



**SEFL/SECT/NB/23-24/51**

November 04, 2023

The Secretary  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

The Secretary  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, Plot no. C/1, G Block  
Bandra – Kurla Complex  
Bandra (E), Mumbai – 400 051

Dear Sirs,

**Sub: Submission of Unaudited Financial Results for the Quarter and Half-Year ended 30th September, 2023 and disclosure pursuant to Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company vide intimation dated October 04, 2021 had intimated that the Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE (1) of the RBI Act, 1934, had issued an Order / Press Release w.r.t. the Supersession of the Board of Directors of Srei Equipment Finance Limited (the Company) as well as Srei Infrastructure Finance Limited (SIFL), Holding Company of the Company with immediate effect. The RBI had appointed Shri Rajneesh Sharma as the Company's Administrator under Section 45-IE (2) of the RBI Act, 1934 with immediate effect.

The Company vide intimations and disclosures dated August 11, 2023 and August 12, 2023 (read with the corrigendum dated August 14, 2023), had intimated that the Hon'ble National Company Law Tribunal, Kolkata ("NCLT") vide its order dated on August 11, 2023 (uploaded on their website on August 11, 2023), had approved the resolution plan dated January 18, 2023, (along with addendum dated January 24, 2023) ("**Approved Resolution Plan**") submitted by National Asset Reconstruction Company Limited for the corporate insolvency resolution process of Srei Infrastructure Finance Limited and Srei Equipment Finance Limited ("**SEFL**" or "**Company**"), under Section 31 of the Code. A certified copy of the order passed by the NCLT is already submitted to your good office.

Further vide intimation dated 17.08.2023, Company had informed the Exchange about formation of Implementation & Monitoring Committee, which is formed pursuant to the Approved Resolution Plan empowered to supervise the implementation of Approved Resolution Plan and oversee the Management of affairs of the Company.

Pursuant to the above and also in reference to the Letter dated 1st November, 2023, we wish to inform you that the Administrator (acting as the Chairman of Implementation and Monitoring Committee), at the Meeting of Implementation and Monitoring Committee held today i.e. on 4th November, 2023, which commenced at 3:00 p.m. and concluded at 8:10 p.m., have inter-alia, considered and taken on record the Unaudited Financial Results of the Company for the Quarter and Half-Year ended 30th September, 2023 along with notes thereto and the Limited Review Report thereon furnished by the Joint Statutory Auditors of the Company, as per Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws. The

**Srei Equipment Finance Limited**

CIN: U70101WB2006PLC109898

Head Office: Plot No. Y-10, Block EP, Sector - V, Salt Lake City, Kolkata – 700091  
Tel: +91 33 6639 4700 / 6602 2000 Fax: +81 33 6602 2200 / 2600 / 18002667734 (Toll Free)

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

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



copies of the said Unaudited Financial Results for the Quarter and Half-Year ended 30th September, 2023 along with notes thereto and along with the Limited Review Report thereon are enclosed herewith.

Thanking you.

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

A handwritten signature in dark ink, appearing to read 'Sumit'.

**Sumit Kumar Surana**  
**Company Secretary**  
**ACS 19243**

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	Particulars	Quarter ended			Six Months ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		Unaudited (Refer Note No 21)	Unaudited	Unaudited (Refer Note No 21)	Unaudited	Unaudited	Audited
	<b>Revenue from Operations</b>						
	Interest Income	14,349	13,150	37,632	27,499	88,396	1,28,403
	Rental Income	1,675	4,560	6,881	6,235	13,214	29,034
	Fees and Commission Income	333	256	260	589	591	904
	Net gain on fair value changes	(293)	302	1,825	0	1,825	1,825
	Others	572	699	858	1,271	1,779	2,071
(I)	<b>Total Revenue from Operations</b>	<b>16,636</b>	<b>18,967</b>	<b>47,456</b>	<b>35,603</b>	<b>1,05,805</b>	<b>1,54,140</b>
(II)	<b>Other Income</b>	<b>66</b>	<b>67</b>	<b>71</b>	<b>133</b>	<b>139</b>	<b>1,017</b>
(III)	<b>Total Income (I+II)</b>	<b>16,702</b>	<b>19,034</b>	<b>47,527</b>	<b>35,736</b>	<b>1,05,944</b>	<b>1,55,157</b>
	<b>Expenses</b>						
	Finance Costs	5,204	88	991	5,292	6,897	7,605
	Fees and Commission Expense	209	282	266	491	(194)	1,018
	Not loss on fair value changes	4,164	748	4,755	4,912	5,553	11,531
	Net loss on derecognition of financial instruments under amortised cost category	297	60	1,421	357	1,750	5,567
	Impairment on Financial Instruments (Net)	3,602	25,828	27,430	29,430	76,855	1,53,140
	Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt	1,013	1,171	1,256	2,184	2,985	11,257
	Employee Benefits Expenses	1,724	1,273	1,911	2,997	4,091	8,142
	Depreciation, Amortisation and Impairment	8,048	8,371	11,606	16,419	23,606	43,304
	Other Expenses	4,333	2,159	5,913	6,492	9,738	18,228
(IV)	<b>Total Expenses</b>	<b>28,594</b>	<b>39,980</b>	<b>55,549</b>	<b>68,574</b>	<b>1,31,281</b>	<b>2,62,092</b>
(V)	<b>Profit/(Loss) Before Tax and Exceptional Items (III- IV)</b>	<b>(11,892)</b>	<b>(20,946)</b>	<b>(8,022)</b>	<b>(32,838)</b>	<b>(25,337)</b>	<b>(1,06,935)</b>
(VI)	<b>Exceptional Items</b>	<b>(1,892)</b>	<b>(1,260)</b>	<b>3,11,554</b>	<b>(3,152)</b>	<b>7,56,127</b>	<b>10,15,593</b>
(VII)	<b>Profit/(Loss) Before Tax after Exceptional Items (V- VI)</b>	<b>(10,000)</b>	<b>(19,686)</b>	<b>(3,19,576)</b>	<b>(29,686)</b>	<b>(7,81,464)</b>	<b>(11,21,928)</b>
(VIII)	<b>Tax Expense</b>						
	(1) Current Tax	-	-	-	-	-	-
	(2) Deferred Tax	-	-	-	-	-	-
(IX)	<b>Profit/(Loss) After Tax (VII-VIII)</b>	<b>(10,000)</b>	<b>(19,686)</b>	<b>(3,19,576)</b>	<b>(29,686)</b>	<b>(7,81,464)</b>	<b>(11,21,928)</b>
(X)	<b>Other Comprehensive Income</b>						
	A. Items that will not be reclassified to Profit or Loss						
	Remeasurements Gains/(Losses) on Defined Benefit Plan	(111)	(46)	22	(157)	11	(182)
	(a) Gains/(Losses) on fair valuation of Equity Instruments	-	-	-	-	-	-
	(b) Income tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	-
	<b>SUBTOTAL (a+b)</b>	<b>(111)</b>	<b>(46)</b>	<b>22</b>	<b>(157)</b>	<b>11</b>	<b>(182)</b>
	B. Items that will be reclassified to Profit or Loss						
	(a) Effective portion of gains and losses on hedging instruments in a cash flow hedge	-	-	-	-	-	-
	Gains/(Losses) on fair valuation of Loans	(71)	151	(6)	80	(558)	(719)
	(c) Income tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	<b>SUBTOTAL (a+b)</b>	<b>(71)</b>	<b>151</b>	<b>(6)</b>	<b>80</b>	<b>(558)</b>	<b>(719)</b>
	<b>Other Comprehensive Income [A+B]</b>	<b>(182)</b>	<b>105</b>	<b>16</b>	<b>(77)</b>	<b>(547)</b>	<b>(901)</b>
(XI)	<b>Total Comprehensive Income (IX+X)</b>	<b>(10,182)</b>	<b>(19,581)</b>	<b>(3,19,560)</b>	<b>(29,763)</b>	<b>(7,82,011)</b>	<b>(11,22,829)</b>
(XII)	<b>Paid-up Equity Share Capital (Face value ₹ 10/- per Equity Share)</b>	<b>7,902</b>	<b>7,902</b>	<b>7,902</b>	<b>7,902</b>	<b>7,902</b>	<b>7,902</b>
(XIII)	<b>Other Equity</b>						<b>(17,29,952)</b>
(XIV)	<b>Earnings per Equity Share (Face value ₹ 10/- per Equity Share) (*Not Annualised)</b>						
	Basic (in ₹)	(12.66)*	(24.91)*	(404.44)*	(37.57)*	(988.99)*	(1419.87)
	Diluted (in ₹)	(12.66)*	(24.91)*	(404.44)*	(37.57)*	(988.99)*	(1419.87)

