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SREI Equipment Finance Limited

Board's Report

(Report of Implementation and Monitoring Committee)

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04, 2021, in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on October 04, 2021 owing to governance concerns and defaults by your Company in meeting various payment obligations and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 4, 2021, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a 3 (Three) member Advisory Committee comprising of Mr. R Subramaniakumar, former MD & CEO of Indian Overseas Bank, 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 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). Consequent upon resignation of Mr. R. Subramaniakumar from the Advisory Committee with effect from June 22, 2022, the RBI vide its Press Release dated June 23, 2022 decided to appoint Mr. Venkat Nageswar Chalasani, former Deputy Managing Director, State Bank of India as a member of the Advisory Committee with immediate effect. Further, RBI vide its Press Release dated January 31, 2023 has announced resignation of Shri Farokh N Subedar from the Advisory Committee with effect from January 31, 2023 and appointment of Mr. V Ramachandra, former Chief General Manager, Canara Bank as a Member of the Advisory Committee with immediate effect. Subsequent to all the changes, the Advisory Committee at the end of the Financial Year comprised of Shri Venkat Nageshwar Chalasani, former Deputy Managing Director, State Bank of India, Shri T T Srinivasaraghavan, former Managing Director, Sundaram Finance Limited and Mr. Shri V Ramachandra, former Chief General Manager, Canara Bank. As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee was to 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 has also taken over the responsibility of the Board of Directors of your Company, the Advisory Committee has supported the Administrator in fulfillment of his role and responsibilities.

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. Upon admission

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of the petitions for Insolvency Resolution Process by the Hon'ble NCLT in respect of your Company vide the said order dated October 08, 2021, the RBI vide its Press Release dated October 11, 2021 had decided that the three-member Committee shall continue as the Advisory Committee constituted under Rule 5 (c) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019. The Advisory Committee shall advise the Administrator in the operations of your Company during the CIRP.

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 Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (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. The Administrator of your Company, pursuant to the above mentioned Order passed by Hon'ble National Company Law Tribunal on February 14, 2022 had constituted a unitary and integrated CoC to conduct CIRP of your Company and Srei Infrastructure Finance Limited (SIFL), Holding Company, 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 Committee of Creditors 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.

The legally compliant resolution plans were duly presented by the Administrator to the consolidated CoC held on February 15, 2023 for the consideration of the legally compliant resolution plans in accordance with the provisions of the Code, the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and the terms of the RFRP.

As per the votes cast by the CoC Members, the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) in respect of your Company was approved by 89.2% votes and was chosen as the successful resolution plan under Section 30(4) of the Code (Resolution Plan).

Thereafter, the Administrator has filed with RBI an application on February 16, 2023, seeking no objection for change in control/ ownership/ management of your Company in terms of Rule 5(d)(iii) of the FSP Rules and an application under Section 30(6) of the Code for submission of Resolution Plan of NARCL as approved by the consolidated CoC with the Hon'ble NCLT, Kolkata Bench on February 18, 2023. Your Company received the said no objection from RBI on March 23, 2023.

The Competition Commission of India (CCI) also approved the acquisition of control of your Company by NARCL and IDRCL as required under Insolvency and Bankruptcy Code, 2016 by its letter dated April 06, 2023 to NARCL and IDRCL.

The Hon'ble NCLT vide its Order dated August 11, 2023 (uploaded on its website on August 11, 2023) (Plan Approval Order), approved the Resolution Plan submitted by NARCL with respect to the Corporate Insolvency Resolution Process of your Company under section 31 of the Code.

As per the Approved Resolution Plan, it is proposed that any existing encumbrance or collateral (whether enforced, crystallized or proceeded with or not) over the assets of the Corporate Debtors (created and/or perfected for debt availed by the Corporate Debtors or a third party) (collectively "Security"), by operation of applicable law, or in connection with any debt owed to financial creditors, operational creditors, other creditors or any other debt or obligation of the Corporate Debtors, or in relation to a third party (including a related party) whose obligations were secured by the Corporate Debtors by creation of any Security in favour of another person, at any time till the effective date (as per the Approved Resolution Plan), shall stand automatically extinguished, revoked, released, cancelled, withdrawn, dismissed and deemed null and void (as the case may be) and all financial obligations in relation to such Security shall be permanently extinguished on the effective date on and with effect from the Plan Approval Date.

In accordance with the terms of the Approved Resolution Plan, an Implementation and Monitoring Committee ("IMC") has been constituted for conducting the affairs of your Company and supervising the implementation of the Resolution Plan until all the steps and actions contemplated therein have been completed.

The members of the IMC are Mr. Rajneesh Sharma, Administrator & Chairman of the Committee (elected by the Committed members); Mrs. Sudha Rathna – General Manager, State Bank of India, Member; Mr. Biswanath Das – Deputy General Manager – Canara Bank, Member; Mr. Kamod Pathak – Assistant General Manager – UCO Bank, Member; Mr. Sandeep Agarwal – representative of NARCL, Member; Mr. Pavel Podder – representative of IRDCL, Member.

Further, upon the approval of the Resolution Plan by the Plan Approval Order and in compliance with the directions of the Hon'ble NCLT in the said Plan Approval Order, the mandate of the RBI constituting the Advisory Committee as per RBI Press Release dated October 04, 2021, to advise the Administrator in the operations of your Company during CIRP and to assist him for discharging his duties was fulfilled. Therefore, the Advisory Committee was dissolved and the same was also intimated to the respective Members of the Advisory Committee.

A detailed summary highlighting the significant portion of the Approved Resolution Plan along with the Order of the Hon'ble NCLT approving the Resolution Plan is hosted on the website of the Company at www.srei.com and the same is also intimated to the Stock Exchanges where the securities of the Company is listed vide letter dated August 12, 2023. The same is not repeated here for the sake of brevity.

The Boards' Report (Report of Implementation and Monitoring Committee chaired by the Administrator) is being taken on record by the Administrator and the Implementation and Monitoring Committee Members (IMC).

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The Seventeenth Annual Report together with the Audited Accounts of your Company for the Financial Year ended March 31, 2023 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 presented by the Administrator and the Implementation and Monitoring Committee of the Company in fulfillment of their duties as per the Approved Resolution Plan. The summarized financial performance of your Company is as follows:

FINANCIAL SUMMARY & STATE OF COMPANY'S AFFAIRS

(Rupees in Lacs)

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Total Income	1,55,757	3,14,165
Total expenditure (including depreciation and other expenses etc.)	2,62,092	5,81,650
Profit/(Loss) Before Tax	(11,21,928)	(2,67,485)
Net Tax expense	-	9,807
Profit/(Loss) After Tax	(11,21,928)	(2,77,292)
Other Comprehensive Income	(901)	(238)
Total Comprehensive Income	(11,22,829)	(2,77,530)
Profit/(Loss) brought forward from earlier year	(14,74,437)	(10,75,165)
Retained Earnings amount available for Appropriation	(25,96,547)	(13,52,499)
Paid up Equity Share Capital	7,902	7,902
Amount transferred to/(from) Reserves	45,533	1,21,938
Net Worth	(23,40,940)	(11,73,342)

Note: The above figures are extracted from the financial statements for the financial year ended on March 31, 2023

OPERATIONAL REVIEW

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

- The loss (before depreciation, amortization, impairment, Net loss on derecognition of financial instruments under amortized 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 Rs. 9,06,360 Lacs as against Rs. 26,643 Lacs last year.

- Loss before taxation for the year was Rs. 11,21,928 Lacs as against Rs. 267,485 in the last year.

- Net loss after taxation for the year was Rs. 11,21,928 Lacs as against Rs. 277,292 Lacs in the last year.

The Financial Statements of your Company have been prepared in accordance 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.

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Your Company has taken adequate steps and measures, including undertaking of the Compliance Audit by an external party, in order to assess the compliance position in respect of key compliance requirements prescribed by the Reserve Bank of India (RBI) including the Fair practices, Anti Money Laundering and Know Your Customer (KYC) and other applicable regulatory guidelines and policies.

LENDING OPERATIONS

Your Company did not undertake any 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 maximize the value of your Company and continue the organization 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 Rs. 60,000 Crore (Rupees Sixty Thousand Crores only).

Your Company availed bank borrowings. Your Company had issued and allotted Non-Convertible Debentures 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 Non-Convertible Debentures (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 according 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

All the debts owed to Financial Creditors have crystallized as on Insolvency Commencement Date i.e. 8th October, 2021 and these debts would be payable as per the Resolution Plan approved by Adjudicating Authority. The credit rating agencies have reaffirmed ‘default grade’ credit ratings of various loan facilities / financial instruments of your Company during the FY 2022-23. This reaffirmation has been done by them based on the best available information.

DIVIDEND

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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, 2023.

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

In the earlier part of this Report, sequence of events have been presented pertaining to commencement of CIRP of your Company until the approval of the resolution plan of NARCL by Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench on August 11, 2023 and undergoing implementation of the approved Resolution Plan.

In accordance to Section 24 of the IBC, your Administrator had convened and conducted 34 (thirty four) meetings of consolidated CoC during the Financial Year under review, to discuss the updates in the CIRP process of your Company and to consider, analyse and approve appropriate resolution plan to revive your Company.

As part of the CIRP of your Company, the Administrator, Advisory Committee and the 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, had exercised 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 had 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 contributed to 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.

The Administrator on the advice of the Advisory Committee and in consultation with the Process Advisors and Legal Advisors filed necessary applications before the Hon’ble NCLT, as and when reports under the above sections were submitted by the BDO India LLP. The disclosure in relation to said filings as approved by the Advisory Committee were submitted by your Company to the Stock Exchanges pursuant to the provisions of Regulation 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and also placed at web-site of your Company at the link https://www.srei.com/sefl-shareholder-information.

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 the 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, 2023.

RESERVE BANK OF INDIA (RBI) CLASSIFICATION

Pursuant to the circular issued by Reserve Bank of India (RBI) on Harmonization of different categories of NBFCs dated February 22, 2019, your Company has been classified as an 'NBFC - Investment and Credit Company (NBFC-ICC)'. Further, pursuant to RBI circular on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated October 22, 2021, your Company has been placed under 'Middle Layer'.

SHARE CAPITAL

The Authorized Share Capital of your Company is Rs. 10,00,00,00,000/- (Rupees One Thousand Crore Only) divided into 50,00,00,000 Equity Shares of Rs. 10/- each and 5,00,00,000 Preference Shares of Rs. 100/- each and the paid-up Equity Share capital of your Company is Rs. 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 along with their 6 (Six) nominees. There was no change in the Authorized 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

During the Financial Year 2019-20, the Board of Directors of your Company and its holding Company, Srei Infrastructure Finance Limited (SIFL) at their respective meetings held on July 04, 2019, had for the purposes of consolidation of lending business approved the transfer, assignment and delivery of 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 your Company through a Business Transfer Agreement (BTA), in exchange of fully paid up equity shares to be issued and allotted by your Company, subject to all necessary approvals.

Pursuant to the aforesaid, BTA was signed and executed by your Company and SIFL on August 16, 2019. Further, in accordance with the said BTA, the entire fund-based business division of SIFL alongwith all its assets and liabilities has been transferred to your Company with effect from October 01, 2019. Further, an amendment to the aforesaid BTA was executed on November 14, 2019 with SIFL. Pursuant to this, your Company has entered into various assignment agreements, in connection with the Transferred Undertaking, with SIFL to give effect of the slump exchange and accordingly your Company and SIFL has passed the relevant accounting entries in their respective books of accounts effective October 01, 2019, after receiving the necessary approvals.

Your Company had also proposed the Schemes with its Creditors and the application to that effect had been filed with the Hon'ble National Company Law Tribunal, Kolkata (Hon’ble NCLT). The BTA, inter alia, constituted an integral part of the Scheme. The Hon’ble NCLT vide order dated October 21, 2020, directed your Company to hold meetings of the Creditors to vote on the Scheme and the same was rejected by the Creditors and thus the slump exchange under the BTA did not fructify. Pending final decision in the matter, SIFL and your Company had maintained status quo for BTA as per the directions of Hon'ble NCLT.

After the commencement of CIRP, an Application was filed by the Administrator of your Company seeking to withdraw the Scheme which has been allowed by the NCLT by an order dated February 11, 2022 and hence no further action was taken in this regard 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

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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 Rs. 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 Rs. 20 million to Rs. 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 Rs. 0.5 million to Rs. 0.2 million in order to become eligible for debt recovery under SARFAESI Act, 2002

A special liquidity scheme with an allocation of Rs. 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, Rs. 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

The Post-pandemic situation is looking good after being stretched for more than a year. The government strategies at both the Centre and State levels, which had aimed to strike a fine balance are now taking shape, 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 2023-24, notwithstanding its impact on pushing up the fiscal deficit, Revenue deficit in 2023-24 is targeted at 2.9% of GDP, which is lower than the revised estimate of 4.1% in 2022-23. Fiscal deficit in 2023-24 is targeted at 5.9% of GDP, lower than the revised estimate of 6.4% of GDP in 2022-23. While the revised estimate as a percentage of GDP was the same as the budget estimate, in nominal terms, fiscal deficit was higher by Rs. 94,123 crores (increase of 5.7%) in 2022-23. Among the top 13 ministries with the highest allocations, in 2023-24, the highest percentage increase in allocation is observed in the Ministry of Railways (49%), followed by the Ministry of Jal Shakti (31%), and the Ministry of Road Transport and Highways (25%).

