capital	–	–
(v)	Amount raised by issue of Perpetual Debt Instruments*	–	–

* As at March 31st, 2022, the amount of principal outstanding in respect of unsecured subordinated perpetual debentures is ₹13,750 Lacs (March 31st, 2021 : ₹13,750 Lacs) which is (1.15)% {March 31st, 2021 : (1.74)%} of total Tier-I Capital.

** Does not include off-balance sheet items as considering the same under the scenario of negative CRAR-Tier I capital will have a favourable impact on CRAR-Tier I Ratio.

2. Exposure to Real Estate Sector

(₹ in Lacs)

Sl. No.	Category	As at March 31st, 2022	As at March 31st, 2021
a)	**Direct Exposure**		
	(i) Residential Mortgages		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;	–	–
	(ii) Commercial Real Estate #		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non- fund based (NFB) limits;	7,24,069	7,42,462
	(iii) Investments in Mortgage Backed Securities and other securitised exposures		
	a. Residential	–	–
	b. Commercial Real Estate	–	–
b)	**Indirect exposure**	–	–
Total Exposure to Real Estate Sector		**7,24,069**	**7,42,462**

Includes lending in Special Economic Zones/Industrial parks amounting to ₹2,57,503 Lacs (March 31st, 2021 ₹2,34,357 Lacs) that would have the characteristics of Commercial Real Estate (CRE) and these would simultaneously be classified as "Infrastructure Lending" in terms of RBI Circular on classification of exposures as CRE exposures.

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

3. Exposure to Capital Market

(₹ in Lacs)

Sl. No.	Category	As at March 31st, 2022	As at March 31st, 2021
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;*	15,249	11,599
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1,964	30
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/ convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	–	–
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	–	–
(vii)	Bridge loans to companies against expected equity flows/issues;	–	–
(viii)	All exposures to Venture Capital Funds (both registered and unregistered)	908	–
Total Exposure to Capital Market		**18,121**	**11,629**

* Includes equity shares, optionally convertible debentures and compulsorily convertible preference shares acquired in satisfaction of debts.

4. Details of Assignment transactions undertaken by Non-Banking Financial Company (NBFC)

(₹ in Lacs unless otherwise stated)

Sl. No.	Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021*
(i)	No. of accounts (Nos.)	–	8
(ii)	Aggregate value (net of provisions) of accounts sold	–	30,385
(iii)	Aggregate consideration	–	25,835
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	–	–
(v)	Aggregate gain/(loss) over net book value	–	(4,550)

* The total amount of exposures retained by the Company on such assignment to comply with the Minimum Retention Requirement (MRR) is ₹Nil

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5. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31st, 2022 are as follows:

(₹ in Lacs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	–	–	–	–	–	–	–	–	–	–	–
Advances (refer note - 1 & 2 below)	1,12,454	88	10,722	9,778	7,631	24,724	39,134	200,336	480,755	2,284,589	31,70,211
Liability towards Assignment *	(1,97,837)	(2,861)	(5,236)	(6,693)	(6,397)	(14,365)	(13,426)	(6,995)	–	–	(2,53,810)
Investments (refer note - 2 below)	–	–	284	–	54	20,442	21,190	25,360	17,589	38,685	1,23,604
Borrowings (refer note - 3 below)	880	–	1,830	931	704	2,721	3,737	3,078	112	–	31,97,996
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency Liabilities	–	–	–	–	–	–	–	–	–	–	–

* Amount in first bucket includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation

Note:

1. Advances represent the maturity pattern of gross loan assets and receivables for operating lease assets.
2. The maturity pattern of Investments, Loan Assets measured at FVTOCI and overdue amounts on Loans have been considered on the basis of Management's best estimates.
3. Repayments of collateralised borrowings have been considered as per the contractual obligations and for others, repayments are not determinable pursuant to initiation of CIRP (Refer Note No. 1.2, 64 and 65).

Maturity pattern of certain items of assets and liabilities as at March 31st, 2021 are as follows:

(₹ in Lacs)

Particulars	1 day to 7 days	8 days to 14 days	15 days to 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	–	–	–	–	–	–	–	–	–	–	–
Advances (refer note - 1 & 2 below)	39,233	20	31,550	33,365	32,768	80,363	1,25,550	3,41,626	1,039,115	16,50,151	33,73,741
Liability towards Assignment	(1,01,398)	–	–	(23,244)	(24,027)	(65,799)	(95,044)	(1,17,955)	–	–	(4,27,467)
Investments (refer note - 2 below)	–	–	–	–	130	–	34,517	25,011	39,648	2,712	102,018
Borrowings (refer note - 3, 4 & 5 below)	13,73,800	3,098	1,25,,289	24,367	1,42,029	5,12,022	2,82,620	4,90,090	91,883	92,034	31,37,232
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency Liabilities	–	–	–	–	–	–	–	–	–	–	–

Note:

1. Advances represent the maturity pattern of gross loan assets and receivables for operating lease assets.
2. The maturity pattern of Investments, Loan Assets measured at FVTOCI and overdue amounts on Loans have been considered on the basis of Management's best estimates.
3. The repayment of Working capital facilities (including WCDL and Cash credit facilities) has been considered based on the renewal date of the respective Working capital facilities. However, Working capital facilities for cases where renewal is pending as on March 31st, 2021 amounting to ₹1,036,487 Lacs has been considered in the first bucket i.e. 1 day to 7 days.
4. Repayment of overdue amount is based on contractual terms has been considered in the first bucket i.e. 1 day to 7 days.
5. As stated in Note No. 54 to the Financial Statements for the year ended March 31st, 2021 - Payment to lenders, while on one hand the Company had to offer repayment moratorium/resolution plan to its borrowers/lessees, on other hand the Company was not allowed any relief from its lenders. This resulted in huge mismatch in its cash flows. The Company, then filed Schemes of Arrangement with Hon'ble NCLT (Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021-Scheme of Arrangement). The matters covered in the Scheme are pending for final decisions before Hon'ble NCLT/NCLAT.