For SREI Equipment Finance Limited



Rajneesh Sharma  
(Acting as a Chairman of the Implementation & Monitoring Committee)

Place: Kolkata  
Date: November 4, 2023



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## Notes:

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

The Reserve Bank of India ("RBI") vide press release dated October 4, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ("RBI Act") superseded the Board of Directors of the Company ("the Company" or "SEFL") 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 ("ISP Insolvency Rules") before the Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT"). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application made by RBI for initiation of CIRP against the Company. Further, Hon'ble NCLT gave orders for appointment of 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. There has been changes in the composition of the Advisory Committee on June 22, 2022 and January 31, 2023. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans under Section 30(1) of the IBC code, 2016 received from Prospective Resolution Applicants (PRAs) on January 18, 2023 read along with the clarifications through addendums submitted by PRAs. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA).

The resolution plan of NARCL approved by Consolidated Committee of Creditors (CoC) was filed before Adjudicating Authority i.e. Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator had also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The resolution plan of NARCL has been approved by Hon'ble NCLT vide its Order dated August 11, 2023. As part of the said NCLT order, the administrator shall stand discharged from his duties with effect from the order dated August 11, 2023, save and except the duties envisaged in the resolution plan. In terms of the approved resolution plan, an Implementation and Monitoring Committee ("IMC") has been constituted which is empowered to manage the affairs of the Company from the NCLT approval date till the closing date. Thereafter implementation is carried out by IMC for implementation of the resolution plan. Appeals have been filed with Hon'ble NCLT which are currently under adjudication, however, there is no stay granted by Hon'ble NCLT.

The IMC in its meeting dated August 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and authorising him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the resolution plan.

IMC has received the Implementation Notice dated September 22, 2023 from NARCL in terms of the approved resolution plan and referring to the Reallocation Notice dated September 21, 2023 issued by the Committee of Creditors (CoC) (CoC Re-allocation Notice) notifying the Effective Date as September 22, 2023, being the date on which NARCL, as the Resolution Applicant proposed to commence the Steps set out in Section 4 (Steps of Implementation). The Implementation Notice and occurrence of Effective Date is subject to the resolution passed by the erstwhile CoC in the meeting of the erstwhile CoC dated September 13, 2023 and September 21, 2023. The Company, on instructions of the IMC, has taken certain steps including making payments to various stakeholders in terms of the approved resolution plan.

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

As at September 30, 2023, the Company is in the process of incorporating the impact of the referred approved resolution plan. The entire impact of the said resolution plan shall be given effect on the closing date as defined in the resolution plan.

### 2. The unaudited financial results of the Company for the quarter and six months ended September 30, 2023 have been taken on record by the Administrator (acting as a Chairman of the IMC) on November 4, 2023.

Since the Administrator has taken charge of the affairs of the Company on October 4, 2021, the Administrator is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial results of the Company as they existed on October 4, 2021. Regarding information pertaining to period prior to October 4, 2021 the Administrator has relied upon the explanations, clarifications, certifications, representations and statements made by the 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. 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 got conducted audits/reviews relating to the processes and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code. The Administrator of the Company had received account wise transaction audit reports from the professional agency appointed as the transaction auditor indicating that there are transactions amounting to ₹ 18,373 crores which are fraudulent in nature under section 66 of the Code including transactions amounting to ₹ 1,227 crores determined as undervalued transactions. Accordingly, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates for adjudication. The Company in the earlier periods had created provision and impairment reserve to the extent of 100% of gross exposure on such accounts, despite having some underlying securities as a matter of abundance prudence. As of September 30, 2023, the Company still maintained provision and impairment reserve to the extent of 100% of gross exposure on such accounts. In addition to the above, basis the transaction audit reports from the professional agency appointed as the transaction auditor, the Administrator has filed an application under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on November 18, 2022 for an amount of ₹ 848 crores, being the net shortfall in payments to the Company's lenders who were assigned the Pool Loans as on September 30, 2021 for adjudication.

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

The above financial results for the quarter and six months ended September 30, 2023 were subjected to limited review by the Joint Statutory Auditors (J. Kala & Associates, Chartered Accountants and Dass Gupta & Associates, Chartered Accountants) of the Company as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

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

During the quarter ended September 30, 2022, as a matter of prudence, the Company had adopted a policy in respect of the borrowers whose transactions with the Company are determined as fraudulent basis transaction audit reports, not to recognise the income on such accounts from the start of the quarter in which such transactions are reported as fraudulent by the Company. Further, in case of transactions determined as fraudulent in previous periods prior to the adoption of this policy, no income is being recognised w.e.f. July 1, 2022 in all such cases. Had the policy not changed, the interest income would have been higher by ₹ 230 crores and ₹ 472 crores for the quarter and six months ended September 30, 2023 respectively. Subsequently, the ICL provision would also have been higher by ₹ 230 crores and ₹ 472 crores for the quarter and six months ended September 30, 2023 respectively, resulting in no change in the loss for the quarter and six months ended September 30, 2023.