The scheme providing 50-year interest free loans to state governments will be made available in 2023-24 also with an outlay of Rs. 1.3 lakh crores. 100 critical transport infrastructure projects for last and first mile connectivity for various sectors such as ports, coal, steel will be taken up. This will have an investment of Rs. 75,000 crores including Rs. 15,000 crores from private sources.

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The National Infrastructure Pipeline (NIP) of projects which envisages at Rs. 10,800,000 crores, more than 97 percent of the envisaged Rs. 11,100,000 crores investment-worth projects are currently under implementation.

The Economic Survey document noted, of these 8,964 projects were under the different stages of implementation. More than half of these belong to the transportation sector, while the rest belong to communication, energy, logistics, social infrastructure, transport, water and sanitation and commercial infrastructure.

- In 2023-24, the Ministry has allocated Rs. 330 crores for road safety, 20% greater than the revised estimates for 2022-23. Between 2017-18 and 2022-23, the Ministry has underutilised road safety funds by about 41%. The Ministry targeted to construct 12,200 km of NHs in 2022-23, of which 5,774 km (47%) has been constructed as of December 2022. As part of the Ministry’s target to construct 60,000 km of NHs between 2019-20 and 2023-24, it envisaged to construct 13,000 km in 2023-24. Allocation towards road safety provides for safety programmes, relief support for accident victims, strengthening public transport, research and development, and setting up of facilities on NHs. The 2023-24 allocation for road safety is 0.1% of the Ministry’s budget. However, revised estimates in 2022-23 are greater than the actual expenditure in the past five years.

- The Indian Railways has been allocated a capital outlay of Rs. 2.4 lakh crores in the Union Budget 2023-24. This is the highest ever allocation to the national transporter and continues on the trend followed last year with a gross budgetary support of Rs. 1.37 lakh crores in fiscal 2022-23.

- 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. The government has allocated a total of Rs. 19,518 crores to all metro projects across India in the Union Budget 2023-24.
  The outlay for this year includes equity investment of Rs. 4,471 crores, subordinate debt of Rs. 1,324 crores and pass through assistance Rs. 13,723 crores. The Centre has allocated Rs. 3,596 crores to the National Capital Region Transport Corporation (NCRTC) for the country's first Regional Rapid Transit System (RRTS) project, a fall of about 23 per cent from the outlay in the last budget.

- 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertiliser, and food grains sectors have been identified and will be taken up on priority with investment of Rs. 75,000 crores, including Rs. 15,000 crores from private sources. A revamped reforms-based result linked power distribution scheme will be launched with an outlay of Rs. 306,000 crores 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.

- As the government’s deadline is fast approaching for their ambitious bid to provide piped water to every rural household by 2024, the Centre’s marquee Jal Jeevan Mission has been allocated Rs. 69,684 crores, up from the Rs. 54,808 crores which the department is expected to spend in the current financial year. This works out to a roughly 27% hike.

All these projects are expected yet again to 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 FY23, creating unforeseen challenges. The Indian Construction and Mining Equipment Industry witnessed growth of 25% in FY23, 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 10,993 Kms per day during FY23 vis-a-vis 12,375 Kms per day recorded in FY-22. Besides, the Revamped Graded Response Action Plan (GRAP) states that under the severe pollution category when the air quality index varies between 401-450, there will be a ban on construction activities but “emergent and essential projects” like railways, metros, airports etc; non-polluting and non-dust generating activities such as plumbing works, electrical works and carpentry related works will be exempted, had an adverse impact on the CE industry. On a positive note, though the QoQ sales were down, a comparison with the same period of the previous financial year shows a 59% increase in sales in Q1 FY2022-23. The growth however has been registered on a lower base as India was going through the 2nd wave of COVID-19, leading to muted sales during Q1 FY2021-22. 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.

However, in recent years, India's growth story has been closely associated with a strong focus on not only physical, but also social and digital infrastructure. Budget 2023 gives a powerful thrust to these three dimensions of infrastructure development which, put together, accelerate inclusive growth. To enhance opportunities for private investment in infrastructure - Infrastructure Finance Secretariat is being established. The secretariat will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power, which are predominantly dependent on public resources. Along with this a Harmonized Master List of Infrastructure will be reviewed by an expert committee for recommending the classification and financing framework. India has become the third-largest aviation market in the world. The UDAN Yojana has played an important role in this regard. To give further impetus to aviation sector fifty additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity. To further improve India’s logistics sector, one hundred critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified.

These budget provisions build on the government’s National Infrastructure Pipeline (NIP) combined with other initiatives such as ‘Make in India’ and the production-linked incentives (PLI) scheme to augment the growth of infrastructure sector. In the Union Budget 2023-24, the Capital Investment Outlay has been increased steeply for the third year in a row by 33 per cent to Rs. 10 lakh crores, which would be 3.3 per cent of GDP. This will be almost three times the outlay in 2019-20. The Indian construction equipment industry clocked strong YoY sales growth of 23% in the third quarter of the current fiscal over Q3 FY22. This uptrend in Q3 results of FY23 comes on the back of improved performance across all equipment segments, i.e., earthmoving, material handling, material processing, and road construction equipment.

The positive industry performance in Q3 of FY23 has primarily been powered by the robust 22% YoY sales growth of earthmoving equipment (EME), which accounts for nearly three-fourths of total CE sales. Though backhoe loader sales which account for about half of the earthmoving equipment sales have been declining in recent months of November and December, excavator sales with more than 30% share in total EME sales, have been on the rise during this period, leading to the upward trend observed in the overall sales of earthmoving equipment. The material handling equipment mainly comprising pick & carry cranes, observed

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a YoY sales growth of 56% during the 3rd quarter, while road construction equipment sales grew by 12%.

A similar trend has been witnessed in the quarter-on-quarter (QoQ) growth as well. Sales in Q3 FY23 were up by 21% as compared to Q2 sales in the current fiscal year. While earthmoving equipment with its lion’s share of CE sales grew 19% over the last quarter, material handling equipment and concrete equipment recorded QoQ sales growth of 25% and 18% respectively in the third quarter of FY23. Material processing equipment registered a 5% quarterly growth while road construction equipment, which had showed worrying downward trends over the last two quarters, staged a recovery with a whopping 75% QoQ growth in Q3 of the current fiscal year, albeit on a low base.

The Indian Construction Equipment industry recorded an excellent 26% growth YoY with sales crossing the one lakh unit mark in FY2022-23. CE sales in Q4 of FY23 (Jan-Mar 2023) increased by 23% over Q4-FY22 and by 22% over Q3-FY23. On a month-on-month basis, sales in March 2023 increased by 17% over February 2023.

The growth comes on the back of the enhanced pace of construction and mining activity during the year which resulted in a significant increase in demand for all types of construction equipment. It is estimated that road and highway construction was about 30 km/day during FY23, which created demand for machines like excavators, motor graders, crushers & screeners, etc.

In 2023-24, the Ministry of Health and Family Welfare has been allocated Rs. 89,155 crores. This is an increase of 13% over revised estimates for 2022-23. The Department of Health and Family Welfare has been allocated Rs. 86,175 crores, which accounts for 97% of the Ministry's expenditure. Notably, this allocation was an increase of approximately 13% over Rs. 79,145 crores allocated in the 2022-23 union budget. The 2023-24 budget incorporated one of the most fundamental changes in healthcare required to transform the sector. The finance minister reported that the Union Budget 2023-24 has included the establishment of 157 new nursing colleges in co-location with the current medical colleges. This move showcases the government’s focus on transforming the healthcare sector by first ensuring that there are sufficient frontline medical professionals in the hospitals. Further, the increase in nursing colleges will help bridge the gap relating to the number of nurses required per bed as India continues to become the preferred healthcare destination. In addition, the providers are now focusing on creating healthcare facilities in tier 2 and tier 3 cities as well. Further, the finance minister announced the government’s mission of eliminating sickle cell anemia by 2047. Once launched, the initiative will allow for universal screening of 7 crore people between 0 and 40 years in affected tribal areas.

In 2023-24, the Ministry of Rural Development has been allocated Rs. 1, 59,964 crores in 2023-24. The Department of Rural Development has been allocated Rs. 1, 57,545 crores, 13% less than the revised estimates of 2022-23. Major schemes under this department are MGNREGS (38%) and PMAY-G (35%) together account for almost 75% of the budgetary allocation. This is followed by PMGSY (12%), National Rural Livelihood Mission (NRLM, 9%), and the National Social Assistance Programme (NSAP, 6%).

Tech sector looks forward to a period of growth, stability propelled by fresh policies in the Budget. With India emerging as a global hub for digital capability and the roll out of 5G services in the country, the tech sector in the country is looking forward to a period of growth and stability propelled by fresh policies and other provisions from the budget. The industry has been a propellant for positive changes for years as it braces itself for up for new ones. The budget for 2023-24 has allocated Rs. 16,549 crores for the Ministry of Electronics and Information Technology, which is nearly 40% higher on year.

The management of your Company is closely tracking these developments in order to source new business opportunities and make the business verticals future ready with investor identification process reaching its legitimate closure.

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 and to boost the expansive growth to the sector. The National Infrastructure Pipeline (NIP), which was launched in December 2019 is a part of that attempt to invest $4.5 trillion. The aim of the National Infrastructure Pipeline (NIP) is to help make India a $5 trillion economy by 2025. The NIP pipeline since then has been increased from 6,835 projects to more than 7600 projects. The Government has suggested investment of Rs. 50 trillion (US$ 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 23-24

- Public capital investment would need to do the heavy lifting to support in growth in 2023-24
- The Centre will hike the capital expenditure (capex) outlay for 2023-24 by 33 per cent to Rs 10 trillion. In the Budget 2023 speech, she also said that the outlay for the PM Awas Yojana will be hiked by 66 per cent to Rs 79,000 crore. This is the highest outlay for capex ever. In FY23, the capex outlay was Rs 7.5 trillion. The new outlay will amount to 3.3 per cent of the gross domestic product (GDP).
- The fiscal policy statement highlighted the total expenditure is to be Rs. 45.03 lakh crore in 2023-24; increase of 7.5% over 2022-23.
- The government has estimated a nominal GDP growth rate of 10.5% in 2023-24 (i.e., real growth plus inflation).

While the infrastructure sector continues to be one of government's primary drivers towards creating capacity and capability for the future, the current fiscal has delivered consistent growth, thus enabling a growth multiplier for all businesses across most sectors, including the construction equipment sector and the NBFC sector.

In FY2023, your Company's Total income rose to ₹795 crores from ₹595 crores, while expenses fell to ₹482 crores from ₹3,986 crores. The quarterly profit was on account of a rise in recovery of loans, which helped total income to grow, and a sharp fall in expenditure. 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 about being future ready your company would increase its focus on generating off-balance sheet income in progressing towards generating more value from the existing enterprise in an effort to making the future enterprise self-sustainable and unique from a business model perspective.

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 analyzed 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 centres (Mumbai region has 3 data centres), 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

The pandemic induced disruptions continued in FY 2022-2023 as well.

The first half of FY 2022 witnessed a significant impact of the third wave of the Omicron strain which was more transmissible — impacting performance of certain services but however, its impact on SEFL's operation was limited.

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.

Human Resources features to be one of the most critical functions of any financial services organization.

Your Company laid special emphasis on staff governance, ethics / value sensitization workshops and compliance initiatives to create robust governance.

Your Company principally drove home the concept of, "Keep People Inspired, Keep People Involved" by way of staff engagement activities to increase employee morale, maintaining the essence of engaging through varied philanthropic reaches and also to motivate employees throughout the year.

This not only impacted the mental being but also provided a stress free environment and enabled employees to interact, share and also kept them involved, especially at the branches.

Respect for women at the workplace along with the spirit of diversity and inclusion being an integral guiding HR principal - The International Women's Day celebrations flagged off both at the HO and the branches marking the significance and acknowledging the contribution by all women employees.

Your company in collaboration with SREI Insurance Broking Private Limited ran a series of health checkups and wellness workshops throughout the year for employees.

Staff Welfare was pitched a notch higher with the Raichak on the Ganges Guest House which was made available for employees and their families at minimal and subsidized costs thus balancing the work life pressures and encouraging all employees to spend quality time with their families.

The employee canteen that got non-operational during the pandemic was finally reopened and made functional for all.

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.

RBI administrator led management meetups kept the focus of "going concern" at an all-time high.

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.

A key point was the increased focus on Collections and reduction of NPA. Learning interventions were critical in order to prepare employees to adopt the new model and new focus that had been introduced.

Your Company addressed these two points mainly through learning and development initiatives.

These included:

- The focus shifting to Collections – the techniques of dealing and retail and strategic customer collections became pivotal .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.
- Huge focus on corporate governance and compliance was established resulting in need for training and awareness creation.
- HR statutory and labour compliance was 100%. Your company has adhered to all statutory / labour compliance as per laws

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 employees, building organizational capability and achieving compliance standards.