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

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(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022		As at March 31st, 2021	
		Amount outstanding*	Amount overdue*	Amount outstanding	Amount overdue**
6.	**Liabilities side:**				
	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
a)	Debentures				
	– Secured	2,59,552	2,59,552	2,44,148	21,658
	– Unsecured	2,44,756	2,44,756	2,28,897	8,183
	(Other than falling within the meaning of public deposits)				
b)	Deferred credits	9,123	9,123	22,601	8,449
c)	Term loans	6,54,263	6,54,263	6,23,363	1,13,086
d)	Inter - corporate loans and borrowings	106	106	105	–
e)	Commercial paper	–	–	–	–
f)	Other Loans (Tier II Loan, Buyers Credit, Working Capital Demand Loan etc)	20,30,196	20,16,954	20,18,118	2,20,483

* Refer Note No. 1.2, 63, 64, 65 and 66

** Refer Note No. 53 of the Financial Statements for the year ended March 31st, 2021.

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022 Amount outstanding	As at March 31st, 2021 Amount outstanding
7.	**Assets side:**		
	Break-up of Loans and Advances including bills receivables [other than those included in (8) below]:		
(a)	Secured	26,47,145	26,39,087
(b)	Unsecured	1,99,591	1,70,035
	Total (a) + (b)	**28,46,736**	**28,09,122**
	Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	Refer note 1	Refer note 1
	(b) Operating Lease	Refer note 1	Refer note 1
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	Refer note 1	Refer note 1
	(b) Repossessed Assets	Refer note 1	Refer note 1
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	Refer note 1	Refer note 1
	(b) Loans other than (a) above	Refer note 1	Refer note 1

Note 1: The Company has not disclosed amount outstanding under assets financing activities as the RBI has merged Asset Financing Companies (AFC's), Loan Companies and Investment companies into a new category "NBFC - Investment and Credit Company" vide its circular no. DN BR (PD) CC. No. 097/03.10.001/2018-19 dated February 28th, 2019.

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(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022 Amount outstanding	As at March 31st, 2021 Amount outstanding
9.	**Break-up of Investments**		
	Current Investments :		
1.	**Quoted :**		
	(i) Shares :		
	(a) Equity	–	–
	(b) Preference	–	–
	(ii) Debentures and Bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government Securities	–	–
	(v) Others	–	–
2.	**Unquoted :**		
	(i) Shares :		
	(a) Equity	1,850	–
	(b) Preference	–	–
	(ii) Debentures and Bonds	–	
	(iii) Units of mutual funds	–	–
	(iv) Government Securities	–	–
	(v) Others (Pass Through Certificates etc)	–	–
Long term Investments			
1.	**Quoted :**		
	(i) Shares :		
	(a) Equity	421	130
	(b) Preference	–	–
	(ii) Debentures and Bonds	6,984	–
	(iii) Units of mutual funds	–	–
	(iv) Government Securities	–	–
	(v) Others	–	–
2.	**Unquoted :**	–	–
	(i) Shares :		
	(a) Equity	591	644
	(b) Preference	51,946	20,102
	(ii) Debentures and Bonds	5,866	5,186
	(iii) Units of mutual funds	–	–
	(iv) Government Securities	–	–
	(v) Others*	55,947	75,956

* Includes Security Receipts and units of Trust and Schemes of Venture Fund

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(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
10.	**Value of Investments**		
	(i) Gross Value of Investments	**1,33,194**	**1,11,608**
	(a) In India	1,33,194	1,11,608
	(b) Outside India	–	
	(ii) Provisions for Depreciation	**9,590**	**9,590**
	(a) In India	9,590	9,590
	(b) Outside India		
	(iii) Net Value of Investments	**1,23,604**	**1,02,018**
	(a) In India	1,23,604	1,02,018
	(b) Outside India	–	–
11.	**Movement of provisions held towards depreciation on investments**		
	(i) Opening balance	9,590	9,590
	(ii) Add : Provisions made during the year	–	–
	(iii) Less : Write-off/write-back of excess provisions during the year	–	–
	(iv) Closing balance	**9,590**	**9,590**

(₹ in Lacs)

Sl. No.	Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
12.	**Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss Account**		
	(i) Provision for depreciation on Investment	–	–
	(ii) Provisions towards NPA/ Write-offs #	3,10,640	9,47,035
	(iii) Provision made towards Income tax (Refer Note No. 70)	9,807	–
	(iv) Other Provision and Contingencies		
	– Provision for Employee Benefits	355	161
	– Provision for Standard Assets ##	43,510	12,664
		3,64,312	**9,59,860**

Includes Impairment Reserve created for Non performing Loans and Assets acquired in satisfaction of debt amounting to ₹72,116 Lacs (March 31st, 2021 : ₹3,72,007 Lacs) pursuant to the RBI regulatory guidance on 'Implementation of Indian Accounting Standards' (Refer Note No. 20 of Annexure - I to notes to the financial statements)

Includes Impairment Reserve created for Standard Assets amounting to ₹44,237 Lacs (March 31st, 2021 : ₹21,730 Lacs) pursuant to the RBI regulatory guidance on 'Implementation of Indian Accounting Standards' (Refer Note No. 20 of Annexure - I to notes to the financial statements).