### 4. The Company is primarily engaged in financial services to its customers across India. Accordingly, there are no separate reportable segments as per Ind AS 108. However, for the Parent Company reporting purpose the following table has been given :

Segment wise Revenue, Results, Assets and Liabilities

Particulars	(Rs. in Lakhs)					
	Quarter ended			Six Months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>1. Segment Revenue</b>						
Financial Services	16,636	18,967	47,456	35,603	1,05,805	1,54,140
Total	16,636	18,967	47,456	35,603	1,05,805	1,54,140
Less: Inter Segment Revenue	-	-	-	-	-	-
<b>Net Income from Operations</b>	16,636	18,967	47,456	35,603	1,05,805	1,54,140
<b>2. Segment Results</b>						
Financial Services	(11,892)	(20,946)	(8,022)	(32,838)	(25,337)	(1,06,335)
<b>Profit/(Loss) Before Tax</b>	(11,892)	(20,946)	(8,022)	(32,838)	(25,337)	(1,06,335)
<b>3. Segment Assets</b>						
Financial Services	12,90,256	15,01,295	18,68,085	12,90,256	18,68,085	15,24,300
Un-allocable	-	-	-	-	-	-
<b>Total Segment Assets</b>	12,90,256	15,01,295	18,68,085	12,90,256	18,68,085	15,24,300
<b>4. Segment Liabilities</b>						
Financial Services	30,42,069	32,42,933	32,49,317	30,42,069	32,49,317	32,46,350
Un-allocable	-	-	-	-	-	-
<b>Total Segment Liabilities</b>	30,42,069	32,42,933	32,49,317	30,42,069	32,49,317	32,46,350

### 5. Loan loss provisioning

The Company on the basis of abundant prudence, had decided to make provision to the extent of interest income recognised during the respective quarter on Net Stage - III accounts. Accordingly, the Company has made a total provision of ₹ 63 crores on such accounts for six months ended September 30, 2023. This has resulted in increase in Impairment on Financial Instruments (Net) by ₹ 63 crores and thereby increase in loss by ₹ 63 crores six months ended September 30, 2023. Based on the ECL policy, the Company has made ECL provision aggregating to ₹ 23 crores and ₹ 79 crores for the quarter and six months ended September 30, 2023 respectively.

Further, in terms of paragraph 2 (b) of Annex to the guidelines DOR (NBFC) C.C.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, the Company has also considered provision amounting to ₹ 54 crores and ₹ 54 crores for the quarter and six months ended September 30, 2023 respectively under Income Recognition, Asset Classification and Provisioning Norms, considering the overall impairment reserve. Such provision is also over and above ECL provision as stated above and has been accounted as "Impairment Reserve". In cases where the ECL provision and the impairment reserve made in earlier periods was more than the gross exposure, the Company made a lesser provision under the ECL, so as to restrict the net exposure at ₹ Nil, since no withdrawal from such impairment reserve is permitted. If the loan loss provisioning would have been provided without considering the impairment reserve as mentioned above the loss before tax for the quarter and six months ended September 30, 2023 would have increased by ₹ 22 crores and ₹ 80 crores, and correspondingly impairment reserve of ₹ 22 crores and ₹ 80 crores would have been transferred to retained earnings, thereby having no impact on shareholders fund.

As a part of the CIRP process the Administrator had 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 results, disclosures, categorisation and classification of assets are subject to the outcome of such valuation, which shall be on culmination of the CIRP process and implementation of resolution plan on the closing date.



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## 6. Business Transfer Agreement and Scheme of Arrangement

During the year 2019-20, the Company and its holding Company, Sri 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 1, 2019 while allotment of shares by SEFL was made on December 31, 2019. The superseded board of directors and erstwhile management of the Company, as existed prior to the Appointment of the Administrator, had obtained external expert legal and accounting opinions in relation to the accounting of BTA which confirmed that the accounting treatment so given is in accordance with the relevant Ind AS and the underlying guidance and framework.

During the year 2020-2021, 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).

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 21, 2020, the superseded board of directors and erstwhile management had maintained status quo on the Scheme including accounting of BTA. The final order 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 11, 2022.

In terms of the resolution plan as approved by Hon'ble NCLT vide its order dated August 11, 2023, for the ease of continuation of the businesses of the Company as going concern and for the purposes of accounting, the slump exchange undertaken between the Company and Sri Infrastructure Finance Limited (SIFL) shall be considered to be effective from the effective date as provided under the Business Transfer Agreement dated August 16, 2019 (as amended), entered into between SEFL and SIFL, except as provided expressly in this Resolution Plan. It is clarified that this treatment would be without prejudice to the rights of the COC to pursue any legal actions in respect of such slump exchange, against the erstwhile Promoters or the Promoter Group.

## 7. Consolidated Resolution Plan

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).

The application in this matter was admitted and the final order was received on February 14, 2022 wherein the Hon'ble NCLT approved the consolidation of the corporate insolvency of SIFL and SEFL. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The resolution plan of NARCL, approved by Consolidated Committee of Creditors (CoC) was filed before Adjudicating Authority on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The resolution plan of NARCL, has been approved by Hon'ble NCLT vide its Order dated August 11, 2023. As part of the said NCLT order, the administrator shall stand discharged from his duties with effect from the order dated August 11, 2023, save and except the duties envisaged in the resolution plan.

In terms of the approved resolution plan, an Implementation and Monitoring Committee has been constituted ("IMC") which is inter alia empowered to supervise the implementation of the approved resolution plan and oversee the management of the affairs of the Companies as per the terms of the approved resolution plan.

The IMC in its meeting dated August 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and authorising him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the resolution plan.

IMC has received the Implementation Notice dated September 22, 2023 from NARCL, in terms of the approved resolution plan and referring to the reallocation notice dated September 21, 2023 issued by the Committee of Creditors (CoC) (CoC Re-allocation Notice) notifying the effective date as September 22, 2023, being the date on which NARCL, as the resolution applicant proposed to commence the Steps set out in Section 4 (Steps of Implementation). The Company, on instructions of the IMC, has taken certain steps including making payments to various stakeholders in terms of the approved resolution plan.

As at September 30, 2023, the Company is in the process of incorporating the impact of the referred approved resolution plan. The entire impact of the said resolution plan shall be given effect on the closing date as defined in the resolution plan.

## 8. Payment to lenders/other

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

Admission of claims of the financial/operational/other creditors received by the Administrator is completed and the effect of the same has been given in the books of accounts.

The resolution plan of NARCL, has been approved by Hon'ble NCLT vide order dated August 11, 2023 and as per the resolution plan IMC has been constituted. IMC has received the Implementation Notice dated September 22, 2023 from NARCL in terms of the approved resolution plan and referring to the reallocation notice dated September 21, 2023 issued by the Committee of Creditors (CoC) (CoC Re-allocation Notice) notifying the effective date as September 22, 2023, being the date on which NARCL, as the Resolution Applicant proposed to commence the Steps set out in Section 4 (Steps of Implementation). The Company, on instructions of the IMC, has taken certain steps including making payments to various stakeholders in terms of the approved resolution plan.

9. The resolution plan has been approved by Hon'ble NCLT vide order dated August 11, 2023. As at September 30, 2023, the Company is in the process of incorporating the impact of the referred approved resolution plan and the entire impact of the said resolution plan shall be given effect on the closing date as defined in the resolution plan. However, the Company has not provided for interest amount of ₹ 714 Crores for the quarter ended September 30, 2023, ₹ 1,263 crores for the quarter ended June 30, 2023, ₹ 1,153 crores for the quarter ended September 2022, ₹ 1,977 crores for the six months ended September 30, 2023, ₹ 2,260 crores for the six months ended September 30, 2022 and ₹ 4661 crores for the year ended March 31, 2023, on borrowings since insolvency commencement date i.e. October 8, 2021 as per the provision of the code in respect of the Company's obligation for interest and principal amount for all the borrowings. If the interest was accrued on borrowings, as aforesaid, the loss before tax for the quarter ended September 30, 2023 would have resulted in a loss before tax of ₹ 814 crores, the loss before tax for the quarter ended June 30, 2023 would have resulted in a loss before tax of ₹ 1,460 crores, the loss before tax for the quarter ended September 30, 2022 would have resulted in a loss before tax of ₹ 4,349 crores, the loss before tax for the six months ended September 30, 2023 would have resulted in a loss before tax ₹ 2,274 crores, the loss before tax for the year ended March 31, 2023 would have resulted in a loss before tax of ₹ 15,881 Crores.