Regulatory Training sessions commenced between the last two quarters of the year through the platform of E-Learning. The drive was to ensure all employees completed the necessary regulatory training so as to achieve a compliance driven and policy adhering environment. RBI mandated e-learning courses were 100% compliant.

The Human Resource (HR) Team has continued to lay stress on providing timely and meaningful support to each employee - reaching out to them through the HR Business Partner team, finding ways to create positivity and dialogue. 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.

Your Company, focused on their human assets and kept instilling 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, 2023 the headcount of our Company was 668.

INFORMATION TECHNOLOGY

Information Technology plays a pivotal role in your Company's journey. Your Company continues to leverage its technology to implement a resilient and secure infrastructure.

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 risks include 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 (KRIs) pertaining to IT Security in order to monitor changes in the levels of risk exposure and mitigate them in time.

During the year in review, your Company focussed on the formalization of an IT Disaster Recovery (DR) Plan, as a part of its overall Business Continuity Plan (BCP). This IT DR Plan is expected to support the management of critical operations in future as well. Your Company successfully conducted IT DR Drill as per the BCP Policy.

The Company's Cyber Security Operations Centre (C-SOC) 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 advisories 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.

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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 Internal Committees/Advisory Committee/Administrator during CIRP period. The purpose, scope, authority and responsibility of the Internal Audit Department are delineated in the Risk Based Internal Policy and the Audit Charter approved by the Internal Committees/Advisory Committee/Administrator. 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 Internal Committees/Advisory Committee/Administrator. Status of compliances of audit observations and follow up actions taken thereon are reported to the Internal Committees/Advisory Committee/Administrator. The Internal Committees/Advisory Committee/Administrator 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 the 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 April 17, 2023. 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/sefl-corporate-policies/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 the 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 stated above therefore, neither the requirement of separate meeting of the Independent Directors was relevant during the Financial Year under review nor the evaluation of performance of Directors, Board or the Committees thereof.

During the CIRP, the role of the Board and Committees was fulfilled by the Administrator supported by the Internal Committees/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 the 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 said Policy is available on https://www.srei.com/sefl-corporate-policies/SEFL_Corporate_Social_Responsibility_Policy.pdf

The CSR Policy 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, existing prior to the Board supersession, from time to time.

Since, 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 Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

During CIRP, the role of the Board and Committees was being fulfilled by the Administrator supported by the Internal Committees/Advisory Committee.

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An Annual Report on CSR activities for the Financial Year 2022-23 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, 2023 and the date of the Report.

KEY MANAGERIAL PERSONNEL (KMPs)

The Administration of your Company, post supersession of the Board of Directors, for operational convenience and for efficient conduct of business affairs of your Company, have 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, inline with Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, who acted as additional KMP during the financial year under review.

The following executives of your Company are the Whole-time Key Managerial Personnel (KMPs) as on March 31, 2023, 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

None of the KMPs hold any securities of your Company except Mr. Manoj Kumar Beriwala and Mr. Yogesh Kajaria, who hold 1 (one) 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 utilization 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 utilization, safety and environment.

During the year under review, the total foreign exchange expenditure of your Company was Rs. 7,73,56,903 (previous year Rs. 8,131 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 last financial year, but prior to the date of commencement of moratorium/CIRP i.e. October 08, 2021 (CIRP commencement date) an amount of Rs. 18,574/- (Rupees Eighteen Thousand Five Hundred and Seventy Four) and post commencement of moratorium/CIRP an amount of Rs. 31,633/- (Rupees Thirty One Thousand Six Hundred and Thirty Three) 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.

Further, during the current financial year, an amount of Rs. 25,195/- (Rupees Twenty Five Thousand One Hundred and Ninety Five), Rs. 3,17,512/- (Rupees Three Lakhs Seventeen Thousand Five Hundred and Twelve) and Rs. 2,16,518/- (Rupees Two Lakhs Sixteen Thousand Five Hundred and Eighteen) was transferable by your Company to IEPF in terms of Section 125 of the Companies Act, 2013, on account of the interest on application money. However, the same have not been transferred post October 08, 2021, as your Company was under IBC.

The Company was unable to comply with the provision or 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 GNL-2 against the payment of one time normal fee only, till such time the Company remains under CIRP. Separate GNL-2 forms shall be filed for each such document, by the IRP/ RP. Your Company, as a part of compliance, has filed separate Form IEPF-1 for each of the amount which was transferable to IEPF, through Form GNL-2. However since the GNL -2 form is not linked with IEPF -I your Company is unable to generate Service Request Number (SRN) for payment to IEPF Authorities. Due to said technical difficulty your Company could not comply with the provisions of Section 125 & other applicable provisions of the Companies

Act, 2013. The Company has requested for guidance from IPEF Authorities and also requested them to file claim for pre CIRP amount. The revert from IEPF Authorities on the same is awaited.

MEETINGS OF THE BOARD AND BOARD COMMITTEES

As stated earlier in this Report, due to the supersession of the Board of Directors by RBI vide its Press Release dated October 04, 2021, your Company did not have Board of Directors during the Financial Year under review. Hence, no Board Meetings were held during the year. In view of the same, your Company also did not have any Board Committee during Financial Year under review.

ADVISORY COMMITTEE AND IMPLEMENTATION AND MONITORING 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 was 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 has taken over the responsibility of the Board of Directors of your Company, the Advisory Committee has supported the Administrator in fulfillment of his role and responsibilities. The Members of the Advisory Committee during the Financial Year under review comprised of Mr. R Subramaniakumar, former MD & CEO of Indian Overseas Bank *(resigned w.e.f. June 22, 2022),* 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 *(resigned w.e.f. January 31, 2023),* Mr. Shri Venkat Nageshwar Chalasani, former Deputy Managing Director, State Bank of India *(appointed w.e.f. June 23, 2022)* and Mr. Shri V Ramachandra, former Chief General Manager, Canara Bank *(appointed w.e.f. January 31, 2023.)*

The Administrator is the Chairman of the meetings and the minimum quorum is Chairman and at least two advisors. During the Financial Year 2022-23, 30 (Thirty) 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.

Further, upon the approval of the Resolution Plan by the Order dated August 11, 2023 passed by Hon'ble NCLT, Kolkata and in compliance with the directions of Hon'ble NCLT, the purpose of the RBI constituting the Advisory Committee as per RBI press release dated October 04, 2021, to advise the Administrator in the operations of your Company during the CIRP and to assist him for discharging his duties was fulfilled. Therefore, the Advisory Committee was dissolved and the same was also intimated to the Members of the Advisory Committee.

Furthermore, an Implementation and Monitoring Committee has been constituted for smooth implementation of the approved Resolution Plan.

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

Subsequent to the supersession of the Board of Directors of your Company by RBI vide its Press Release dated October 04, 2021, RBI had filed an application for initiation of Corporate Insolvency Resolution Process against your Company 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 Adjudicating Authority) Rules, 2019 before Kolkata Bench of the Hon'ble National Company Law Tribunal ("Hon'ble NCLT")

In the said petition being C.P. (IB) No. 294/KB/2021, the Hon'ble NCLT vide order dated October 08, 2021 was pleased to admit the said petition application and accordingly Corporate Insolvency Resolution Process (CIRP) was initiated against your Company.

Accordingly, Mr. Rajneesh Sharma was appointed as the Administrator of SEFL in terms of rule 5(a)(iii) of the Insolvency & Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 to carry out the functions as contemplated by Sections 15, 17, 18, 19 and 20 of the Insolvency and Bankruptcy Code, 2016. The Order further provides that there shall be moratorium in terms of Section 14 of the said Code in respect of your Company.

The Administrator on 16th February, 2023, filed an application for obtaining no-objection from the Reserve Bank of India (RBI) as required under Rule 5 of the Insolvency & Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 against the Plan.

Therefore, your Company received the said no-objection from the RBI via its letter dated March 23, 2023 in terms of Rule 5(d)(iii) of the FSP Rules.

The Administrator had also filed an application under Section 30(6) of the Code before the Hon'ble National Company Law Tribunal (NCLT), Kolkata on February 18, 2023 for its approval of the Plan.

The Hon'ble NCLT has issued an Order dated August 11, 2023, approving the resolution plan submitted by National Asset Reconstruction Company Limited with respect to the Corporate Insolvency Resolution Process of the Companies under Section 31 of the IBC ("Approved Resolution Plan"). The same can be downloaded from the link: https://nclt.gov.in/gen_pdf.php?filepath=/Efile_Document/ncltdoc/casedoc/1908134009832023/04/Order-Challenge/04_order-Challange_004_1691756009157129507964d625e9e66a0.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements of your Company for the financial year ended March 31, 2023 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, 2023 have been prepared on "going concern" assumptions.

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, 2023.

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Administrator to the best of their knowledge and ability confirm that:

(i) in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
(ii) such accounting policies have been selected and applied consistently and such judgements and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the Financial Year ended March 31, 2023 and of the profit and loss of your Company for the Financial Year 2022-23;
(iii) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
(iv) the annual accounts have been prepared for the Financial Year ended March 31, 2023 on a going concern basis;
(v) internal financial controls to be followed by your Company have been laid down and that such internal controls are adequate and are operating effectively;
(vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws to your Company and the systems are adequate and operating effectively.

AUDITORS

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 27th April, 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), M/s. J Kala & Associates Chartered Accountants, having Firm Registration No. 118769W allotted by The Institute of Chartered Accountants of India (ICAI) and M/s. Dass Gupta & Associates, Chartered Accountants, partnership firm, having Firm Registration No. 000112N, allotted by The Institute of Chartered Accountants of India (ICAI) were appointed as the Joint Statutory Auditors of your Company at the 16th (Sixteenth) Annual General Meeting (AGM) held on September 22, 2022 to hold office for a period of 1 (One) consecutive year from the conclusion of the 16th (Sixteenth) Annual General Meeting till the conclusion of the 17th (Seventeenth) AGM of your Company in terms of Section 139 of the Companies Act, 2013 and the Rules framed thereunder.

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The Implementation and Monitoring Committee (IMC) recommended the appointment of M/s. J Kala & Associates Chartered Accountants, having Firm Registration No. 118769W allotted by The Institute of Chartered Accountants of India (ICAI) and M/s. 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 of your Company for a period of 1 (One) year, to hold office from the conclusion of the 17th (Seventeenth) Annual General Meeting till the conclusion of the 18th (Eighteenth) AGM of your Company.

Both J Kala & Associates Chartered Accountants and 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 have also been furnished by them along with their consent to hold office as the Joint Statutory Auditors of your Company. Further, J Kala & Associates Chartered Accountants and 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 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 and 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 Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held on May 09, 2023 have inter-alia, considered and taken on record the Ind AS Audited Financial Results of your Company for Financial Year ended March 31, 2023, as per Regulation 52 and other applicable regulations of the SEBI Listing Regulations and in compliance with Section 129 of the Companies Act, 2013 and the Ind AS as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015.

The Report of the Statutory Auditors to the Members for the Financial Year under review contains disclaimer of opinion, the management's response to the Basis for Disclaimer of Opinion contained in the Statutory Auditors' Report are given in the notes to accounts which are self-explanatory and the same is not repeated here for the sake of brevity.

SECRETARIAL AUDIT REPORT

Your Company appointed M/s. S.K. Khemka & Associates, Practicing Company Secretaries (Peer Review Certificate No. 1313/2021) as the Secretarial Auditor of your Company for the Financial Year 2022-23 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, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, the 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).

The Secretarial Audit Report for the Financial Year ended March 31, 2023 does not contain any qualification, reservation or adverse 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 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 the 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/sefl-corporate-policies/SEFL_Related_Party_Transaction_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.

For the financial year ended March 31, 2023, 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.

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, 2023, 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 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/sefl-corporate-policies/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 received 2 (Two) complaint of sexual harassment which have been addressed by the Internal Complaints Committee duly constituted by your Company

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under per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT

Your Administrator would like to express their grateful appreciation for the excellent support and co-operation received from its Committee of Creditors (CoC), Advisory Committee, shareholders, 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/-

Place : Kolkata
Date : September 26, 2023

Rajneesh Sharma
Administrator (Acting as a member of the IMC pursuant to Hon'ble NCLT Order dated 11th August, 2023)
The affairs, business and property of Srei Equipment Finance Limited are being managed by the Administrator, who acts as agent of the Company only and without any personal liability.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
SREI EQUIPMENT FINANCE LIMITED
'VISHWAKAMA', 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 SREI EQUIPMENT FINANCE LIMITED ('SEFL'/'Company') having CIN - U70101WB2006PLC109898 for the financial year ended 31st March, 2023 ('Audit Period'). The 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 certain preliminary 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 the 31st day of March, 2023, (the 'Audit Period') complied with the statutory provisions listed hereunder, except with respect to the observations as listed in Annexure I, Annexure II, Annexure III and Annexure IV. In view of the same, our comment as to adequacy of processes and compliance-mechanism has to be read in light of the aforesaid observations and qualifications.

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 2023, according to the provisions of:

1. The Companies Act, 2013 ['Companies Act'] and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ['SCRA'] and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 [‘SEBI Act’], to the extent applicable:

   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:
   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [‘PIT Regulations’];
   (iii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [‘ILDS Regulations’];
   (vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [‘LODR Regulations’];
   (vii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
   (viii) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
   (ix) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.