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13. Borrower Group-wise Classification of assets financed as in (7) and (8) above

(₹ in Lacs)

Sl. No.	Category	Amount (Net of provisions) #					
		As at March 31st, 2022			As at March 31st, 2021		
		Secured	Unsecured	Total	Secured	Unsecured	Total
(i)	Related parties*						
	a) Subsidiaries	–	–	–	–	–	–
	b) Companies in the same group	1,997	12,408	14,405	2,036	27,678	29,714
	c) Other related parties	–	–	–	–	–	–
(ii)	Other than related parties	19,61,240	71,480	20,32,720	21,14,098	41,979	21,56,077
	Total	**19,63,237**	**83,888**	**20,47,125**	**21,16,134**	**69,657**	**21,85,791**

* As per Ind AS 24: Related Party Disclosures

Refer Note No. 62

14. Investor Group wise Classification of all Investments in Shares and Securities

(₹ in Lacs)

Sl. No.	Category	As at March 31st, 2022		As at March 31st, 2021	
		Market Value/Break up or Fair value or NAV	Book value (net of provision)	Market Value/Break up or Fair value or NAV	Book value (net of provision)
(i)	Related parties *				
	a) Subsidiaries	–	–	–	–
	b) Companies in the same group	–	–	–	–
	c) Other related parties	–	–	–	–
(ii)	Other than related parties	1,23,604	1,23,604	1,02,018	1,02,018

* As per Ind AS 24: Related Party Disclosures.

15. Concentration of Advances

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
(i)	Total Advances to twenty largest borrowers	10,94,432	10,31,711
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	38.45%	36.73%

16. Concentration of Exposures

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
(i)	Total Exposure to twenty largest borrowers/customers	11,04,908	10,49,888
(ii)	Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the NBFC on borrowers/customers	36.48%	35.06%

17. Concentration of NPAs

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
(i)	Total Exposure to top four NPA accounts	3,15,738	2,78,823

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18. Sector-wise NPAs

Sl. No.	Sector	Percentage of NPAs to Total Advances in that sector
(i)	Agriculture & allied activities	*
(ii)	MSME	
(iii)	Corporate borrowers	
(iv)	Services	
(v)	Unsecured personal loans	
(vi)	Auto loans	
(vii)	Other personal loans	

* The Company is primarily engaged in financial services to its customer across India. The portfolio has been bifurcated into assets finance/infrastructure loans in various Infrastructure sectors which includes IT, construction, mining, irrigation, earthmoving, railway projects, road projects, etc.

19. Movement of Non Performing Assets (NPAs)

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022		As at March 31st, 2021	
		Excluding Impairment Reserve	Including Impairment Reserve #	Excluding Impairment Reserve	Including Impairment Reserve #
(i)	**Net NPAs to Net Advances (%) @**	61.88%	52.97%	51.65%	43.52%
(ii)	**Movement of NPAs (Gross)**				
	(a) Opening balance	18,51,525	18,51,525	3,32,466	3,32,466
	(b) Additions during the year	6,00,687	6,00,687	15,82,790	15,82,790
	(c) Reductions during the year *	3,01,782	3,01,782	63,731	63,731
	(d) Closing balance	21,50,430	21,50,430	18,51,525	18,51,525
(iii)	**Movement of Net NPAs**				
	(a) Opening balance	12,67,927	9,14,600	2,19,217	2,19,217
	(b) Additions during the year	4,17,960	3,39,921	11,46,502	8,48,834
	(c) Reductions during the year *	2,95,974	2,90,322	97,792	1,53,451
	(d) Closing balance	13,89,913	9,64,199	12,67,927	9,14,600
(iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**				
	(a) Opening balance	5,83,598	9,36,925	1,13,249	1,13,249
	(b) Provisions made during the year	2,37,873	3,51,966	4,94,962	8,50,896
	(c) Write-off/write-back of excess provisions	60,954	1,02,660	24,613	27,220
	(d) Closing balance	7,60,517	11,86,231	5,83,598	9,36,925

* It includes write - off during the year

@ Net Advances represents Loans, Trade Receivables and Net Block of Assets given on Operating Lease

Includes Impairment Reserve created for Non performing Loans amounting to ₹4,25,714 Lacs (March 31st, 2021 : ₹3,53,327 Lacs) pursuant to the RBI regulatory guidance on 'Implementation of Indian Accounting Standards' (Refer Note No. 20 of Annexure - I to notes to the financial statements)

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20. A comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') Norms and impairment allowances made under Ind AS 109 as on March 31st, 2022 is given below:

(₹ in Lacs)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per Income Recognition, Asset Classification and Provisioning (IRACP) norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	596,161	35,281	5,60,880	74,778	(39,497)
Standard	Stage 2	100,145	4,174	95,971	30,937	(26,763)
Subtotal for Standard		**6,96,306**	**39,455**	**6,56,851**	**1,05,715**	**(66,260)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	508,480	1,35,853	3,72,627	1,70,751	(34,898)
Subtotal for Substandard		**508,480**	**1,35,853**	**3,72,627**	**1,70,751**	**(34,898)**
Doubtful - up to 1 year	Stage 3	885,946	2,82,138	6,03,808	4,39,974	(1,57,836)
1 to 3 years	Stage 3	637,598	3,00,785	3,36,813	4,83,621	(1,82,836)
More than 3 years #	Stage 3	146,939	35,661	111,278	108,247	(72,586)
Subtotal for doubtful		**16,70,483**	**6,18,584**	**10,51,899**	**10,31,842**	**(4,13,258)**
Loss @	Stage 3	62,419	–	62,419	62,419	(62,419)
Subtotal for NPA		**22,41,382**	**7,54,437**	**14,86,945**	**12,65,012**	**(5,10,575)**
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	–	292	(292)	–	292
	Stage 2	–	–	–	–	–
	Stage 3	–	6,080	(6,080)	–	6,080
Subtotal		**–**	**6,372**	**(6,372)**	**–**	**6,372**
Total	**Stage 1**	**5,96,161**	**35,573**	**5,60,588**	**74,778**	**(39,205)**
	Stage 2	**1,00,145**	**4,174**	**95,971**	**30,937**	**(26,763)**
	Stage 3	**22,41,382**	**7,60,517**	**14,80,865**	**12,65,012**	**(5,04,495)**
	Total	**29,37,688**	**8,00,264**	**21,37,424**	**13,70,727**	**(5,70,463)**
# Doubtful - More than 3 years includes :						
Claims Receivable (measured at fair value through profit or loss)	Stage 3	28,533	–	28,533	16,362	(16,362)
@ Loss includes :						
Claims Receivable (measured at fair value through profit or loss)	Stage 3	44,009	–	44,009	44,009	(44,009)
Assets acquired in satisfaction of debt	Stage 3	18,410	–	18,410	18,410	(18,410)

The above table excludes Loss Allowances (Provisions) towards Trade Receivables (Refer Note No. 6) , Rental accrued but not due (Refer Note No. 9) and Interest retained on Pool Assigned (Refer Note No. 9)

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20. A comparison between provisions required under Income Recognition, Asset Classification and Provisioning ('IRACP') Norms and impairment allowances made under Ind AS 109 as on March 31st, 2021 is given below (Contd..) :

(₹ in Lacs)

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per Income Recognition, Asset Classification and Provisioning (IRACP) norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	8,61,744	35,736	8,26,008	40,453	(4,717)
Standard	Stage 2	95,852	4,395	91,457	21,722	(17,327)
Subtotal for Standard		**9,57,596**	**40,131**	**9,17,465**	**62,175**	**(22,044)**
Non-Performing Assets (NPA)						
Substandard	Stage 3	10,36,079	2,67,717	7,68,362	3,86,770	(1,19,053)
Subtotal for Substandard		**10,36,079**	**2,67,717**	**7,68,362**	**3,86,770**	**(1,19,053)**
Doubtful - up to 1 year	Stage 3	4,10,402	1,22,065	2,88,337	2,22,700	(1,00,635)
1 to 3 years	Stage 3	3,53,606	1,70,336	1,83,270	2,81,885	(1,11,549)
More than 3 years #	Stage 3	75,981	17,912	58,068	57,942	(40,029)
Subtotal for doubtful		**8,39,989**	**3,10,313**	**5,29,675**	**5,62,527**	**(2,52,214)**
Loss @	Stage 3	60,034	–	60,034	60,034	(60,034)
Subtotal for NPA		**19,36,102**	**5,78,031**	**13,58,071**	**10,09,331**	**(4,31,300)**
Other items such as guarantees, loan commitments etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms.	Stage 1	–	313	(313)	–	313
	Stage 2	–	–	–	–	–
	Stage 3	–	5,567	(5,567)	–	5,567
Subtotal		–	**5,880**	**(5,880)**	–	**5,880**
Total	**Stage 1**	**8,61,744**	**36,049**	**8,25,695**	**40,453**	**(4,404)**
	Stage 2	**95,852**	**4,395**	**91,457**	**21,722**	**(17,327)**
	Stage 3	**19,36,102**	**5,83,598**	**13,52,504**	**10,09,331**	**(4,25,734)**
	Total	**28,93,699**	**6,24,042**	**22,69,656**	**10,71,506**	**(4,47,464)**
# Doubtful - More than 3 years includes :						
Claims Receivable (measured at fair value through profit or loss)	Stage 3	24,543	–	24,543	12,372	(12,372)
@ Loss includes :						
Claims Receivable (measured at fair value through profit or loss)	Stage 3	41,354	–	41,354	41,354	(41,354)
Assets acquired in satisfaction of debt	Stage 3	18,680	–	18,680	18,680	(18,680)

The above table excludes Loss Allowances (Provisions) towards Trade Receivables (Refer Note No. 6) , Rental accrued but not due (Refer Note No. 9) and Interest retained on Pool Assigned (Refer Note No. 9)