## 10. Going Concern

The Company had reported losses during the quarter and six months ended September 30, 2023 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, CIRP was initiated in respect of the Company w.e.f. October 8, 2021 and the resolution plan of NARCL, was approved by Hon'ble NCLT vide order dated August 11, 2023. Accordingly, IMC was constituted with members as provided in the approved resolution plan. IMC has received the Implementation Notice dated September 22, 2023 from NARCL, as per approved resolution plan terms and referring to the Reallocation Notice dated September 21, 2023 issued by the Committee of Creditors (CoC) (CoC Re-allocation Notice). NARCL, notified the Effective Date (being the date on which NARCL proposed to commence the Steps set out in Section 4 (Steps of Implementation)) as September 22, 2023. In accordance with the Implementation notice, IMC is carrying out defined steps as stipulated in the approved resolution plan. IMC, further requires the Administrator, among other things, run the Company as a going concern during the implementation of the resolution plan.

## 11. 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 31, 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 Sri Infrastructure Finance Limited ("SIFL" or "Holding Company") and also whether these are on arm's length basis.

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 come 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.

The total gross exposure towards such borrowers is ₹ 11,163 crores and ₹ 11,150 crores as on September 30, 2023 and as on March 31, 2023 respectively and the total exposure (net of impairment) towards such borrowers is ₹ 561 crores and ₹ 532 crores as on September 30, 2023 and as on March 31, 2023 respectively.

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

Out of Accounts referred by the RBI in the directions, the Administrator has received account wise transaction audit reports, which has identified certain transactions as fraudulent in nature under section 66 of the Code, including undervalued transactions, the gross exposure of such borrower's amounts to ₹ 10,425 crores and ₹ 10,453 crores as on September 30, 2023 and as on March 31, 2023 respectively and the total exposure (net of impairment) towards such borrowers is ₹ Nil and ₹ Nil as on September 30, 2023 and as on March 31, 2023 respectively. In respect of such accounts, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates for adjudication. The Company has also made 100% impairment on such accounts. The transaction audit has been completed and the necessary impact of the same have been incorporated in these financial results.



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12. Based on the directions of RBI, during the year ended March 31, 2022 the Company has made provision amounting to ₹ 98 crores and ₹ 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. Further during the six months ended September 30, 2023, the Company has received appellate order pertaining to entry tax demand, whereby the Company has been granted relief to the extent of ₹ 0.17 Crores from the original demand of ₹ 0.19 crores. Accordingly, the provision has been reduced to such extent. These amounts which have been provided for were appearing under "Contingent Liabilities" earlier. Since, the balance 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'.

13. As at March 31, 2021 the Company was having funds amounting to ₹ 5.23 crores 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 24, 2020, pursuant to which all the payments being made by the Company were being approved/released based on the TRA mechanism. The Company was not able to transfer the aforesaid unspent CSR amount as per the requirements of Section 135 of the Act. The Company has written letter to the Ministry of Corporate Affairs ("MCA") seeking exemptions from the obligations of the Company under portions of Section 135(5) and Section 135(7) of the Act. The reply from MCA in this regard is still awaited. After NCLT order dated 11th August 2023, approving the Resolution Plan submitted by National Asset Reconstruction Company Limited, any payment in relation to above will be made as per the approved resolution plan.

14. As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the secured redeemable non-convertible debentures as on September 30, 2023 are secured by first pari passu charge by mortgage of immovable property(s) at West Bengal / Tamil Nadu. The Company had filed necessary e-forms for Debiture Trust Deed (DTD) novated from SIFL with ROC but the same have not been approved as stated in Note No.15 (except for one ISIN wherein principal outstanding is ₹ 0.59 crores only, which was secured by immovable properties located at West Bengal and Delhi being in the books of Controlla Electrotech Pvt Limited and SIFL respectively for which necessary e-form post novation is not filed with ROC as stated in Note No.15) and exclusive and/or specific charge on the specific & identified receivables of the Company. Security cover available as on September 30, 2023, net of provisions as per Ind AS norms excluding provisions made under IRACP is 34.83% of the principal and interest amount of its secured redeemable non-convertible debentures. As a part of the CIRP process the Administrator had 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 percentage of security cover given above is subject to the outcome of such valuation, which shall be on culmination of the CIRP process and implementation of resolution plan on the closing date. The Company has not been able to maintain the security cover as stated in the Information Memorandum/Debiture Trust Deeds etc. The aforesaid security cover is calculated after considering the repayment of principal made till September 30, 2023 as per the terms of resolution plan duly approved by Hon'ble NCLT dated August 11, 2023 and implementation notice dated September 22, 2023 issued by NARCL. As at September 30, 2023, we are in the process of incorporating the impact of the referred approved resolution plan. The entire impact of the said resolution plan shall be given effect on the closing date as defined in the resolution plan. The overall Security cover certificate, Pursuant to Regulations 54 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), is attached in Annexure 2.

15. As stated in Note No. 6, 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 were signed by the lenders /trustees pursuant to Slump Exchange Transaction between SIFL to SEFL, necessary e-forms w.r.t charges were filed by SEFL with the Registrar of Companies, Kolkata (ROC) except for one ISIN whereby principal outstanding is ₹ 0.59 crores only. However, above charges filed by SEFL have not been approved by the ROC. Hence, the charges which were originally created in the name of SIFL for such secured borrowings are still continuing so in the records of ROC. Further, with respect to certain borrowings where, though borrowed facilities have been repaid in full, charge satisfactions are still pending. These pendencies are mainly on account of non-receipt of NOC from lenders etc. completion of satisfaction formalities. As at September 30, 2023, the Company is in the process of incorporating the impact of the referred approved resolution plan. The entire impact of the said resolution plan shall be given effect on the closing date as defined in the resolution plan.

16. 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 8, 2021 (CIRP commencement date) an amount of ₹ 18,574/- and post commencement of CIRP an amount of ₹ 7,70,634/- was transferable by SEFL to IEPF in terms of section 125 of the Companies Act, 2013 on different dates till August 11, 2023 i.e. NCLT Order date approving resolution plan. During CIRP period, the Company was unable to comply with the provision of Section 125 of the Companies Act, 2013 as the Company needs to comply with the General Circular No. 08/2020 issued by the Ministry of Corporate Affairs (MCA) dated 6th March, 2020 captioned "Filing of forms in the Registry (MCA-21) by the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator) appointed under Insolvency Bankruptcy Code, 2016 (IBC, 2016)" which states that in respect of companies which are marked under CIRP in the Registry, Annual Return (e-form No.MGT-7) and Financial Statement (e-form AOC-4) and other documents under the provisions of the Companies Act, 2013, in accordance with directions issued by the NCLT/NCLAT / Courts, shall be filed as attachments with e-form GNI-2 against the payment of one time normal fee only, till such time the company remains under CIRP. Separate GNI-2 forms shall be filed for each such document, by the IRP/RP. However, since the GNI-2 forms are not linked with IEPF -1 the Company was unable to generate SRN for payment to IEPF authorities. Due to said technical difficulty the Company could not comply with the provisions of Sec 125 & other applicable provisions of the Companies Act, 2013. The Company had requested for guidance from IEPF authorities and had also requested them to file claim for pre CIRP amount. The revert on the same is awaited. After NCLT order dated August 11, 2023, approving the Resolution Plan submitted by National Asset Reconstruction Company Limited, the Company is exploring transferring the said funds to IEPF as per terms of approved resolution plan.