5. SPECIAL LAWS APPLICABLE TO THE COMPANY

(A) RESERVE BANK OF INDIA REGULATIONS

(i) Reserve Bank of India Act, 1934;
(ii) Non-Banking Financial Companies (Opening of Branch/Subsidiary/Joint Venture/ Representative Office or Undertaking Investment Abroad by NBFCs Directions, 2011;
(iii) NBFC Auditor’s Report (Reserve Bank) Directions,2016;
(iv) Monitoring of Frauds in NBFCs (Reserve Banks) Directions, 2016;
(v) Master Directions – Information Technology Framework for the NBFC Sector;
(vi) Reserve Bank of India (NBFC) Returns Specifications, 1997;
(vii) Master Directions Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 2016;
(viii) Non-Banking Financial Company – systematically Important non-Deposit taking company and Deposit Taking company (Reserve Bank) Directions, 2016;
(ix) Miscellaneous RBI Circulars & Notifications;
(x) Master Directions – Know Your Customer (KYC) Direction, 2016;

(B) INSURANCE LAWS –

(i) Insurance Act, 1938
(ii) Insurance Regulatory and Development Authority Act, 1999, Regulations and Rules framed hereunder;

(C) FEMA LAWS

(i) Foreign Exchange Management Act, 1999;
(ii) Rules framed by from time to time under FEMA;
(iii) Regulations notified by RBI from time to time under FEMA;
(iv) Foreign \Trade (Development & Regulation) Act, 1992;
(v) The Prevention of Money Laundering Act, 2002 and Rules framed thereunder;
(vi) FEDAI Rules;
(vii) The issue of Foreign Currency Convertible Bonds;
(viii) Exim Policy;
(ix) Consolidated foreign Direct Investment policy issued by department of industrial Policy & Promotion (DIPP);

(D) INSOLVENCY AND BANKRUPTCY CODE

(i) Insolvency and Bankruptcy Code, 2016;
(ii) The National Company Law Tribunal Rules, 2016;
(iii) The National Company Law Appellate Tribunal Rules, 2016;

6. GENERAL LAWS

(i) Indian Contract Act, 1872;
(ii) Customer Protection Act,1986;
(iii) Negotiable Instruments Act, 1881;
(iv) Arbitration and Conciliation Act, 1996;
(v) Specific Reliefs Act, 1963;
(vi) Emblems and names (Prevention and Improper use) Act;
(vii) Motor Vehicles Act, 1988;
(viii) Transfer of Property Act,1882;
(ix) Benami Transactions (Prohibition) Act; 1988;
(x) Code of Civil Procedure, 1908;
(xi) Code of Criminal Procedure, 1973;
(xii) Environment (Protection) Act, 1986;
(xiii) Indian Evidence Act, 1872;
(xiv) Indian Penal Code, 1860;
(xv) Indian Limitation Act, 1963;

(xvi) Power of Attorney act, 1882;
(xvii) Indian Trusts Act, 1882;
(xviii) Hire Purchase Act, 1972;
(xix) Registration Act, 1908;
(xx) Indian Stamp Act,1899;
(xxi) Indian Standard code of Practice for Selection, Installation and Maintenance of Portable First Aid fire Extinguishers Code of Practice;
(xxii) Shops and Commercial Establishments Act;
(xxiii) License agreements with Landlords;
(xxiv) License for all software currently in use;
(xxv) Information\Technology Act, 2000;
(xxvi) The Privacy Act, 1974;
(xxvii) Competition Act,2002;
(xxviii) The Representation of People Act, 1951;
(xxix) The Rights of persons with disabilities Act,2016;
(xxx) The Rights of persons with disabilities Rules,2017;

7. Specific laws applicable, as mentioned hereunder:

(E) TRADE MARKS ACT, 1999

(F) COPYRIGHT ACT, 1957

(G) PATENTS ACT, 1970

(H) TAXATION LAWS

(i) Income Tax Act, 1961 and Rules Framed hereunder;
(ii) Customs Act, 1962;
(iii) Profession Tax Act;
(iv) Goods& Services Act, 2016;

We have also examined compliance with the applicable clauses (with limited application owing to ongoing CIRP) of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except in relation to matters provided as in Annexure I, Annexure II, Annexure III and Annexure IV.

It is further stated that the Reserve Bank of India [‘RBI’], vide its Press Release dated 4th October, 2021 issued under Section 45-IE of the Reserve Bank of India Act, 1934 [‘RBI Act’] superseded the Board of Directors [‘Board’] of SEFL [RBI appointed Mr. Rajneesh Sharma as the Administrator [‘Administrator’] under Section 45-IE(2) of the RBI Act. Further, RBI, constituted a three-member advisory committee [‘Advisory Committee’] to assist the Administrator of SEFL in discharge of his duties. Subsequently, on an application being filed by RBI under the provisions of the Insolvency and Bankruptcy Code, 2016 [‘IBC’] read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 [‘IBC Rules’], the National Company Law Tribunal, Kolkata Bench [‘NCLT’], vide Order dated 8th day of October, 2021, ordered commencement of Corporate Insolvency Resolution Process [‘CIRP’] with effect from the same date. The NCLT appointed Administrator as the resolution professional to discharge the functions of the resolution professional under IBC and other rules, and regulations, as may be applicable. Further, RBI, confirmed that the Advisory Committee shall continue as the advisory committee required to be constituted under Rule 5 (c) of the IBC Rules [ref., Press Release dated 4th day of October, 2021].

Accordingly, the Secretarial Audit is relating to the CIRP period.

We further report that

Since the Board of SEFL was superseded and the entire Board has resigned, Secretarial Standard 1 (SS-1) which governs the Board Meeting becomes inoperative and thus not applicable to the Company during the Audit Period.

We further report that, in the current scenario, the systems and processes for compliances in the Company, which ought to be commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, may call for further improvement.

Management and Auditor Responsibility:

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 the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test 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 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 business of the Company, the same was provided to us.

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. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis and to the extent possible under the circumstances.

6. 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.

7. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/ agencies/authorities with respect to the Company.

8. 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.

For S. K. Khemka & Associates
Practising Company Secretaries

Sd/-

Sushil Kumar Khemka
Membership No. FCS 3315
CP No. 2941
UDIN No. F003315E000782577.

Place : Kolkata
Date : 10.08.2023

ANNEXURE I

PRELIMINARY NOTES

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. The Compliances 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.

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

7. 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 mis-statements of material non-compliances may not be detected even though the audit is properly planned and performed in accordance with audit practices.

Annexure II

OBSERVATIONS FOR THE AUDIT PERIOD

The observations, as pertaining to the Audit Period, may not be strictly called non-compliances, as the timelines for complying with the provisions might not be specified under law, or where compliance with the provisions became impossible in the prevailing circumstances, or for similar reasons. Such observations have been listed as follows –

The Companies Act, 2013

1. 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 to change the MCA Master Data status to indicate that the company is under Corporate Insolvency Resolution Process. The e-form INC-28 has been filed on 26.10.2021 and the same was taken on record and Master data changed.

2. 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 08, 2021, an amount of Rs.18,574 and post commencement of Moratorium/CIRP an amount of Rs.5,90,858/- is transferrable by SEFL to IEPF in terms of Section 124(5) of the Companies Act 2013. The Company is unable to comply with the provisions if Section 124(5) of the Companies Act, 2013 as its compliance as it was not permitted by the MCA 21 System to upload due E- forms. was ill accord to breach of the moratorium in terms of Section 14 of the IBC 2016. However, the Company has requested guidance from IEPF Authority in this regard and same is awaited for their response.

3. As per para. VII of schedule VI of the Companies Act, the independent directors of the Company are required hold at least one meeting in a Financial Year, without the attendance of non-independent directors and members of management. The Company is presently undergoing CIRP and there is no Board of Directors at present, hence no such meeting was held during the period under review.

SEBI Regulations [LODR Regulations, PIT Regulations]

1. As per reg. 54(1) of LODR regulations, in respect of listed NCDs, the Company is required to maintain hundred per cent asset cover sufficient to discharge the principal amount at all times for the secured redeemable non-convertible debentures issued. As reported by the auditors in the financial results filed with the stock exchange, for the year ended 31.03.2022, the asset cover may fall short of the required asset cover to be maintained for the said debentures. Given the fact that the company is in insolvency proceedings and pendency of the audit of the financials of the FY, it is not possible to comment on the compliance of the said regulations.

2. The Company, at present, relies on the disclosures made by the designated persons, etc. to have information on trades exceeding ten lakhs rupees over any calendar quarter under reg. 7(2)(a) & (b) of PIT Regulations.

Annexure III

Events during Audit Period having major bearing on the Company's Affairs

As per the guidance available in CSAS-4, Auditing Standard on Secretarial Audit, an event/action shall be considered as having major bearing on the auditee's affairs if it affects its going concern or alters the charter or capital structure or management or business operation or control, etc. The events, as in our opinion, falling in any of the aforesaid categories, have been listed below –

S. No.	Particulars
1.	**Events affecting going concern status, business operations or control**
(a)	The Company committed defaults in repayment of NCDs.
(b)	The Reserve Bank of India superseded the Board of Directors of the Company on 04.10.2021. Subsequently, on an application filed by RBI, the NCLT (Kolkata Bench), vide Order dated 08.10.2021, ordered commencement of CIRP of the Company. Mr. Rajneesh Sharma has been appointed as the Administrator, who shall also act as the resolution professional under IBC.
(c)	Post commencement of CIRP, the Company continued its activities like a going concern.
(d)	It was informed that that the COC has approved the Resolution Plan and the same was submitted to the Adjudicating Authority but the copy of the same was not provided to us.
2.	**Events altering management, etc.**
(a)	In terms of the Order of the NCLT, Kolkata Bench the company is under CIRP and Mr. Rajneesh Sharma has been appointed as Administrator/ Resolution Professional.
(b)	During the Pre – CIRP period the Company had many Board level Committees like: • Audit Committee • Nomination and Remuneration Committee • Corporate Social Responsibility Committee • Stakeholders Relationship Committee • Committee of Directors • Credit and Investment Committee • Asset Liability Management Committee • Risk Committee • IT Strategy Committee • Strategic Coordination Committee • Restructuring & Settlement Committee After the commencement of CIRP, all the Board level committees ceased to operate due to supersession of Board of Directors. However, in order to conduct the affairs of the Company smoothly, the Administrator constituted/re-constituted many Committees which were operational during the Audit Period:

	• Core Strategic Committee • Corporate Governance & Audit Committee • Asset Liability Management Committee • Nomination and Remuneration Committee • Credit and Investment Committee • IT Strategy Committee • IT Steering Committee • Alliance Committee • Payments Advisory Committee • Property & Premise Committee • Joint Statutory Auditors Appointment Evaluation Committee • People Committee • Corporate Social Responsibility Committee
(c)	As stated earlier, RBI had superseded the Board of the Company. Also, post commencement of CIRP, the powers of the Board stand suspended, and the management of the affairs of the Company vest with the Administrator.
3.	**Other Events**
(a)	The Statutory Auditors of the Company, namely, M/s. Haribhakti & Co. LLP resigned as Statutory Auditors with effect from 07.07.2022. Later, M/s. J. Kala & Associates and M/s. Dass Gupta & Associates were appointed as the Joint Statutory Auditors with effect from 29-10-2021 and 08-07-2022 respectively.

ANNEXURE IV

LIST OF DOCUMENTS PERUSED

1. Minutes of the following were provided:
• Annual General Meetings

2. Forms and returns filed with the ROC;

3. Registers maintained under the Companies Act, 2013

Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2022-23

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

1. Brief outline on CSR Policy of the Company

Your Company has in place a well-defined CSR Policy framed inline with Section 135 of the Companies Act, 2013 (Act) read with Schedule VII of the Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and other applicable provisions of the Act. Your Company's CSR Policy is a statement containing the approach and direction to be followed by your Company and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

2. The Composition of the CSR Committee

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
Not Applicable*			

*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 was 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. During CIRP, the role of the Board and Committees was fulfilled by the Administrator by the support of Advisory Committee.

3. The web-link(s) where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Post supersession of the Board of Directors by RBI vide its Press Release dated October 04, 2021, your Company doesn't have a CSR Committee constituted in terms of Section 135 of the Companies Act, 2013 (the Act).

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/sefl-corporate-policies/SEFL_Corporate_Social_Responsibility_Policy.pdf

In the light of the existing Corporate Insolvency situation, your Company has not undertaken any CSR projects during the Financial Year under review.

4. **Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of Sub-rule (3) of Rule 8, if applicable.:** Not Applicable.

5. **(a)Average net profit of the Company as per Sub-section (5) of Section 135 of the Companies Act, 2013:** (Rs. 3,00,861 Lakhs)

   (b) Two percent of average net profit of the Company as per Sub-section (5) of Section 135 of the Companies Act, 2013: NIL

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: NIL

   (d) Amount required to be set-off for the Financial Year, if any: Not Applicable

   (d) Total CSR obligation for the Financial Year (5b+5c-5d): NIL

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** NIL

   (b) Amount spent in Administrative Overheads: NIL

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

   (d) Total amount spent for the Financial Year (6a+6b+6c): NIL

   (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	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		

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

Sl. No.	Particulars	Amount (in Rs.)
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)]	

7. (a) Details of Unspent CSR amount for the preceding three Financial Years: Rs. 96,144,838.