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21. Details of Non-performing Financial Assets purchased from other NBFCs :

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
(i)	(a) No. of accounts purchased during the year	–	–
	(b) Aggregate outstanding	–	–
(ii)	(a) Of these, number of accounts restructured during the year	–	–
	(b) Aggregate outstanding	–	–

22. Details of Non-performing Financial Assets sold to other NBFCs :

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
(i)	No. of accounts sold	–	–
(ii)	Aggregate outstanding	–	–
(iii)	Aggregate consideration received	–	–

23. Other Information :

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022		As at March 31st, 2021	
		Excluding Impairment Reserve	Including Impairment Reserve #	Excluding Impairment Reserve	Including Impairment Reserve #
i.	Gross Non-Performing Assets				
	(a) Related Parties	25,723	25,723	–	–
	(b) Other than Related Parties	21,24,707	21,24,707	18,51,525	18,51,525
ii.	Net Non-Performing Assets #				
	(a) Related Parties	12,408	12,862	–	–
	(b) Other than Related Parties	13,77,505	9,51,337	12,67,927	9,14,600
iii.	Assets/Receivables acquired in satisfaction of debt (net) #	90,952	12,171	84,577	12,171

Includes Impairment Reserve created for Non performing Loans amounting to ₹4,25,714 Lacs (March 31st, 2021 : ₹3,53,327 Lacs) and Assets/Receivables acquired in satisfaction of debt amounting to ₹78,781 Lacs (March 31st, 2021 : ₹72,406 Lacs) pursuant to the RBI regulatory guidance on 'Implementation of Indian Accounting Standards' (Refer Note No. 20 of Annexure - I to notes to the financial statements).

24. Derivatives

Forward Rate Agreement (FRA)/Interest Rate Swap (IRS)

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
(i)	The notional principal of swap agreements	–	–
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	–	–
(iii)	Collateral required by the NBFC upon entering into swaps	–	–
(iv)	Concentration of credit risk arising from the swaps	–	–
(v)	The fair value of the swap book	–	–

The nature and terms of FRA/IRS as on March 31st, 2022 are set out below :

(₹ in Lacs)

Sl. No.	Nature	As at March 31st, 2022	As at March 31st, 2021	Benchmark	Terms
		Notional Principal			
(i)	Hedging (Refer Note No. 67)	–	–	USD LIBOR	Fixed Payable Vs Floating Receivable

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

25. Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	–	–
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as at year end	–	–
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	–	–
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	–	–

26. Disclosures on Risk Exposure in Derivatives

(i) Qualitative Disclosure

The Company's Financial Instruments are exposed to market changes due to which the Company is exposed to the following significant market risks:

i. Foreign Currency Risk

ii. Interest Rate Risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, which are not in the Company's functional currency (Indian Rupees). The Company is exposed to interest rate risk as the Company borrows foreign currency funds at fixed plus floating interest rate benchmarks. The Company manages this risk by maintaining an appropriate mix between fixed and floating rate borrowings, and by use of derivative hedging products like interest rate swaps and cross currency interest rate swaps. The Company had managed both these risks as per regulatory requirements.

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. Post CIRP, the Company has reconstituted ALCO which manages the foreign currency and interest rate risks, besides other market risks/core functions. The ALCO includes the Company's senior management. It defines the strategy for managing foreign currency and interest rate risks in the business.

In view of CIRP, the foreign currency liabilities have been crystallised into INR as on October 8th, 2021 (Insolvency Commencement Date or 'ICD'). Hence, there is no foreign currency risk as at March 31st, 2022. Further all the borrowings have been crystallised as on ICD. Hence, there is no interest rate risk as at March 31st, 2022.

(ii) Quantitative Disclosures

(₹ in Lacs)

Sl. No.	Particulars	As at March 31st, 2022		As at March 31st, 2021	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging	–	–	48,439	–
(ii)	Marked to Market Positions				
	a) Asset (+)	–	–	936	–
	b) Liability (-)	–	–	(1,151)	–
(iii)	Credit Exposure	–	–	–	–
(iv)	Unhedged Exposures	–	–	–	–

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

27. Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC

The Company has exceeded the prudential exposure limits during the year ended March 31st, 2022 with respect to Single Borrower Limit (SBL) and Group Borrower Limit (GBL).

During the year ended March 31st, 2021 the Company has exceeded the prudential single borrower limit in 2 cases having exposure of ₹86,477 Lacs & ₹83,226 Lacs respectively and Group Borrower limit in 2 cases having group exposure of ₹2,06,208 Lacs & ₹1,65,186 Lacs respectively, based on % of Tier-I Capital amounting to ₹3,98,269 Lacs as on March 31st, 2020.

28. Unsecured Advances

Unsecured advance represents unsecured Loans as at March 31st, 2022 is ₹1,99,591 Lacs (March 31st, 2021 ₹1,70,035 Lacs) and it includes advances amounting to ₹Nil (March 31st, 2021 ₹Nil) for which intangible securities such as charge over rights, licences, authority, etc., has been taken as collateral.