17. Details of loan transferred / acquired during the quarter and six months ended September 30, 2023 pursuant to RBI Master Direction RBI/DOR/2021-22/86 DOR.STR.RIC.51/21.04.048/2021-22 dated September 24, 2021 on Transfer of Loan Exposures are given below

- (a) The Company has not transferred or acquired any loans not in default during the quarter and six months ended September 30, 2023.  
(b) The Company has not transferred or acquired any stressed loan during the quarter and six months ended September 30, 2023.  
(c) Details on recovery ratings assigned for Security Receipts as on September 30, 2023.

Recovery Ratings	Anticipated recovery as per recovery rating	Amount (Rs. in crores)
RR1*	100%-150%	-
RR1	100%-150%	144
RR2	75%- 100%	191
RR5**	0%- 25%	-

\* The last available recovery rating is as at February 08, 2023.

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

18. Disclosures as required by RBI circular dated August 6, 2020 'Resolution Framework for Covid-19 - related Stress' are as below for the six months ended September 30, 2023

(₹ in Crores)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	20	-	-	7	13
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	20	-	-	7	13

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

19. Based on the information available in the public domain, some of the 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-promoter before the Hon'ble High Court of Delhi, the Hon'ble Court has passed interim relief to the petitioner vide order dated April 22, 2022, restraining the said lender from taking any further steps or action prejudicial to the petitioner on the basis of the order declaring the bank account as fraud. Thereafter vide order dated May 15, 2023, the application was disposed of directing that the order declaring the account of the Company as fraud was set aside. Further, liberty was granted to the banks to proceed ahead in accordance with the direction given in the aforesaid order.

20. Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, has been given in Annexure 1.

21. The figures for second quarter in each of the financial years are the balancing figures between figures in respect of the six months and the year to date figures upto the end of the first quarter of the respective financial year.

22. Previous period/year figures have been regrouped/rearranged, wherever considered necessary, to conform to the classification of the current period/year.

Place: Kolkata  
Date: November 4, 2023



For SREI Equipment Finance Limited

Rajneesh Sharma  
(Acting as a Chairman of the Implementation & Monitoring Committee)



**Annexure 1**

**Ratios disclosed pursuant to regulation 52(4) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended**

Particulars	Quarter ended			Six Months ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Debt equity ratio (No. of times) (Note 1)	N/A	N/A	N/A	N/A	N/A	N/A
2 Debt service coverage ratio (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
3 Interest service coverage ratio (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
4 Outstanding redeemable preference shares (Nos. in Lakhs)	-	-	-	-	-	-
5 Outstanding redeemable preference shares (Values)	-	-	-	-	-	-
6 Capital redemption reserve	-	-	-	-	-	-
7 Debenture redemption reserve (₹ in Lakhs)	39,824	39,824	39,824	39,824	39,824	39,824
8 Networth (₹ in Lakhs) (Note 2)	(23,76,214)	(23,60,793)	(20,00,376)	(23,76,214)	(20,00,376)	(21,40,940)
9 Net Profit/(Loss) after tax (₹ in Lakhs)	(10,000)	(19,686)	(3,19,576)	(29,686)	(7,81,464)	(11,21,928)
10 Earnings per share (₹)	(12.66)*	(24.91)*	(404.44)*	(37.57)*	(988.99)*	(1419.87)
11 Current ratio (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
12 Long term debt to working capital (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
13 Bad debts to account receivable ratio (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
14 Current liability ratio (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
15 Total debts to total assets (%) (Note 3)	231.56%	212.51%	171.06%	231.56%	171.06%	209.39%
16 Debtor turnover ratio (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
17 Inventory turnover (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
18 Operating margin (%) (Note 8)	N/A	N/A	N/A	N/A	N/A	N/A
19 Net profit/(loss) margin (%) (Note 4)	(60.11)%	(103.79)%	(673.42)%	(83.38)%	(738.59)%	(727.86)%
<b>Sector Specific Ratios</b>						
20 Gross Non Performing Assets % ("GNPA") (Note 5)	97.54%	97.09%	88.65%	97.54%	88.65%	96.92%
21 Net Non Performing Assets % ("NNPA") (Excl. impairment Reserve) (Note 6)	93.20%	92.06%	76.24%	93.20%	76.24%	91.80%
22 Net Non Performing Assets % ("NNPA") (Incl. impairment Reserve) (Note 6)	85.32%	83.32%	62.52%	85.32%	62.52%	83.48%
23 Provision Coverage Ratio % ("PCR") (Excl. impairment Reserve) (Note 7)	65.37%	65.28%	58.92%	65.37%	58.92%	64.38%
24 Provision Coverage Ratio % ("PCR") (Incl. impairment Reserve) (Note 7)	85.31%	85.04%	78.64%	85.31%	78.64%	83.91%

\* Not Annualised

**Note:**

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

Formulae for Computation of Ratios are as follows:

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

For SREI Equipment Finance Limited

  
 Rajneesh Sharma

(Acting as a Chairman of the Implementation & Monitoring Committee)

Place: Kolkata

Date: November 4, 2023







**Annexure 2**


Security Cover certificate as per Regulation 54(2) and 54(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (as amended)

(₹ in Lakhs)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge*	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge*	Pari- Passu Charge	Assets not offered as Security***	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate**				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge	Other assets on which there is pari- Passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total (K+L+M+ N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
<b>ASSETS</b>														
Property, Plant and Equipment	Immovable property	59	50.943	No	20.393	NA	32.257	-	1,03,652	-	59	-	-	59
Capital Work-in- Progress		-	-	No	NA	NA	-	-	-	-	-	-	-	-
Right of Use Assets		-	-	No	NA	NA	495	-	495	-	-	-	-	-
Goodwill		-	-	No	NA	NA	-	-	-	-	-	-	-	-
Intangible Assets		-	-	No	NA	NA	465	-	465	-	-	-	-	-
Intangible Assets under Development		-	-	No	NA	NA	-	-	-	-	-	-	-	-
Investments	Investments	1,329	17,038	No	19,125	NA	18,914	-	56,406	-	1,329	-	-	1,329
Loans	Receivables	85,644	1,40,898	No	6,71,983	NA	25,145	-	9,23,670	-	85,644	-	-	85,644
Inventories		-	-	No	NA	NA	-	-	-	-	-	-	-	-
Trade Receivables		-	99	No	0	NA	5	-	102	-	-	-	-	-
Cash and Cash Equivalents		-	-	No	NA	NA	86,646	-	86,646	-	-	-	-	-
Bank Balances other than Cash and Cash Equivalents		-	2,565	No	42	NA	14,265	-	16,872	-	-	-	-	-
Others (Other financial assets, current tax assets (net) and other non financial assets)	Other non financial assets (Reposessed Assets and Assets acquired in satisfaction of debt)	2,810	23,690	No	18,150	NA	57,298	-	1,01,948	-	2,810	-	-	2,810
<b>Total</b>		<b>89,842</b>	<b>2,35,233</b>		<b>7,29,693</b>	<b>-</b>	<b>2,35,487</b>		<b>12,90,256</b>	<b>-</b>	<b>89,842</b>	<b>-</b>	<b>-</b>	<b>89,842</b>