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs.)	Balance Amount in Unspent CSR Account under Sub-section (6) of Section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.).	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any.		Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
1.	2020-2021	Not Applicable	Not Applicable	Not Applicable	NIL		52,250,332	52,250,332
2.	2019-2020	Not Applicable	Not Applicable	Not Applicable	Not Applicable		4,38,94,506	4,38,94,506

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: Not Applicable

9. 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: Not Applicable.

For and on behalf of Srei Equipment Finance Limited

Sd/-

Place : Kolkata
Date : September 26, 2023

Rajneesh Sharma
Administrator (Acting as a member of the IMC pursuant to Hon'ble NCLT Order dated 11th August, 2023)

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

REPORT ON CORPORATE GOVERNANCE

Good Corporate Governance is not simply a phrase but the hallmark of every global organisation that enthrals shareholders, stakeholders and the likes. Combined with multi-disciplinary practices, efficient business functions, codes of ethics and legal compliance, an organisation's strengths grow from pillar to pillar owing to effective control and management ultimately leading to sustainable increased value and growth. Corporate Governance plays a very imperative role in assisting the differentiation between a good organisation and an extraordinary organisation because legal compliance is mandatory and stipulated whereas sound corporate governance is rare skillset.

At Srei, our focus remains in our incessant attempts to congregate our shareholders with their expectations through organisational goals. For more than decade now, our trait continues to be transparency and disclosure. Srei is committed to the adherence of global standards of Corporate Governance practices year on year. We strongly believe that the management is merely the trustee of the shareholders' capital and not the owner and therefore, prime significance is given to shareholder interests in all our policies.

Corporate Governance is not a destination but a journey for constantly improving sustainable value creation along with legal compliance, which Srei firmly believes in. It is due to this rationale that in addition to complying with mandatory statutory requirements, Srei implements effective governance practices which are continuously helping improve transparency, disclosures, internal controls and promotion of ethics at work place.

The Reserve Bank of India (RBI) has recognised the contribution of Non-Banking Financial Company (NBFCs) towards supporting real economic activity and their role as a supplemental channel of credit intermediation alongside banks. Over the years, the sector has undergone considerable evolution in terms of size, complexity, and interconnectedness within the financial sector. Many entities have grown and become systemically significant and hence RBI has realised the need to align the Regulatory Framework for NBFCs keeping in view their changing risk profile. In the light of the growing economic contribution of the NBFCs RBI has issued Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs, to integrate Regulatory Framework for NBFCs under SBR providing a holistic view of the SBR structure and a set of fresh Regulations being introduced under such SBR.

Further, on April 19, 2022 RBI has issued Circular under SBR pursuant to which the NBFCs have to furnish additional disclosure in its Financial Statements in addition to and not in substitution of the disclosure requirements specified under other Laws, Regulations, or Accounting and Financial Reporting Standards. Inaccordance to the Circular, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (Paragraph C of Schedule V - Annual Report) as amended from time to time, specifies disclosures to be made in the section on the Corporate Governance of the Annual Report. With respect to the Corporate Governance Report, Non-Listed NBFCs should also endeavor to make full disclosure in accordance with the Requirement of SEBI (LODR) Regulation, 2015. Non-Listed NBFCs at the minimum should make disclosure on its Corporate Governance practices adapted under the Corporate Governance section of the Annual Report.

In accordance to the Regulation 15(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), Regulation 16 to Regulation 27 of the Listing Regulations is applicable to a High Value Debt Listed Entities, i.e. Listed Entities which have listed its Non-Convertible Debt Securities and has an outstanding value of listed Non-Convertible Debt Securities of Rupees 500 (Five Hundred) Crore and above as on March 31, 2021. As your Company has outstanding Non-Convertible Debentures (NCD) listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) of 500 (Five Hundred) Crore and above as on March 31, 2021, hence your Company has complied with the aforementioned Regulations on a 'comply or explain' basis until March 31, 2024 and on a mandatory basis thereafter, in line with the Regulation 15(1A) of the Listing regulations, hence your Company during the Financial Year under review has endeavoured to ensure compliance with the Corporate Governance Code as required under the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations, 2015") and is in the process of establishing the best Corporate Governance practices in place in its present CIRP situation. As your Company has always prioritised good Corporate Governance Practices and have endeavoured to make complete disclosure, to enhance transparency for ensuring maximization of Stakeholders' sustainable value, your Company is presenting the Corporate Governance Report forming part of the Annual Report for the Financial Year 2022-23 in terms of the RBI Circular dated April 19, 2022, issued under the SBR. The disclosures on the Corporate Governance practices adapted by your Company during the Financial Year under review are as follow:

A. MANDATORY REQUIREMENTS

1. Composition of the Board*

Sl. No.	Name of Director	Director since	Capacity (i.e. Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	DIN	Number of Board Meetings		No. of other Directorships	Remuneration			No. of shares held in and convertible instruments held in the NBFC
					Held	Attended		Salary and other compensation	Sitting Fee	Commission	
NA											

Details of change in composition of the Board during the current* and previous Financial Year.

Sl. No.	Name of Director	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Nature of change (resignation, appointment) *	Effective date
1.	Mr. Hemant Kanoria	Chairman - Executive	Board Superseded	04.10.2021
2.	Mr. Sunil Kanoria	Vice Chairman - Executive	Board Superseded	04.10.2021
3.	Mr. Devendra Kumar Vyas	Executive - Managing Director	Board Superseded	04.10.2021
4.	Mr. Indranil Sengupta**	Executive - Whole-time Director	Board Superseded	04.10.2021
5.	Mr. Suresh Kumar Jain	Non- Executive - Independent Director	Board Superseded	04.10.2021
6.	Mr. Uma Shankar Paliwal	Non- Executive - Independent Director	Board Superseded	04.10.2021
7.	Dr. (Mrs.) Tamali Sen Gupta	Non- Executive - Independent Director	Board Superseded	04.10.2021
8.	Mr. Shyamalendu Chatterjee	Non- Executive - Independent Director	Board Superseded	04.10.2021
9.	Mr. Malay Mukherjee	Non- Executive - Independent Director	Board Superseded	04.10.2021
10.	Mr. Deepak Verma	Non- Executive - Independent Director	Appointed	23.04.2021
11.	Mr. Deepak Verma	Non- Executive - Independent Director	Board Superseded	04.10.2021

*The Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India (RBI) Act, 1934, has issued Press Release on October 04, 2021 w.r.t. the supersession of the Board of Directors of your Company and has appointed Shri Rajneesh Sharma as its Administrator under Section 45-IE (2) of the RBI Act, 1934 with immediate effect. Further, pursuant to the 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 since then is caring out his functions as contemplated by sections 15,17,18,19 and 20 of the Code.

**Mr. Indranil Sengupta has been appointed as a Whole-time Director for a period of 1 (one) year w.e.f 1st August, 2020 ending on 31st July, 2021 at the 14th Annual General Meeting (AGM) held on 25.08.2020 and thereafter has been re-appointment of as a Director and Whole-time Director for a period of 1 (one) year w.e.f 1st August, 2021 ending on 31st July, 2022.

2. Committees of the Board and their composition

i. Mention the names of the committees of the Board.

As sated earlier in this Report, due to the supersession of the Board of Directors by RBI vide its Press Release dated October 04, 2021, your Company did not have Board of Directors during the Financial Year under review. In view of the same, your Company also did not have any Board Committee during Financial Year under review.

ii. For each committee, mention the summarized terms of reference and provide the following details.

Sl. No.	Name of Director	Member of Committee since	Capacity (i.e., Executive/ Non-Executive/ Chairman/ Promoter nominee/ Independent)	Number of Meetings of the Committee		No. of shares held in the NBFC
				Held	Attended	
NA*						

As sated earlier in this Report, due to the supersession of the Board of Directors by RBI vide its Press Release dated October 04, 2021, your Company did not have Board of Directors during the Financial Year under review. In view of the same, your Company also did not have any Board Committee during Financial Year under review.

4. General Body Meetings

Give details of the date, place and special resolutions passed at the General Body Meetings.

Sl. No.	Type of Meeting (Annual/ Extra-Ordinary)	Date and Place	Special resolutions passed
1.	Extra-Ordinary	11.07.2022 at 11:30 A.M.	-
2.	Annual	22.09.2022 at 11:00 A.M.	-

4. Details of non-compliance with requirements of Companies Act, 2013

During the Financial Year under review the Company has conducted and maintained such checks as are considered necessary, including, where necessary, with external professional assistance, to ensure adequate compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder including any amendment thereof.

There are no instances of non-compliance were noticed during the Reporting Period except as mentioned below:

- **Filing of Form IEPF- 1 under Section 124(5) of Companies Act, 2013 for transfer of an amount of Rs. 3,92,914/- w.r.t. unclaimed and unpaid amounts to Investor Education Protection Fund (IEPF)** - Due to technical difficulties, the Company was unable to file the form and transfer the amount to IEPF. The Company has sent necessary intimation in this regard to the IEPF authorities vide mails dated December 28, 2021 and has also send reminder mails to the IEPF Authorities on various dates viz March 28, 2022, June 30, 2022, August 25, 2022 and October 28, 2022 and March 24, 2023.

- **Transfer of unspent CSR amount of Rs, 52,250,332/- (Five Crore Twenty Two Lakhs Fifty Thousand Three Hundred and Thirty Two) under Section 135(5) of the Companies Act, 2013 for the Financial Year 2020-21 to the Fund specified in Schedule VII of the Companies Act, 2013 -** Pursuant to Section 135(5) of the Companies Act, 2013, the Company has not transferred the unspent amount of Rs, 52,250,332/- for the Financial Year 2020-21 w.r.t. CSR contribution to a Fund specified in Schedule VII of the Companies Act, 2013 due to the establishment of Trust and Retention Account (TRA) whereby all the business payments of the Company were controlled by the Bankers and the Company had no control on its cash flows. The Company has sent necessary intimation in this regard to the MCA vide its Letter dated December 02, 2021. Another reminder Letter has been sent to MCA dated May 02, 2022.

- **Non appointment of Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director under Section 203(1) of the Companies Act, 2013:** Pursuant to

Section 203(1) of the Companies Act, 2013, the Company needs to have a **Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director**. However, pursuant to orders dated 8th October, 2021 of the National Company Law Tribunal, Kolkata Bench (NCLT), Corporate Insolvency Resolution Process (CIRP) has been initiated against the Company, as per the provisions of the Insolvency and Bankruptcy Code, 2016 (Code) and Shri Rajneesh Sharma has been appointed as the Administrator for the Company. Accordingly, as per the provisions of MCA General Circular No. 08/2020 dated March 06, 2020, the MCA returns being filed by the Company is being signed by the Administrator in the capacity of the CEO of the Company.

5. Details of penalties and strictures

The details of the penalties and strictures as imposed on your Company by the Reserve Bank or any other statutory authority during the Financial Year under review are as follows:

- The Company had received a Letter vide Letter No. OW/EAD/BRK/PR/39704/2021 dated 28th December, 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 (Rules) where the Company has been called to Show Cause as why an inquiry should not be held against the Company in terms of Rule 4 of the Rules read with 15-I of SEBI Act for the violation alleged in the Show Cause Notice. Further, the Company had replied to the aforesaid letter of SEBI vide Letter dated 28th December, 2021. Thereafter, Securities and Exchange Board of India (SEBI) had passed Order No. Order/BRK/JS/2022-23/16719 dated 31st May, 2022 wherein it had imposed a penalty of Rs. 5,00,000/- (Five Lakhs) on the Company 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.* under Section 15 I of Securities and Exchange Board of India Act.

- The Central Depository Securities Limited (CDSL) and National Securities Depository Limited (NSDL) have levied a penalty of Rs. 100/- per International Securities Identification Number (ISINs) vide an email on the Company for non-extinguishment of ISINs. An email requesting waiver of penalty has been sent by the Company to NSDL.

- Email from BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) has been received by the Company during the Quarter, imposing Penalty of 5900/- individually for non - compliance under Regulation 50(1) of SEBI LODR. A reply was made to BSE and NSE along with the copy of the said intimation and acknowledgement copy stating that the said intimation was duly made in its specified time, hence penalty levied was not applicable to the Company. Further, the Company has not received any further communication regarding the said matter from either Exchanges.

For and on behalf of Srei Equipment Finance Limited

Place : Kolkata
Date : May 09, 2023

Sd/-
Rajneesh Sharma
(Administrator)

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 2022-23:

Sl. No.	Name of the Director	Remuneration (Rs.)	Median Remuneration of employees (Rs.)	Ratio (In times)
NA				

*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, during the Financial Year 2022-23 Company did not have any Board of Directors.