29. Registration obtained from other financial sector regulators : None

30. Penalties have been imposed by RBI or any other Regulators during the financial year ended March 31st, 2022 and March 31st, 2021 as below:

(₹ in Lacs)

Sl. No.	Regulatory Body	Reason	Amount
(i)	Bombay Stock Exchange	Non compliance of regulation 52(1) of SEBI Listing Obligations and Disclosure Requirements, 2015	1
(ii)	National Stock Exchange	Non compliance of regulation 52(1), 52(4), 54(2) of SEBI Listing Obligations and Disclosure Requirements, 2015	2

No Penalties have been imposed by RBI or any other Regulators during the financial year ended March 31st, 2021.

31. Draw Down from Reserves

Details of draw down from Reserves is disclosed in Note No. 24 of the Notes to the Financial Statements.

32. Ratings assigned by credit rating agencies and migration of ratings during the year

Sl. No.	Particulars	As at March 31st, 2022			As at March 31st, 2021		
		CARE	BRICKWORK *	ACUITE	CARE^	BRICKWORK#	ACUITE^
(i)	Long-Term Banking facilities	CARE D	–	–	CARE D	–	–
(ii)	Short-Term Banking Facilities	CARE D	–	–	CARE D	–	–
(iii)	Short-Term Debt Instruments	–	BWR D	–	–	BWR A3	–
(iv)	NCDs/Bonds	CARE D	BWR D	ACUITE D	CARE D	BWR BBB	ACUITE D
(v)	Unsecured Subordinated/ Tier-II Debentures/Bonds	CARE D	BWR D	ACUITE D	CARE D	BWR BBB	ACUITE D
(vi)	Perpetual Debentures	CARE D	BWR D	–	CARE D	BWR BB	–

* 'Issuer Not Cooperating (INC)' category

^ Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021

Outlook negative

ANNEXURE - I TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time (the "Master Directions")

32. Ratings assigned by credit rating agencies and migration of ratings during the year *(Continued)*

Sl. No.	Particulars	As at March 31st, 2022		As at March 31st, 2021	
		CARE	BRICKWORK *	CARE^	BRICKWORK**
(i)	Long Term Banking facilities @	CARE D	–	CARE D	–
(ii)	Short Term Banking Facilities @	CARE D	–	CARE D	–
(iii)	NCDs/Bonds @	CARE D	–	CARE D	BWR BBB
(iv)	Unsecured Subordinated/Tier-II Debentures/Bonds @	CARE D	–	CARE D	BWR BBB

* 'Issuer Not Cooperating (INC)' category

^ Refer Note No. 53 to the Financial Statements for the year ended March 31st, 2021

** Credit watch with negative implication

@ This represents rating assigned for outstanding borrowings which was transferred from SIFL pursuant to slump exchange. (Refer Note No. 63).

33. Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

(₹ in Lacs unless otherwise stated)

Sl. No.	Particulars	As at March 31st, 2022	As at March 31st, 2021
(i)	No. of Accounts	–	2
(ii)	Aggregate value (net of provisions) of Accounts sold to SC/RC	–	31,290
(iii)	Aggregate consideration	–	29,400
(iv)	Additional Consideration realized in respect of accounts transferred in earlier years	–	Nil
(v)	Aggregate gain/loss over net book Value	–	(1,890)

34. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad) : Nil

35. Off Balance Sheet SPV's sponsored : Nil

36. Details of Financing of Parent Company Products :

Financing of Parent Company products during the financial year ended March 31st, 2022 is ₹Nil (March 31st, 2021 ₹Nil).

37. Disclosure of Complaints

Sl. No.	Customer Complaints	As at March 31st, 2022	As at March 31st, 2021
(i)	No. of complaints pending at the beginning of the year	–	–
(ii)	No. of complaints received during the year	77	87
(iii)	No. of complaints redressed during the year	75	87
(iv)	No. of complaints pending at the end of the year	2	–

38. Disclosure of Fraud

Disclosures Relating to Fraud In Terms of the Notification Issued by Reserve Bank of India vide DNBS/2016-17/49 Master Direction DNBS. PPD.01/66.15.001/2016-17

During the year ended March 31st, 2022, there are 2 cases of fraud involving employees/ex-employees amounting to ₹207 Lacs :

(₹ in Lacs)

Sl. No. Date of Reporting to RBI	Amount Involved	Recovery made	Provision made
(i) November 30, 2021	2	–	2
(ii) April 8, 2022	205	31	174
Total	**207**	**31**	**176**

During the year ended March 31st, 2021, no fraud was committed and reported to the RBI.

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, 2022 [Sec Regulation 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I. Sl. No.	Particulars		Audited Figure (as reported before adjusting for qualifications) ₹ in Lacs	Audited Figure (as reported after adjusting for qualifications) ₹ in Lacs*
1	Total Income		3,14,165	3,14,165
2	Total Expenses (including tax expense)		5,91,457	7,91,427
3	Net Profit/(Loss)		(2,77,292)	(4,77,262)
4	Earnings Per Share	– Basic	(350.93)	(604.00)
		– Diluted	(350.93)	(604.00)
5	Total Assets		26,58,390	26,58,390
6	Total Liabilities		32,57,611	34,57,581
7	Net Worth		(11,73,342)	(13,73,312)
8	Any Other financial item (s) (as felt appropriate by the management)		None	None

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

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

a. Details of Audit Qualification : Refer Annexture - A

b. Type of Audit Qualification: Disclaimer of Opinion

c. Frequency of qualification: First time

d. For audit Qualification (s) where the impact is quantified by the auditor, Mangement'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. (e) under 'Management's view' of Annexure-A in this regards.