Place: Kolkata  
 Date: November 4, 2023

For SREI Equipment Finance Limited

  
 Rajneesh Sharma  
 (Acting as a Chairman of the Implementation & Monitoring Committee)



**Annexure 2**

Security Cover certificate as per Regulation 54(2) and 54(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (as amended)

(₹ in Lakhs)														
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge*	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge*	Pari- Passu Charge	Assets not offered as Security***	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate**	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
Relating to Column F														
<b>LIABILITIES</b>														
Debt securities to which this certificate pertains (Secured Non-convertible Debentures and Long-Term Infrastructure Bond)		2,57,930	-	No	NA	NA			2,57,930		2,57,930			2,57,930
Other debt sharing pari-passu charge with above debt		not to be filled	-	No	NA	NA								
Other Debt		not to be filled	-	No	NA	NA								
Subordinated debt (Subordinated perpetual debentures (Tier I Capital), Rupee subordinated loans (Tier II Capital) and Subordinated redeemable non convertible debentures (Tier II Capital))		not to be filled	-	No	NA	NA	2,62,345		2,62,345					
Borrowings (Term loan from others (rupee loans and foreign currency loans) Secured collateralised borrowings Term Loans from banks (rupee loans and foreign currency loans)		not to be filled	5,42,085	No	NA	NA	56,518		5,98,603					
Working capital facilities from Banks		not to be filled	-	No	18,55,056	NA			18,55,056					
Others (Deferred payment liabilities and Inter corporate deposit)		not to be filled	-	No	NA	NA	13,813		13,813					
Trade payables		not to be filled	-	No	NA	NA	5,685		5,685					
Lease Liabilities		-	-	No	NA	NA	622		622					
Provisions		-	-	No	NA	NA	15,436		15,436					
Others (Other Financial Liabilities, Current Tax Liabilities (Net) and Other Non-Financial Liabilities )		-	-	No	NA	NA	32,579		32,579					
<b>Total</b>		2,57,930	5,42,085	-	18,55,056	-	3,86,998		30,42,069		2,57,930			2,57,930
Cover on Book Value		34.83%												
Cover on Market Value														
		<b>Exclusive Security Cover Ratio</b>			<b>Pari-Passu Security Cover Ratio</b>									

**Notes:**

\*The immovable property is charged on pari passu basis for secured Non-convertible debentures of ₹ 1,499.65 crores (principal) against total secured Non-convertible debentures outstanding for ₹ 2,184.55 crores (principal). However, as the certificate is worked out for overall principal outstanding of secured Non-convertible debentures of ₹ 2,204.47 crores, the value of the property is given under Column C.

\*\*The Market Value for Assets charged on Exclusive basis and Pari Passu basis have not been provided because the Company was under IBC since Oct 08, 2021 and as a part of the CIRP process the Administrator had 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. Separate market value of the assets has not been arrived at. The financial results, disclosures, valuation, categorization and classification of assets are subject to the outcome of such valuation which shall be on culmination of the CIRP process and implementation of resolution plan on the closing date. The carrying value as per financial statements as at September 30, 2023 prepared under Ind AS accounting framework has been considered for above disclosure.

\*\*\* Assets not offered as Security under Bank Balances other than Cash and Cash Equivalents includes earmarked balances and Fixed deposits under lien mainly for bank guarantees and others.

The aforesaid security cover is calculated after considering the repayment of principle made till September 30, 2023 as per the terms of resolution plan duly approved by Hon'ble NCLT dated August 11, 2023 and implementation notice dated September 22, 2023 issued by NARCL. As at September 30, 2023, the Company is in the process of incorporating the impact of the referred approved resolution plan. The entire impact of the said resolution plan shall be given effect on the closing date as defined in the resolution plan.

Place: Kolkata  
Date: November 4, 2023



For SREI Equipment Finance Limited

  
Rajneesh Sharma

(Acting as a Chairman of the Information & Monitoring Committee)



**SREI EQUIPMENT FINANCE LIMITED**

Regd. Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata- 700 046, Website: www.srei.com

CIN: U70101WB2006PLC109898

**Balance Sheet as at September 30, 2023**

(₹ in Lakhs)

Particulars	As at September 30, 2023 Unaudited	As at March 31, 2023 Audited
<b>ASSETS</b>		
<b>(1) Financial Assets</b>		
(a) Cash and Cash Equivalents	86.646	2,52,639
(b) Bank Balance other than (a) above	16.872	18,169
(c) Receivables		
(1) Trade Receivables	102	146
(d) Loans	9,23,670	9,62,385
(e) Investments	56,406	63,740
(f) Other Financial Assets	64,903	65,697
<b>(2) Non-Financial Assets</b>		
(a) Current Tax Assets (Net)	16,677	14,630
(b) Property, Plant and Equipment	1,03,652	1,22,338
(c) Right-of-use Assets	495	506
(d) Other Intangible Assets	465	541
(e) Other Non-Financial Assets	20,368	23,509
<b>Total Assets</b>	<b>12,90,256</b>	<b>15,24,300</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>(1) Financial Liabilities</b>		
(a) Payables		
(1) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	203	190
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,482	6,224
(b) Debt Securities	2,57,930	2,59,944
(c) Borrowings (Other than Debt Securities)	24,67,472	26,69,340
(d) Subordinated Liabilities	2,62,345	2,62,458
(e) Lease Liabilities	622	636
(f) Other Financial Liabilities	13,448	14,766
<b>(2) Non-Financial Liabilities</b>		
(a) Current Tax Liabilities (Net)	13,632	13,635
(b) Provisions	15,436	15,329
(c) Other Non-Financial Liabilities	5,499	3,828
<b>(3) EQUITY</b>		
(a) Equity Share Capital	7,902	7,902
(b) Other Equity	(17,59,715)	(17,29,952)
<b>Total Liabilities and Equity</b>	<b>12,90,256</b>	<b>15,24,300</b>

Place: Kolkata  
Date: November 4, 2023



For SREI Equipment Finance Limited

Rajneesh Sharma  
(Acting as a Chairman of the Implementation & Monitoring Committee)