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 2022-23:

Sl. No.	Name	Designation	Remuneration of previous year** (Rs.)	Remuneration of Current year** (Rs.)	% increase/ (decrease)
1.	Mr. Hemant Kanoria	Chairman	1,63,257	Nil	NA
2.	Mr. Sunil Kanoria	Vice Chairman	1,63,257	Nil	NA
3.	Mr. Devendra Kumar Vyas	Chief Business Officer	2,62,97,720	2,54,57,720	(3.30%)
4.	Mr. Indranil Sengupta	Whole-time Director	57,83,038	Nil	NA
5.	Mr. Shyamalendu Chatterjee	Independent Directors	19,10,000	Nil	NA
6.	Mr. Suresh Kumar Jain		23,00,000	Nil	NA
7.	Dr. (Mrs.) Tamali Sengupta		21,75,000	Nil	NA
8.	Mr. Uma Shankar Paliwal		22,50,000	Nil	NA
9.	Mr. Deepak Verma		7,75,000	Nil	NA
10.	Mr. Malay Mukherjee		26,25,000	Nil	NA
11.	Ms. Ritu Bhojak**	Company Secretary	10,21,650	Nil	NA
12.	Mr. Yogesh Kajaria	Chief Financial Officer	70,27,210	82,88,053	15.21%
13.	Mr. Sumit Surana	Company Secretary	20,81,383#	37,93,128	45.13%

*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 during the Financial Year 2022-23 the Company did not have any Board of Director.

**Resigned w.e.f. 10.05.2021

#Appointed as Company Secretary w.e.f. August 20, 2021.

Note:
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 2022-23:

Median remuneration of previous year (Rs.)	Median remuneration of current year (Rs.)	% increase
4,99,992	5,08,003	1.60%

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

There were 668 (Six Hundred & Sixty Eight only) employees as on 31st March, 2023.

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	Less than 1 % (Approx.) in PMS 2022-23
2.	Increase in salary of employee (other than Managerial Personnel)	1 % (Approx.) in PMS 2022-23

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

Yes it is confirmed.

Place : Kolkata

Date :September 26, 2023

For and on behalf of Srei Equipment Finance Limited

Sd/-

Rajneesh Sharma
Administrator (Acting as a member of the IMC pursuant to Hon'ble NCLT Order dated 11th August, 2023)

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 31st March, 2023

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 [Rs.]	Qualification	Exper-ience in years	Age in years	Date of commence-ment of employment	Last employ-ment 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	2,54,57,720	B. Com, CA	31	54	01.04.1997	G P Agrawal & Co., Chartered Accountants (Partner)	NIL
2.	Mr. Ganesh Prasad Bagree	CEO-Financial Solution Group	87,65,785	B. Com , CA	30	54	19.06.2008	ICICI Winfra (AGM)	NIL
3.	Mr. Yogesh Kajaria	Chief Financial Officer	82,88,053	B. Com , CA	25	48	03.09.2001	Web Valley Softwares (Founder of the Company)	NIL
4.	Mr. Manoj Kumar Beriwala	Chief Compliance Officer	73,36,091	FCA	28	51	05.12.1995	G.P Agarwal & Co (Manager)	NIL
5.	Mr. Binay Kumar Mishra	Senior Vice President	70,18,592	LLB	19	43	05.08.2021	Capri Global Capital Ltd, Senior Vice President	NIL
6.	Mr. Rajesh Agarwal	Senior Vice President	69,94,963	B. Com , CA	26	50	17.06.2008	ICICI Bank Ltd (Regional Head – Operation)	NIL
7.	Mr. Sandeep Kumar Ghosh	Head	66,57,111	B. Com , PGDBM	28	52	01.10.2013	Tata AIG Life (VP & National Account Head)	NIL
8.	Mr. Vinod Kumar Dubey	Head	63,50,520	CA, CS	33	57	16.01.2014	Balrampur Chini Mills Ltd, Senior General Manager – Taxation	NIL
9.	Mr. Sibadatta Mohanty	Senior Vice President	59,40,836	B.Sc, MBA	29	52	03.12.2007	Tata Motor Finance (Regional Manager Collection)	NIL

Sl. No.	Name	Designation	Remuneration Received [Rs.]	Qualification	Exper-ience in years	Age in years	Date of commence-ment of employment	Last employ-ment held by the employee before joining the Company	Percentage of equity shares held by the employee in the Company
10.	Mr. Somnath* Bhattacharjee	President	63,73,002	BE - Mechanical	38	60	09.12.2016	TIL Limited (President & CEO)	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.

Place : Kolkata

For and on behalf of Srei Equipment Finance Limited

Date : September 26, 2023

Sd/-

Rajneesh Sharma

Administrator (Acting as a member of the IMC pursuant to Hon'ble NCLT Order dated 11th August, 2023)

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 – FY 2022-23

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
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/sefl-corporate-policies/SEFL_Related_Party_Transaction_Policy.pdf
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
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
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-corporate-policies/SEFL-Code-of-Conduct-for-Board-of-Directors-and-Senior-Executives.pdf
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

Sl. No.	Name of the Code and Policy	Salient Features	Web Link
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
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/SEFL_Code_of_Conduct_for_Prohibition_of_Insider_Trading.pdf
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
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
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/sefl-corporate-policies/Whistle_Blower_Policy.pdf

Sl. No.	Name of the Code and Policy	Salient Features	Web Link
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_May22.pdf
12.	Grievance Redressal Policy	To minimize instances of customer complaints and grievances.	https://www.srei.com/sefl-corporate-policies/Grievance_Redressal_Policy.pdf
13.	Investment Policy	The Policy lays down, inter alia, the guidelines to be followed by the Credit and Investment Committee to approve investments.	–
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
15.	Archival Policy	Part of Policy for preservation of documents.	https://www.srei.com/sefl-corporate-policies/SEFL_Archival_Policy.pdf

Sl. No.	Name of the Code and Policy	Salient Features	Web Link
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/sefl-corporate-policies/SEFL_Policy_on_Prevention_of_Sexual_Harassment.pdf
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.	–
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.	–
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.	–

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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, 2023, 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. 61 to the Ind AS financial statements 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. 61 to the Ind AS financial statements 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. 61, 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 till May 05, 2023 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 Ind AS financial statements. 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 Ind AS financial statements.

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. 61 to the Ind AS financial statements explains that the Company has considered impairment reserve of Rs. 5,24,931 lakhs 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. 63 to the Ind AS financial statements explains that basis revised 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.

(b) Note No. 62 to the Ind AS financial statements 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. 59,237 lakhs for the year ended March 31, 2023, and consequently the ECL provision would also have been higher by Rs. 59,237 lakhs for the year ended March 31, 2023 resulting in no change in the loss for the year ended March 31, 2023.

(c) Note No. 63 to the Ind AS financial statements 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 Ind AS financial statements, disclosures, categorisation and classification of assets are subject to the outcome of such valuation and CIRP process, we are unable to comment on the impact, if any, of the Ind AS financial statements.

(d) Note No. 64 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. 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 Ind AS financial statements.

(e) Note No. 66 to the Ind AS financial statements which explains that the Administrator has invited the financial/operational/other creditors to file their respective claims. As per the said note, admission of claims of the financial/operational/ other creditor received by the Administrator is completed and the effect of the same has been given in the books of accounts. However, the figures of the claims admitted in the books of accounts might undergo change in the subsequent periods before the resolution plan is approved by Adjudicating Authority in case the Administrator comes across any additional information warranting such revision of claim amounts of the financial/ operational/ other creditors. Hence, adjustments, if any, arising out of such additional information, will be given effect in subsequent periods. We are unable to comment on the impact of the same, if any, on the Ind AS financial statements.

Further, Note No. 66 to the Ind AS financial statements 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, 2023, 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.

(f) Note No. 67 to the Ind AS financial statements which states that the Company has not provided for Rs. 4,66,134 lakhs for the year ended March 31, 2023 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, 2023 would have been increased by Rs 4,66,134 lakhs.

(g) Note No. 68 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 Rs. 27,272 lakhs as at March 31, 2023, as per contractual terms. 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.

(h) Note No. 70 to the Ind AS financial statements 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 reassessing & 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 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. 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 till May 05, 2023 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 Ind AS financial statements. 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 Ind AS financial statements. Accordingly, the Ind AS financial statements is subject to such impact, if any.

(i) Note No. 71 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 Rs. 9,807 lakhs and Rs. 4,991 lakhs 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.

(j) Note No. 72 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 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 Ind AS financial statements.

(k) Note No. 73 to the Ind AS financial statements 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 the said Note No. 73 to the Ind AS financial statements is subject to the outcome of such valuation and CIRP process. Hence, we are unable to comment on impact of the same, if any on the Ind AS financial statements.

(l) 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. 64 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.

(m) 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.

(n) We had carried out independent balance confirmation process with respect to various parties/lenders, responses for which are pending to be received in majority of the case as on the date of signing this report. Further, 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 Ind AS financial statements, if any.

(o) We have been informed that certain information including the minutes of meetings of the Committee of Creditors 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 Ind AS financial statements, including on presentation and disclosures, if any, that may have arisen if we had been provided access to that information.

(p) Property, Plant and Equipment includes assets having gross book value of Rs. 5,010 lakhs and written down value of Rs. 1,018 lakhs as on March 31, 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 legal proceedings for recovery are pending, we are unable to comment on the impact of the same, if any, on the Ind AS financial statement.

(q) In view of the possible effects of the matters described in paragraph (a) to (p) 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.

(r) In view of the possible effects of the matters described in paragraph (a) to (q) 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. 69 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, 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. 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 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. As stated in Note No. 63 to the Ind AS financial statements, the Company on the basis of abundant prudence, has decided to make provision to the extent of interest income recognised during the respective quarter on Net Stage – III accounts.

b. As stated in Note No. 63 to the Ind AS financial statements, in case of Investments/Loans which were determined as fraudulent under section 66 of the code, the Company has not undertaken the fair valuation as of March 31, 2023 of such Investments/Loans as the net impact on the Statement of Profit and Loss would have been Nil since the company has already made 100% provision on such Investments/Loans.

c. Note No. 65 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. The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated COC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by COC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA). The approved resolution plan of NARCL was filed before Adjudicating Authority on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations.

d. Note No. 76 to the Ind AS financial statements which explains that the Company during the quarter and 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. Further the entire shares have been sold on April 11, 2023 and the same has been transferred to the demat account of purchaser on April 26, 2023.

e. Note No. 78 to the Ind As financial statements states that based on 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. The interim order dated April 22, 2022 shall continue till the next date of hearing i.e. May 15, 2023.

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. 61 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. 61 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 the 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, 2022, were carried out and reported by one of the joint statutory auditors and one predecessor joint statutory auditor wherein they expressed Disclaimer of Opinion vide their report dated May 19, 2022.

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 Going 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. 34 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. 76 to the Ind AS financial statements and paragraph (m) 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) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

(vi) 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 J. Kala & Associates
Chartered Accountants

ICAI Firm Registration No. 118769W

Jayesh Kala
Partner
Membership No. 101686
UDIN: 23101686BGXUUO5429

Place: Kolkata
Date: May 09, 2023

For Dass Gupta & Associates
Chartered Accountants

ICAI Firm Registration No. 000112N

Pankaj Mangal
Partner
Membership No. 097890
UDIN: 23097890BGZGWU1933

Place: Kolkata
Date: May 09, 2023

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S 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, 2023]

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, 2023. 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 discrepancies were noticed on such verification.

The company has provided us with Physical Verification Reports (Reports) and the Fixed Asset Register (FAR) as on March 31, 2023. As per the Reports and FAR, it has been observed that Property, Plant and Equipment includes assets having Gross Book Value of Rs 50,18,36,557/- and Written Down Value of Rs 10,18,90,018/- as on March 31, 2023 are either not in possession or not physically found by the company. As informed by the Company, the management has initiated legal proceedings for recovery of the same and since legal proceedings for recovery are pending, we are unable to comment on the impact of the same, if any, on the Ind AS financial statements. The details of discrepancies are as under:

Particulars	No of Assets	Gross Book Value As on 31.03.2023	WDV as on 31.03.2023
Asset not in Company's possession	2,760	47,95,26,043	10,04,47,511
Asset not physically found	592	2,23,10,514	14,42,507
Total	3,352	50,18,36,557	10,18,90,018
% to Owned Assets other than Land and Building		15.70%	5.63%

(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 Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company
Building	3,883	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since October-2019	Refer Note 1 below
Building	12	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since October-2019	
Land	11,800	Murti Housing and Finance Private Limited	No	Since September-2017	
Building	8	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since January-2008	Refer Note 2 below
Building	51	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since January-2008	
Land	4	Srei Infrastructure Finance Limited (SIFL)	Promoter	Since January-2008	
Land	639	Deccan Chronicle Secunderabad Private Limited and Deccan Chronicle Rajahmundry Private Limited	No	Since June-2018	Refer Note 3 below
Land	678	Krystine Vintrade Private Limited Balanced Dealers Private Limited Shivdhan Sales Private Limited Wellknown Vinimay Private Limited Mayank Dealtrade Private Limited Balanced Commotrade Private Limited Kavya Dealmark Private Limited Mauklik Commercial Private Limited Kripa Dealmark 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	

Building	2,409	Kakarlapudi Venkata Madhava Varma	No	Since September 2015	
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	Wianex 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. 64 to the Ind AS financial statements) entered by the Company with its Holding Company, SIFL.