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 views given in Annexure A, Sl. No. (a) to (q) except (e), 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 (q) except (e)

(iii) Auditors' Comments on (i) or (ii) above : Our views remains unchanged considering the matter referred to in paragraph 5(a) to 5(q) and the matter referred to in the "Material Uncertainity related to Going Concern" section of our Independednt Auditors Report dated May 18, 2022 on the Financial Results of the Company for the year ended March 31, 2022.

Signatories:

Mr. Rajneesh Sharma
Administrator

Mr. Devendra Kumar Vyas
Chief Business Officer

Mr. Yogesh Kajaria
Chief Financial Officer

Mr. Sumit Surana
Company Secretary

Statutory Auditor:

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.:103523W/W100048

Manoj Daga
Partner
Membership No. 048523
Place : Mumbai

For **J Kala & Associates**
Chartered Accountants
ICAI Firm Registration No. :118769W

Jayesh Kala
Partner
Membership No. 101686

Place : Kolkata
Date : May 18, 2022

ANNEXURE - A

SL. No	Details of Audit Qualification(s)	Management's Views *
1.	**Basis for Disclaimer of Opinion** (a) Note No. 2 to the Statement which 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 Code. Hence, the Statement is subject to outcome of such audits/reviews. Pending the outcome of the transaction audit, we are unable to comment on the impact, if any, of the same on the Statement. 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 has relied upon the explanations, clarifications, certifications, representations and statements made by the Chief Financial Officer, Company Secretary, Chief Business Officer, Chief Risk Officer, Chief Compliance Officer and Legal Head ('the existing officials of the Company'), who were also part of the Company prior to the appointment of the Administrator.	**(a) Management's View** The CIRP of the Company has been initiated on 8th October, 2021. 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. As such, the financial results are subject to outcome of such audits/reviews.
	(b) Note No. 5 to the Statement which explains that the latest valuations from independent valuers as part of CIRP process in respect of assets/collaterals held as securities and considered for loan loss provision is in progress. Further, the Note also explains that, the Statement, disclosures, categorisation and classification of assets are subject to the outcome of such valuation process. Hence, pending completion of the process, we are unable to comment on the impact, if any, of the same on the Statement.	**(b) Management's View** Most of the valuations of Assets/Collaterals held as securities, wherever applicable, have been done by Independent valuers during pre CIRP period. However, valuation of the Company (including Assets) has been initiated under the provisions of the Code by two (2) independent IBBI registered valuers and the same is currently underway. Thus the financials of the Company are subject to outcome of such valuation.
	(c) Note No. 6 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 SIFL, 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 2020-21, 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 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. 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 exists 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) 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, 2022 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 also been informed by the Administrator to the lenders and other stakeholders 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.

SL. No	Details of Audit Qualification(s)	Management's Views *
	(d) Note No. 8 to the Statement which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims and that the admission of such claims is in process. Further, the note explains that the effect in respect of the claims, as on October 8, 2021, admitted by the Administrator till May 4, 2022 has been given in the books of account. Further, the note also explains that the creditors can file their claim during CIRP and the figures of claims admitted and accounted in the books of accounts might undergo changes during CIRP. Hence, adjustments, if any, arising out of the claim verification and submission process, 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 explains that the Company 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, 2022, as per requirements of Ind AS 21. We are unable to comment on the impact of the same, if any, on the Statement.	**(d) Management's View** As per provisions of the Code, creditors are required to submit their claims against the Company which may undergo revision based on additional documents/ clarifiication/information which may be furnished by such creditors. Accordingly, adjustments if any arising out of the claim verification and admission process will be given effect in subsequent periods. Since in terms of the provisions of the Code, the foreign currency debt of the Company is required to be admitted as claim in INR, we have recognised the same in our books accordingly.
	(e) Note No. 9 to the Statement which states that the Company has not provided for Rs. 1,043 crore approx. and Rs. 2,000 crore approx. for the quarter and year ended March 31, 2022 respectively, pursuant to its admission under the CIRP, in respect of its obligation for interest on all the borrowings since insolvency commencement date i.e. October 8, 2021. Had the Company provided its obligation for interest, as aforesaid, profit before tax for the quarter and loss before tax for the year ended March 31, 2022 would have resulted in a loss before tax of Rs. 928 crore and Rs. 4,675 crore for the quarter and year ended March 31, 2022 respectively.	**(e) Management's View** 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/in the process of being admitted, which shall be settled in terms of the Resolution Plan to be approved by the Hon'ble NCLT.
	(f) Note No. 10 to the Statement which explains the reasons owing to which the Company 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 crore, as per contractual terms, as at March 31, 2022. As stated, in the said note, the Company 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.	**(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 and as such the Company 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. The Company has reported the said fact to RBI and reply from the same is awaited.

SL. No	Details of Audit Qualification(s)	Management's Views *
	(g) Note No. 12 to the Statement which explains that the erstwhile management, as per the specific directions from 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 & 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 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 has initiated a transaction audit/review relating to the process and compliance of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code, which is in process. We are unable to comment on the impact of the same, if any, on the Statement.	**(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 Infrastructure Finance Limited ('SIFL' or 'Holding Company') 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 SIFL . Based on the legal view, the previous management was advised and had therefore come to conclusion that the Company or its Holding Company 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 its Holding Company. 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/SIFL 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/SIFL 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 has initiated an audit/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.