**Statement of Cash Flows for the Six months ended September 30th, 2023**

Particulars	(₹ in Lakhs)	
	Six months ended	
	September 30, 2023 Unaudited	September 30, 2022 Unaudited
<b>A. Cash Flows from Operating Activities</b>		
Profit/(Loss) Before Tax	(29,686)	(7,81,464)
<b>Adjustments for:</b>		
Depreciation, Amortisation and Impairment	16,419	23,606
Impairment on Financial Instruments (Net)	29,430	76,855
Impairment on Financial Instruments (Net) on Exceptional items	(3,152)	7,10,182
Net loss on derecognition of Financial Instruments	357	1,750
Loss / write-off on Repossessed Assets and Assets acquired in satisfaction of debt	2,184	2,985
Net loss on derecognition of Property, Plant and Equipment	745	4,927
Liabilities no longer required written back	(193)	(113)
Finance costs	5,292	6,897
Interest on Loans	(19,081)	(84,909)
Rental Income	(6,235)	(13,214)
Interest on Fixed Deposits with Banks	(8,122)	(3,012)
Interest income from Investment	(296)	(475)
Net unrealised fair value loss	4,912	3,728
Net unrealised fair value (gain) / loss on exceptional items	0	45,945
<b>Operating profit/(loss) before working capital changes</b>	<b>(7,426)</b>	<b>(6,312)</b>
<b>Changes in working capital:</b>		
<b>Adjustments for:</b>		
(Increase)/Decrease in Trade Receivables and Others Assets	2,165	6,848
(Increase)/Decrease in Loans Assets	23,621	41,828
Increase/(Decrease) in Trade Payables and Others Liabilities	(344)	(6,468)
(Increase)/Decrease in Other Bank Balances	825	(208)
<b>Cash generated / (used) in operations</b>	<b>18,841</b>	<b>35,688</b>
Finance costs paid	(186)	(591)
Interest on Loans received	7,879	28,327
Rental income received	5,414	10,397
Interest on Fixed Deposits with Banks received	8,593	2,470
Interest income from Investment received	225	254
Advance taxes (paid)/refund (including Tax deducted at Source)	(2,050)	(1,067)
<b>Net Cash generated / (used) in Operating Activities</b>	<b>38,716</b>	<b>75,478</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(74)	(1)
Sale/(Purchase) of Investments (Net)	2,530	0
Proceeds from Sale of Property, Plant and Equipment	1,853	2,767
<b>Net Cash generated / (used) in Investing Activities</b>	<b>4,310</b>	<b>2,766</b>
<b>C. Cash Flows from Financing Activities</b>		
Repayment on redemption of Debt securities (including subordinated debt securities)	(2,099)	-
Increase/(Decrease) in Working Capital facilities (Net)	(1,47,322)	-
Repayments of Other Borrowings	(59,598)	(6,971)
<b>Net Cash generated / (used) in Financing Activities</b>	<b>(2,09,019)</b>	<b>(6,971)</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,65,993)</b>	<b>71,273</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>2,52,639</b>	<b>1,27,881</b>
<b>Cash and Cash Equivalents at the end of period</b>	<b>86,646</b>	<b>1,99,154</b>


Cash and Cash Equivalents at the end of the period comprises of: (₹ in Lakhs)		
Particulars	As at	
	September 30, 2023	September 30, 2022
Cash on hand	1	2
Balances with Banks - in Current Account	59,040	20,745
Balances with Banks - in Fixed Deposit Accounts (less than 3 months)	27,605	1,78,407
	<b>86,646</b>	<b>1,99,154</b>



Place: Kolkata  
 Date: November 4, 2023



For SREI Equipment Finance Limited

  
 Rajneesh Sharma  
 (Acting as a Chairman of the Implementation & Monitoring Committee)



**J. Kala & Associates**  
**Chartered Accountants**  
504 Rainbow Chambers  
S.V. Road, Kandivali (West),  
Mumbai - 400 067

**Dass Gupta & Associates**  
**Chartered Accountants**  
NDG Center B-4,  
Gulmohar Park,  
New Delhi – 110 049

**Independent Auditor's Limited Review Report on Unaudited Financial Results of  
Srei Equipment Finance Limited for the quarter and half year ended September 30, 2023  
pursuant to the Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,  
2015 (as amended)**

**To**  
**The Administrator**  
**Srei Equipment Finance Limited**

1. We were engaged to review the accompanying Statement of Unaudited Financial Results of **Srei Equipment Finance Limited** ("the Company") for the quarter and half year September 30, 2023 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. 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. Thereafter, 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').

The consolidated resolution plan of NARCL has been approved by Hon'ble NCLT vide its Order dated August 11, 2023. As part of the said NCLT order, the administrator shall stand discharged from his duties with effect from the order dated August 11, 2023, save and except the duties envisaged in the approved resolution plan. In terms of the approved resolution plan, an Implementation and Monitoring Committee ("IMC") has been constituted which is empowered to manage the affairs of the company from the NCLT approval date till the closing date. Thereafter, implementation of approved resolution plan is being carried out by IMC.

Appeals have been filed with Hon'ble NCLAT which are currently under adjudication, however, there is no stay granted by Hon'ble NCLAT. The IMC in its meeting dated August, 16, 2023 passed a resolution appointing the Administrator as Chairman of IMC and authorising him to continue to operate all the bank accounts and undertake various activities as are required to ensure the Company's status as a going concern during the implementation of the approved resolution plan.

3. We refer to Note No. 2 to the Statement which states that the Statement has been taken on record on November 4, 2023 by the Administrator acting as a Chairman of the IMC.

The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

In view of the matters described in paragraph 5 mentioned below, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our conclusion on the Statement. Accordingly, we do not express a conclusion on the Statement.





4. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**5. Basis for Disclaimer of Conclusion**

- (a) Note No. 2 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. Note No. 2 to the Statement explains that the Administrator got conducted 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. Further, as stated in Note No. 2, the Administrator of the Company received certain account wise transaction audit reports from the professional agency appointed as the transaction auditor indicating that there are certain transactions which are fraudulent in nature as per section 66 of the Code. Accordingly, the Administrator has filed applications under section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates for adjudication. Further, as mentioned in the said note, the transaction audit has been completed and the impact of the same has been incorporated in the Statement. However, the said transaction audit reports have not been made available to us and accordingly, we are unable to comment whether or not all impact of the same has been incorporated in the Statement.

As per Ind AS 109, for a financial asset that is credit-impaired at the reporting date, an entity shall measure the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss. Note No. 2 to the Statement explains that the Company has considered impairment reserve created in earlier periods as per RBI guidelines while calculating the impairment on such accounts which is not in accordance with Ind AS 109. Further, Note No. 5 to the Statement explains that basis ECL rates and the impairment reserve made in earlier periods in cases where they exceed gross exposure, the Company made a lesser provision under the ECL, so as to restrict the net exposure at Nil, since no withdrawal from impairment reserve is permitted which is also not in accordance with Ind AS 109. If the loan loss provisioning would have been provided without considering the impairment reserve as mentioned above the loss before tax for the quarter and half year ended September 30, 2023 would have increased by Rs. 22 crores and Rs. 80 crores, and correspondingly impairment reserve of Rs. 22 crores and Rs. 80 crores would have been transferred to retained earnings, thereby having no impact on shareholders fund.

- (b) Note No. 3 to the Statement which states that the Company adopted a policy, to not to recognise interest income on accounts in which transactions are determined as fraudulent by the Company. Had the Company recognised the interest income, as aforesaid, interest income would have been higher by Rs. 230 crores and Rs. 472 crores for the quarter and half year ended September 30, 2023 and consequently the ECL provision would also have been higher by Rs. 230 crores and Rs. 472 crores for the quarter and half year ended September 30, 2023, resulting in no change in loss for the quarter and half year ended September 30, 2023.

- (c) Note No. 5 to the Statement which explains that the Administrator as part of the CIRP process had appointed independent valuers to conduct valuation of the assets of the company and assets/collaterals held as securities. Since the Statement, disclosures, categorisation and classification of assets are subject to the outcome of such valuation, which shall be on culmination





of the CIRP process and implementation of approved resolution plan on the closing date, we are unable to comment on the impact, if any, of the same on the Statement.

- (d) 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 Srei Infrastructure Finance Limited ('SIFL'), with effect from October 1, 2019, subject to necessary approvals. 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.

In terms of the resolution plan as approved by Hon'ble NCLT vide its order dated August 11, 2023, for the ease of continuation of the businesses of the Company as going concern and for the purposes of accounting, the slump exchange undertaken between the Company and Srei Infrastructure Finance Limited (SIFL) shall be considered to be effective from the effective date as provided under the Business Transfer Agreement dated August 16, 2019 (as amended), entered into between SEFL and SIFL, except as provided expressly in this approved resolution plan.