Note 2 - As represented by the management, these immovable properties were transferred to the Company pursuant to the Scheme of Arrangement approved by the shareholders and sanctioned by the Hon'ble High Court of Calcutta vide Order of 28th January 2008, on a slump sale basis, pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 with effect from 1st January 2008 ("Appointed Date")

Note 3 - These immovable properties were acquired in lieu of discharge of debts as represented by the Management. 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, 2023 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, 2023 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) According to the information and explanations given to us and the records examined by us the Company has not been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate from banks and/or financial institutions, on the basis of security of current assets and hence reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.

(iii)

(a) The Company's principal business is to give loans and therefore, reporting under clauses (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 investments acquired by the Company through conversion of loan assets and existing investments), 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)(a) 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 for INR 72,771 Crores as at March 31, 2023 which are irregular in repayment of principal or payment of interest. 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. 6 to the Ind AS financial statements and Note 20 of Annexure 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, 2023, the aggregate amount of loan outstanding as at March 31, 2023 is INR 21,950 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. 6 to the Ind AS financial statements and Note 20 of Annexure 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 investments acquired by the Company through conversion of loan assets and existing investments), 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.

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	Name of the Statute	Nature of the dues	Amount In (INR in Lakhs)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Goods and Services Tax	CGST SGST & IGST	GST on taxable outward supplies	458.45	2020-21	The lease transaction wise details annexed has the due date specified (transaction wise). All the due dates are within F.Y 2020-21.	Not yet paid*	Kindly refer Note No 1.2 to the Ind AS financial statements
Sales Tax	Tamil Nadu CST	Central Sales tax	3.67	2015-16 to 2016-17	20.11.2021	Not yet paid*	
Goods and Services Tax	Karnataka GST	GST Interest	1.33	2017-18	28.02.2022	Not yet paid*	
Goods and Services Tax	Gujarat GST Audit Order as per CGST Act 2017	Goods and Service Tax	4.40	2019-2020	18.05.2022	Not yet paid*	
Goods and Services Tax	Orissa GST	Interest on GST	0.24	2020-21	19.09.2022	Not yet paid*	
Sales Tax	Tamil Nadu VAT Assessment	Value Added Tax & Central Sales Tax	32.60	2016-17	20.11.2021	Not yet paid*	
Sales Tax	Jharkhand VAT	Jharkhand VAT	2.47	2017-18 (April to June)	05.05.2022	Not yet paid*	
The Income-tax Act, 1961	The Income-tax Act, 1961	Tax Deducted at Source	108.67	January 2021 to October 2021		Not yet paid *	

* 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 2022-23, as well.

(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, 2023 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 Lakhs)	Amount Paid under Protest (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	517.67	320.00	Financial Year 2006-07 to 2008-09	SVLDRS - Settlement before Commissioner
Finance Act, 1994	Service Tax	1809.46	135.70	Financial Years from 2008-09 to 2013-14	Customs Excise and Service Tax Appellate Tribunal Kolkata (CESTAT)
Telangana-Value Added Tax Act, 2005.	Value Added Tax.	452.39	150.79	2010-11 to 2012-13	Telangana High Court
Jharkhand Value Added Tax Act, 2005.	Value Added Tax.	56.97	-	2009-10	Jharkhand High Court
Maharashtra Value Added Tax Act, 2002 and Central Sales Tax Act, 1956 - for the state of Maharashtra	Value Added Tax & Central Sales Tax Act.	400.61	13.72	2013-14	Joint Commissioner of Sales Tax, (Appeal VIII)
Maharashtra Value Added Tax Act, 2002 and Central Sales Tax Act, 1956 - for the state of Maharashtra	Value Added Tax & Central Sales Tax Act.	285.65	14.64	2014-15	Joint Commissioner of Sales Tax, (Appeal VIII)
Madhya Pradesh Value Added Tax Act	Value Added Tax & Central Sales Tax Act.	15.73	3.93	2017-18 (April to June)	The Appellate Forum, Deputy Commissioner of Commercial Tax
Central Sales Tax Act, 1956 - for the state Delhi	Central Sales Tax.	0.98	-	2017-18	Delhi Objection resolution Authority/Appellate Authority.
Haryana Value Added Tax Act, 2003	Value Added Tax	2.03	-	2015-16	Joint Excise and Taxation Commissioner (Appeals)
Odisa Tax Act, 1999	Entry Tax	18.71	1.24	2015-16 to 2017-18	Joint Commissioner (Appeal, CT and GST Territorial Range, Bhubaneshwar)

Delhi Value Added Tax Act, 2004	Value Added Tax	49.06	-	2015-16 to 2017-18	Delhi Objection Resolution Authority/Appellate Authority
Haryana Value Added Tax Act 2003	Value Added Tax	1.55	1.55	2016-17	Joint Excise and Taxation Commissioner (Appeals)
West Bengal Entry of Goods into Local Areas Act, 2012	Entry Tax	11.18	-	2017-18	The Senior Joint Commissioner Appeals
Finance Act, 1994*	Service Tax	302.36	-	2008-09 & 2009-10	Customs Excise and Service Tax Appellate Tribunal Kolkata (CESTAT)
Finance Act, 1994*	Service Tax	79.79	4.28	2011-12 to 2014-15	CGST & CX Commissioner
Finance Act, 1994*	Service Tax	4,262.62	-	2015-16	CGST & CX Commissioner, North Commissionerate, Kolkata
West Bengal VAT*	Central Sales Tax.	211.43	-	2010-11	West Bengal Sales Tax Appellate and Revisional Board, Kolkata.
The Income Tax Act, 1961	Income Tax	7,156	472	Financial Year 2011-12, 2012-13, 2016-17 and 2017-18	Commisioner of Income-Tax (Appeals)
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

* In terms of BTA (Refer Note No. 64 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

@ This represents total disputed dues without netting off amount paid under protest.

** Also, refer paragraph (i) 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 knowledge of 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. 1.2 to the Ind AS financial statements, 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, 2023, therefore, we are unable to provide the periods of default:

Particulars	Outstanding amount * (INR in Lakhs)	Period of default
Name of the Lenders:		
Axis Bank Limited	8,320.63	Refer comments above
Bank of Baroda	2,15,161.42	
Bank of India	97,140.72	
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	
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	2,93,444.90	
South Indian Bank Limited	6,626.11	
State Bank of India	2,80,658.78	
UCO Bank	1,06,613.11	
Union Bank of India	2,69,197.64	
IFCI Limited	19,020.20	
Small Industries Development Bank of India (SIDBI)	1,09,208.66	
National Bank for Agriculture and Rural Development (NABARD)	88,363.31	
Toyota Financial Services India Limited	38.19	
Nicco Engineering Services Limited	106.00	
Non - Convertible Debentures	5,05,577.39	
External Commercial Borrowings	2,26,917.15	
Deferred Payment Liabilities	9,122.65	

* outstanding amount includes amount outstanding as on October 8, 2021 and further amended based on the claims received under CIRP (upto March 31, 2023), that are accepted and accounted for in the books of accounts as at March 31, 2023. Refer Note No. 66 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. However, the Company has received show cause notices (SCNs) from State Bank of India and Bank of Maharashtra during the financial year 2022-23 to show cause as to why the company should not be declared as wilful defaulter. The company has duly submitted its reply but is yet to receive any further communication from the State Bank of India and Bank of Maharashtra in this regard.

(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) According to the information and explanation given to us, the Company did not obtain any money by way of short-term loans during the year. Accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable.

(e) During the year ended March 31, 2023, 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 whether the company has taken any funds from any entity or persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable. Also refer to paragraph (d) 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, 2023, 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 whether the company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable. Also refer to paragraph (d) 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 knowledge of management of the Company, there has been no instance of fraud during the year by the Company. However, there were seventy (70) cases of frauds on the Company amounting to Rs. 18,11,965 lakhs based on transaction audit reports conducted by transaction auditor appointed by the Administrator of the Company. 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. (Refer Note 38 of Annexure - I to notes to the financial statements). Also refer Note No. 78 to the Ind AS financial statements of the Company for the year ended March 31, 2023.

(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.

(xv) The Reserve Bank of India ('RBI') superseded the Board of Directors of the Company on October 4, 2021 and appointed an Administrator under section 45IE(2) of the RBI Act along with three members Advisory Committee to assist the Administrator in discharge of his duties. Further, Hon'ble NCLT Kolkata bench gave order on October 8, 2021 for Administrator to carry out the function as per the IBC Code and that the management of the Company vest in the Administrator. 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 09, 2023 on the Ind AS financial statements of the Company for the year ended March 31, 2023, we are unable to comment on clause (xvii) of paragraph 3 of the Order in respect of current financial year and immediately preceding financial year.

(xviii) During the year, Haribhakti & Co. LLP, Chartered Accountants, the statutory auditors of the company for immediately preceding year, have resigned with effect from July 7, 2022. We have taken into consideration issues raised by the outgoing auditors.

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

*Refer paragraph (j) 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, 2023, 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 (d) under "Emphasis of Matter" section of our Independent Auditor's Report of even date on the Ind AS financial statements of the Company.

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

Jayesh Kala
Partner
Membership No. 101686
UDIN: 23101686BGXUUO5429

Place: Kolkata
Date: May 09, 2023

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

Pankaj Mangal
Partner
Membership No. 097890
UDIN: 23097890BGZGWU1933

Place: Kolkata
Date: May 09, 2023

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, 2023]

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, 2023 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, 2023. 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, 2023, 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, 2023 and this report affects our report dated May 09, 2023 which expresses a disclaimer of opinion on the Ind AS financial statements of the Company.

For J. Kala & Associates
Chartered Accountants

ICAI Firm Registration No. 118769W

Jayesh Kala

Partner

Membership No. 101686

UDIN: 23101686BGXUUO5429

Place: Kolkata

Date: May 09, 2023

For Dass Gupta & Associates
Chartered Accountants

ICAI Firm Registration No. 000112N

Pankaj Mangal

Partner

Membership No. 097890

UDIN: 23097890BGZGWJ1933

Place: Kolkata

Date: May 09, 2023

SREI EQUIPMENT FINANCE LIMITED

Balance Sheet as at March 31st, 2023

(₹ in Lakhs)

	Particulars	Note No.	As at March 31st, 2023	As at March 31st, 2022
	ASSETS			
(1)	Financial Assets			
(a)	Cash and Cash Equivalents	3	3,57,069	1,27,8[illegible]
(b)	Bank Balance other than (a) above	4	18,179	16,297
(c)	Receivables			
	(I) Trade Receivables	5	146	3,153
(d)	Loans	6	8,62,385	12,41,175
(e)	Investments	7	61,740	1,22,6[illegible]
(f)	Other Financial Assets	8	65,697	95,5[illegible]
(2)	Non-Financial Assets			
(a)	Current Tax Assets (Net)	9	14,630	26,5[illegible]
(b)	Property, Plant and Equipment	10	1,22,538	1,87,452
(c)	Right-of-Use Assets	11	306	702
(d)	Other Intangible Assets	12	541	831
(e)	Other Non-Financial Assets	13	21,069	30,157
	Total Assets		15,24,300	26,58,996
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Payables	14		
	(I) Trade Payables			
	(i) Total outstanding dues of micro enterprises and small enterprises		190	115
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,224	6,243
(b)	Debt Securities	15	2,59,944	2,59,552
(c)	Borrowings (Other than Debt Securities)	16	26,69,340	26,76,863
(d)	Subordinated Liabilities	17	2,62,458	2,61,587
(e)	Lease Liabilities	11	636	828
(f)	Other Financial Liabilities	18	14,766	18,673
(2)	Non-Financial Liabilities			
(a)	Current Tax Liabilities (Net)	19	13,635	13,652
(b)	Provisions	20	15,329	15,279
(c)	Other Non-Financial Liabilities	21	3,828	4,268
(3)	EQUITY			
(a)	Equity Share Capital	22	7,902	7,902
(b)	Other Equity	23	(17,29,952)	(6,07,123)
	Total Liabilities and Equity		15,24,300	26,58,996

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

For Das Gupta & Associates
Chartered Accountants
ICAI Firm Registration [illegible]

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)

Jayesh Kala
Partner
Membership No. 101686

Pankaj Mondal
Partner
Membership No. [illegible]

Rajneesh Sharma
Administrator Appointed Under IBC

Place: Kolkata
Date: May 9, 2023

Place: Kolkata
Date: May 9, 2023

Place: Kolkata
Date: May 9, 2023

The Administrator has been appointed under Rule 5(a)(iv) 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: [illegible] Kolkata, West Bengal, 700046.
[illegible]

SREI EQUIPMENT FINANCE LIMITED

Statement of Profit and Loss for the year ended March 31st, 2023

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31st, 2023	Year ended March 31st, 2022
	Revenue from Operations			
	Interest Income	27	1,25,663	2,54,915
	Rental Income		20,016	44,061
	Fees and Commission Income		904	374
	Net gain on fair value changes	25	1,828	6,142
	Others	26	2,326	5,483
(I)	Total Revenue from Operations		1,54,140	3,16,935
(II)	Other Income	27	1,617	(790)
(III)	Total Income (I+II)		1,55,757	3,16,145
	Expenses			
	Finance Costs	28	7,605	2,16,754
	Fees and Commission Expense		1,019	663
	Net loss on fair value changes	25	11,551	15,063
	Net loss on derecognition of financial instruments under amortised cost category		5,565	2,528
	Impairment on financial instruments (Net)	29	1,51,440	2,31,149
	Loss/(Write-off) on Repossessed Assets and Assets acquired in satisfaction of debt		11,257	4,920
	Employee Benefits Expenses	30	8,142	11,020
	Depreciation, Amortisation and Impairment	10 to 12	43,304	56,531
	Other Expenses	31	18,738	23,423
(IV)	Total Expenses		2,62,092	5,83,630
(V)	Profit/(Loss) Before Tax and Exceptional Items (III-IV)		(1,06,335)	(2,67,485)
(VI)	Exceptional Items		10,15,593	-
(VII)	Profit/(Loss) Before Tax after Exceptional Items (V-VI)		(11,21,928)	(2,67,485)
(VIII)	Tax Expense:			
	Income Tax in respect of earlier years		-	9,907
(IX)	Profit/(Loss) After Tax (VII-VIII)		(11,21,928)	(2,77,392)
(X)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to Profit or Loss			
	Remeasurements Gains/(Losses) on Defined Benefit Plan		(192)	(42)
	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
	(b) Gains/(Losses) on fair valuation of Loans		(719)	(210)
	SUBTOTAL (a+b)		(719)	(196)
	Other Comprehensive Income (A+B)		(911)	(238)
(XI)	Total Comprehensive Income (IX+X)		(11,22,839)	(2,77,630)
(XII)	Earnings per Equity Share (Face value of ₹ 10/- each)	32		
	Basic (in ₹)		(1419.87)	(358.93)
	Diluted (in ₹)		(1419.87)	(358.93)

Significant Accounting Policies and Notes to Financial Statements 1-59

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

For Das Gupta & Associates
Chartered Accountants
ICAI Firm Registration No.