SL. No	Details of Audit Qualification(s)	Management's Views *
(h)	Note No. 15 to the Statement which explains that, during the quarter ended September 30, 2021, based on the directions of RBI the Company has made provisions amounting to Rs. 98 crores and Rs. 50 crores in respect of direct tax cases and indirect tax cases respectively where the Company was under various stages of appeal with the relevant tax authorities. However, the Company 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.	**(h) Management's View** The Company has made provisions in respect of direct tax cases and indirect tax cases where the Company was under various stages of appeal with the relevant tax authorities, based on directions from RBI. Hence, we are not in a position to do assessment as per the requirements of Ind AS 37- 'Provisions, Contingent Liabilities and Contingent Assets'.
(i)	Note No. 16 to the Statement which explains the reasons owing to which the Company was 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 portions 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.	**(i) Management's View** Valuation of the Company has been initiated under the provisions of the Code by two (2) independent IBBI registered valuers and the same is currently underway. Accordingly, the percentage of asset cover is subject to the outcome of such process
(j)	Note No. 18 to the Statement which states that the Company has not been able to maintain the asset cover as stated in the information memorandum/debenture trust deeds etc. which is sufficient to discharge the principal amount at all times for the secured non-convertible debentures issued by the Company. Further, as stated in the said Note and paragraph (b) above, latest valuations from independent valuers in respect of assets of the Company is in progress, accordingly, the percentage of asset cover given in Note No. 18 to the Statement is subject to the outcome of such valuation process. Hence, we are unable to comment on Note No. 18 as given by the Company in the Statement.	**(j) Management's View** Valuation of the Company has been initiated under the provisions of the Code by two (2) independent IBBI registered valuers and the same is currently underway. Accordingly, the percentage of asset cover is subject to the outcome of such process
(k)	Note No. 19 to the Statement which explains that in relation to certain borrowings (including secured borrowings and NCDs) acquired by the Company 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 the Company and are still appearing in the name of SIFL 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.	**(k) Management's view:** In certain cases of borrowings wherein the novation agreements are signed by the lenders / trustees, the Company has filed the e-forms, except for one ISIN, with ROC, Kolkata, which are yet to be approved. 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.

SL. No	Details of Audit Qualification(s)	Management's Views *
	(l) Note No. 20 to the Statement which explains the reasons owing to which the Company was 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 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, if any, on the Statement.	**(l) Management's View:** The Company was unable to comply with the provision of Section 125 of the Companies Act, 2013 as its compliance will accord to breach of the moratorium in terms of Section 14 of the IBC. To the extent that the provision of the Companies Act is inconsistent with Section 14 of the IBC, the provisions of the IBC will prevail, in light of Section 238 of the IBC. However, the Company has written to IEPF authorities and requested guidance in this regard / submission of their claim and await their response.
	(m) We had carried out independent balance confirmation process with respect to various parties/lenders, responses for which are pending to be received as on the date of signing this report. Also the project progress report, for the year ended March 31, 2022, 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.	**(m) Management's View** Since the confirmation is an independent process carried out by the Statutory Auditors, we have no comments to make on the same. The review of the large exposures as part of the ACR including the project progress of the borrower for the year ended March 31, 2022 would be undertaken.
	(n) We have been informed that certain information including the minutes of meetings of the Committee of Creditors are confidential in nature and cannot be shared with anyone other than the Committee of Creditors and Hon'ble NCLT. 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 those information.	(n) Management's View: The proceedings of the CoC are in relation to the CIRP of the Company and include confidential information in relation to the CIRP of SEFL.
	(o) In view of the possible effects of the matters described in paragraph 5(a) to 5(n) above, we are also unable to comment on the Company's compliance of the covenants in respect of all borrowings (including creation of charges) and consequential implications including disclosures etc., if any	**(o) Management's View** Refer to views given in Point (a) to (n) above
	(p) In view of the possible effects of the matters described in paragraph 5(a) to 5(o) 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) Management's View** Refer to our response against (o)
	(q) In view of the possible effects of the matters described in paragraph 5(a) to 5(p) above, we are also unable to comment on the ratios disclosed by the Company in Annexure 1 to Note No. 24 to the Statement.	**(q) Management's View** Refer to our response against (o)
	Material Uncertainty Related to Going Concern Note No. 11 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, 2022 and earlier year/periods as well. As a result, the Company's net worth has fully eroded and it has not been able to comply with various regulatory ratios/limits etc. All this 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 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.	Management views are stated in Note No. 11 to the Financial Results for the year ended March 31, 2022.

Signatories:

Mr. Rajneesh Sharma
Administrator

Mr. Devendra Kumar Vyas
Chief Business Officer

Mr. Yogesh Kajaria
Chief Financial Officer

Mr. Sumit Surana
Company Secretary

Statutory Auditor:

For **Haribhakti & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.:103523W/W100048

Manoj Daga
Partner
Membership No. 048523
Place : Mumbai

For **J Kala & Associates**
Chartered Accountants
ICAI Firm Registration No. :118769W

Jayesh Kala
Partner
Membership No. 101686

Place : Kolkata
Date : May 18, 2022

NOTE

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