In view of the unavailability of the re-casted audited financial statements giving effect of the BTA on the effective date 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.

- (e) Note No. 9 to the Statement which states that the Company has not provided for interest amount of ₹ 714 Crores for the quarter ended September 30, 2023, ₹ 1,263 crores for the quarter ended June 30, 2023, ₹ 1,153 crores for the quarter ended September 30, 2022, ₹ 1,977 crores for the six months ended September 30, 2023, ₹ 2,260 crores for the six months ended September 30, 2022 and ₹ 4661 crores for the year ended March 31, 2023, on Borrowings since insolvency commencement date i.e. October 8, 2021 as per the provision of the code in respect of the Company's obligation for interest and principal amount for all the borrowings. If the interest was accrued on borrowings, as aforesaid, the loss before tax for the quarter ended September 30, 2023 would have resulted in a loss before tax of ₹ 814 crores, the loss before tax for the quarter ended June 30, 2023 would have resulted in a loss before tax of ₹ 1,460 crores, the loss before tax for the quarter ended September 30, 2022 would have resulted in a loss before tax of ₹ 4,349 crores, the loss before tax for the six months ended September 30, 2023 would have resulted in a loss before tax ₹ 2,274 crores, the loss before tax for the year ended March 31, 2023 would have resulted in a loss before tax of ₹ 15,881 Crores.

- (f) Note No. 11 to the Statement which explains that the erstwhile management, as per the specific directions from Reserve Bank of India (RBI) in relation to certain borrowers referred to as 'probable connected parties/related parties', in line with arm's length principles, was in the process of re-assessing & 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 got conducted transaction audits/reviews relating to the process and compliances of the Company and has also appointed professionals for conducting transaction audit as per section 43, 45, 50 and 66 of the Code.. Out of Accounts referred by the RBI in the directions, the Administrator has received certain account wise transaction audit reports, which has identified some of such accounts as fraudulent in nature under section 66 of the Code. In respect of such accounts, the Administrator has filed applications under





section 60(5) and section 66 of the Code before the Kolkata bench of the Hon'ble National Company Law Tribunal (NCLT) on various dates for adjudication. Further, as mentioned in the said note, the transaction audit has been completed and the impact of the same has been incorporated in the Statement. However, the said transaction audit reports have not been made available to us and accordingly, we are unable to comment whether or not all impact of the same has been incorporated in the Statement. Accordingly, the Statement is subject to such impact, if any.

- (g) Note No. 12 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, the balance of which is Rs. 98 crores and Rs. 50 crores as on September 30, 2023, 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) Note No. 13 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 Companies Act, 2013 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 Companies Act, 2013. 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) Note No. 14 to the Statement which states that the Company has not been able to maintain the security cover as stated in the information memorandum/debenture trust deeds etc. which is sufficient to discharge the principal and interest amount at all times for the secured non-convertible debentures issued by the Company. Further, as stated in the said Note and paragraph (c) above, latest valuations from independent valuers in respect of assets of the Company is in progress, accordingly, the percentage of security cover given in Note No. 14 to the Statement is subject to the outcome of such valuation which shall be on culmination of the CIRP process and implementation of approved resolution plan on the closing date. Hence, we are unable to comment on impact of the same, if any on the Statement.
- (j) Note No. 15 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) 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 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) The project progress report and the necessary documents for review from various parties are yet to be received. Hence, we are unable to comment on such balances and status and impact of the same on the Statement, if any.





- (m) We have been informed that certain information including the minutes of meetings of the Committee of Creditors and IMC and transaction audit reports, are confidential in nature and accordingly has not been shared with us. We are therefore unable to comment on the possible financial effects on the Statement, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.
- (n) Property, Plant and Equipment includes assets having gross book value of Rs 50.18 crores and written down value of Rs 7.11 crores as on September 30, 2023 are either not traceable or are not in possession of the company. No provision for the same has been made in accounts. As informed by the Company, the management has initiated legal proceedings for recovery of the same. Since proceedings for recovery are pending, we are unable to comment on the impact of the same, if any, on the Statement.
- (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.
- (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.
- (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 the Statement.

## 6. Disclaimer of Conclusion

In view of the significance of the matters described in paragraph 5 above and the uncertainties involved, we have not been able to obtain sufficient and appropriate evidence and therefore, unable to conclude as to whether the Statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the Statement has disclosed the information required to be disclosed, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We had issued Disclaimer of Opinion Report basis the observations forming part of the report for the year ended March 31, 2023.

## 7. Material uncertainty related to Going Concern

We draw attention to Note No. 10 to the Statement which states that the Company has been admitted to CIRP and that the Company has reported net loss during the quarter and half year ended September 30, 2023 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 has impacted the Company's ability to continue its operations in normal course in future. In terms of the resolution plan approved by Hon'ble NCLT vide order dated August 11, 2023, IMC was constituted with members as provided in the approved resolution plan. IMC has received the Implementation Notice dated September 22, 2023 from NARCL as per approved resolution plan terms and referring to the Reallocation Notice dated September 21, 2023 issued by the Committee of Creditors (CoC) (CoC Re-allocation Notice). NARCL notified the Effective Date (being the date on which NARCL proposed to commence the Steps set out in Section 4 (Steps of Implementation)) as September 22, 2023. In accordance with the Implementation notice, IMC is carrying out defined steps as stipulated in the approved resolution plan & shall require to complete on or before the Closing date (as defined in the approved resolution plan). IMC, further requires the Administrator, among other things, run the Company as a going concern during the implementation of the resolution plan.

These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which casts significant doubt about the Company's ability to continue as a 'going concern' in the foreseeable future. However, for the reasons stated in the said note, the Company has considered it appropriate to prepare the Statement on a going concern basis.





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

- a) Note No. 1 inter-alia mentioned about the initiation of the CIRP process of the Company and subsequent approval of the consolidated resolution plan of NARCL by Hon'ble NCLT vide its Order dated October 8, 2021 and August 11, 2023 respectively. The note further states that the appeals have been filed with Hon'ble NCLAT which are currently under adjudication, however, there is no stay granted by Hon'ble NCLAT.
- b) As stated in Note No. 5 to the Statement, the Company on the basis of abundant prudence, has made provision to the extent of interest income recognised during the respective quarter on Net Stage - III accounts.
- c) Note No. 7 to the Statement which explains that in view of the impracticability for preparing the resolution plan on individual basis in the case of the Company and its 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. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The resolution plan of NARCL was filed before Adjudicating Authority on February 18, 2023 which was approved on August 11, 2023 by the adjudicating authority.

9. Other Matters

- a) The Statement includes the results for the quarter and half year ended September 30, 2023, being the balancing figure between audited figures in respect of half year ended September 30, 2023 and published unaudited quarter figures of quarter ended June 30, 2023 which were subject to limited review by us.

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

  
**Jayesh Kala**  
Partner  
Membership No. 101686  
UDIN: 23101686BGXUWG4788



Place: Kolkata  
Date: November 04, 2023

For **Dass Gupta & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 000112N

  
**Pankaj Mangal**  
Partner  
Membership No. 097890  
UDIN: 23097890BGZGYC8595



Place: Kolkata  
Date: November 04, 2023