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)

Jayesh Kala
Partner
Membership no. 101686

Pankaj Mangal
Partner
Membership no. 067490

Rajneesh Sharma
Administrator Appointed Under IBC

Place: Kolkata
Date: May 9, 2023

Place: Kolkata
Date: May 9, 2023

Place: Kolkata
Date: May 9, 2023

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 read with the Insolvency and Bankruptcy Code, 2016 ("IBC") for the Company. 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: [illegible]

SREI EQUIPMENT FINANCE LIMITED
Statement of Cash Flows for the year ended March 31st, 2023

(₹ in Lakhs)

Particulars	Year ended March 31st, 2023	Year ended March 31st, 2022
A. Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	[illegible]	[illegible]
Adjustments for:		
Depreciation, Amortisation and Impairment	[illegible]	[illegible]
Impairment on Financial Instruments (Net)	[illegible]	[illegible]
Impairment on Financial Instruments [illegible]	[illegible]	
Impairment/(Reversal) on [illegible]		[illegible]
Net loss on derecognition of Financial Instruments	[illegible]	[illegible]
Loss [illegible]	[illegible]	[illegible]
Net loss on derecognition of Property, Plant and Equipment	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Finance Costs	[illegible]	[illegible]
Interest on Loans	[illegible]	[illegible]
Rental Income	[illegible]	[illegible]
Interest on Fixed Deposits with Banks	[illegible]	[illegible]
Interest income from Investments	[illegible]	
Net unrealised loss/(gain) on foreign currency transaction and translation	-	[illegible]
Net unrealised fair value loss	[illegible]	[illegible]
Net unrealised fair value [illegible]	[illegible]	
Operating profit/(loss) before working capital changes	[illegible]	[illegible]
Changes in working capital:		
Adjustments for:		
(Increase)/Decrease in Trade Receivables and Other Assets	6,512	[illegible]
(Increase)/Decrease in Loan Assets	57,956	[illegible]
Increase/(Decrease) in Trade Payables and Other Liabilities	15,974	[illegible]
(Increase)/Decrease in Other Bank Balances	[illegible]	[illegible]
Cash generated/(used) in operations	[illegible]	[illegible]
Finance Costs paid	[illegible]	[illegible]
Interest on Loans received	[illegible]	[illegible]
Rental income received	[illegible]	[illegible]
Interest on Fixed Deposits with Banks received	[illegible]	[illegible]
Interest income from investment received	[illegible]	
Advance taxes (paid)/refund (including Tax deducted at Source)	[illegible]	[illegible]
Net Cash generated / (used) in Operating Activities	[illegible]	[illegible]
B. Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment	-	[illegible]
Sale/(Purchase) of Investments (Net)	[illegible]	-
Proceeds from Sale of Property, Plant and Equipment	[illegible]	[illegible]
Net Cash generated / (used) in Investing Activities	[illegible]	[illegible]
C. Cash Flows from Financing Activities		
Increase/(Decrease) in Working Capital facilities (Net)	-	[illegible]
Redemption of Other Borrowings	[illegible]	[illegible]
Net Cash generated / (used) in Financing Activities	[illegible]	[illegible]
Net Increase in Cash and Cash Equivalents (A+B+C)	[illegible]	[illegible]
Cash and Cash Equivalents at the beginning of the year	[illegible]	[illegible]
Cash and Cash Equivalents at the end of year (Refer Note No. 3)	[illegible]	[illegible]

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

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Cash on hand	[illegible]	[illegible]
Balances with Banks - in Current Account	[illegible]	[illegible]
Balances with Banks - in Fixed Deposit Accounts [illegible] 3 months	[illegible]	[illegible]
	[illegible]	[illegible]

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 J Kala & Associates
Chartered Accountants
ICAI Firm Registration No. [illegible]

For [illegible] Capital & Associates
Chartered Accountants
ICAI Firm Registration No. [illegible]

For and on behalf of SREI Equipment Finance Limited
(A Company under Corporate Insolvency Resolution Process by an order dated [illegible] passed by Hon'ble NCLT, Kolkata)

Jayesh Kala
Partner
Membership No. [illegible]

Pankaj [illegible]
Partner
Membership No. [illegible]

Rajneesh Sharma
Administrator Appointed Under [illegible]

Place: Kolkata
Date: May [illegible], 2023

Place: Kolkata
Date: May [illegible], 2023

Place: Kolkata
Date: May [illegible], 2023

[illegible]

SREI EQUIPMENT FINANCE LIMITED
Statement of Changes in Equity as at March 31st, 2023

A. Equity Share Capital

(₹ in Lakhs)

Balance as at April 1st, 2022	Issued during the year	Reduction during the year	Balance as at March 31st, 2023
1,990	-	-	1,990

(₹ in Lakhs)

Balance as at April 1st, 2021	Issued during the year	Reductions during the year	Balance as at March 31st, 2022
1,990	-	-	1,990

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus							Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
	Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)	Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Impairment Reserve				
Balance as at April 1st, 2022	40,822	15,770	2,400	1,97,884	39,024	(33,56,03[illegible])	3,59,66[illegible]	905	-	-	[illegible]
Profit/(Loss) after tax for the year	-	-	-	-	-	(17,21,936)	-	-	-	-	(17,21,936)
Other comprehensive income (net of tax)	-	-	-	-	-	1,183	-	(719)	-	-	[illegible]
Transferred to impairment reserve	-	-	-	-	-	(45,513)	45,513	-	-	-	-
Balance as at March 31st, 2023	40,822	15,770	2,400	1,97,884	39,024	[illegible]	4,05,[illegible]	186	-	-	[illegible]

(₹ in Lakhs)

Particulars	Reserves and Surplus							Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Total
	Special Reserve (created pursuant to Section 45-IC of The Reserve Bank of India Act, 1934)	Income Tax Special Reserve (created pursuant to Section 36(1)(viii) of the Income Tax Act, 1961)	Capital Reserve	Securities Premium	Debenture Redemption Reserve	Retained Earnings	Impairment Reserve				
Balance as at April 1st, 2021	40,822	15,770	2,400	1,97,884	39,024	(10,75,165)	[illegible]	1,658	1,944	[illegible]	[illegible]
Profit/(Loss) after tax for the year	-	-	-	-	-	(21,77,390)	-	-	-	-	[illegible]
Other comprehensive income (net of tax)	-	-	-	-	-	(42)	-	(1,2[illegible])	-	[illegible]	[illegible]
Transferred to impairment reserve	-	-	-	-	-	(1,2[illegible])	[illegible]	-	([illegible])	-	-
Balance as at March 31st, 2022	40,822	15,770	2,400	1,97,884	39,024	[illegible]	3,59,667	905	-	-	[illegible]

Refer Note No. [illegible] for nature and purpose of Reserves.

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

For [illegible] & Associates
Chartered Accountants
ICAI Firm Registration No. [illegible]

For [illegible] Gupta & Associates
Chartered Accountants
ICAI Firm Registration No. [illegible]

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

[illegible]
Partner
Membership No. [illegible]

[illegible]
Partner
Membership No. [illegible]

Rajneesh Sharma
Administrator Appointed under IBC

Place: Kolkata
Date: May 9, 2023

Place: Kolkata
Date: May 9, 2023

Place: Kolkata
Date: May 9, 2023

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016 (IBC 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: [illegible]

SREI EQUIPMENT FINANCE LIMITED

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 debt securities (debentures) are listed on either Bombay Stock Exchange Limited (BSE) or both BSE and National Stock Exchange of India Limited (NSE). The Company has received a Certificate of Registration from the Reserve Bank of India ('RBI') on September 4, 2008 to commence / carry on the business of Non-Banking Financial Company ('NBFC') without accepting public deposits classified as Systemically Important NBFC (NBFC-ND-SI). 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.05.06698
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 9, 2023.

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 ('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 Code read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Insolvency Rules') before the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Hon'ble NCLT vide its order dated October 8, 2021 admitted the application made by 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. There has been changes in the composition of the Advisory Committee on June 22, 2022 and January 11, 2023.

The Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 16, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated COC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by COC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby, declaring NARCL as Successful Resolution Applicant (SRA).

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

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 disclosed in Note No. 2.21 '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 Lakhs except otherwise indicated.

Comparative information has been regrouped/rearranged, to accord with changes in presentation 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").

The audited financial statements of the Company for the year ended March 31, 2023 have been taken on record by the Administrator on May 09, 2023 while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI press release dated October 4, 2021 and subsequently, powers conferred upon him in accordance with Hon'ble NCLT order dated October 8, 2021. 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 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 2.21.

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. Interest income for borrowers whose transactions are determined as fraudulent in nature by the Company is not recognised from the start of the quarter in which the same is determined as fraudulent.
(b) Penal 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. 2.3.1.
(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 jointly controlled operations 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 receivable 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 [illegible] 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 [illegible] 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 in 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 from 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 Product, as the same reflects similar customer behaviour, and the Probability of Default (PD) of each of the buckets is computed based on the historical data. Based on the historical data, the company has estimated 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 inputs 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 Rental 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 contract 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 includes these options when it is reasonably certain 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 of 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 lakhs, 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 other 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.

Interest 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 as 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 have 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 installation 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 derecognised 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) Derecognition
An item of property, plant and equipment is derecognised 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 lives of the assets are estimated 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 derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition 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 derecognised.

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 to make 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 amounts 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 remeasured 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 judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures 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/loss given default rates, expected life, significant increase in credit risk, amount and timing of future cash flows. In estimating these cash flows, the Company makes judgements 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 hedging derivative instruments as cash flow hedges and the measurement of hedge effectiveness at the inception/re-designation 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

3. Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Cash on hand	7	21
Balances with Banks - in Current Accounts*	18,407	67,541
Balances with Banks - in Fixed Deposit Accounts having original maturity of upto 3 months (including accrued interest)	2,34,225	60,319
Total	2,52,639	1,27,881

* Includes ₹ 2,509 Lakhs pertaining to a cash credit account with a bank, having a debit balance as at March 31st, 2023 (March 31st, 2022: ₹ 3,097 Lakhs)

4. Bank Balance other than above

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Balances with Banks - in Fixed Deposit Accounts having original maturity of more than 3 months # (including accrued interest)	12,093	13,173
Earmarked Balances	5,176	5,088
Total	17,269	18,261

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
*Under lien#		
- Letter of Credit/Bank guarantee	8,194	9,977
- Borrowings	40	38
- Others	2,729	2,057

#Does not include Interest accrued but not due as at March 31st, 2023 ₹ 138 Lakhs (March 31st, 2022: ₹ 204 Lakhs)

(i) Changes in Cash Flows from Financing Activities

(₹ in Lakhs)

Particulars	As at March 31st, 2022	Movement**		As at March 31st, 2023
		Cash	Non-Cash	
Debt Securities	2,59,552		394	2,59,946
Borrowings (Other than Debt Securities)	26,76,863	(10,773)	3,250	26,69,340
Subordinated Liabilities	2,61,581		877	2,62,458
Total	31,97,996	(10,773)	4,521	31,91,744

** Includes adjustments on account of effective interest rate and other adjustments

(₹ in Lakhs)

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	2,61,581
Total	31,37,232	(51,079)	1,11,843	31,97,996

** Includes adjustments on account of effective interest rate and other adjustments

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

6. Receivables:

(i) Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
(a) Considered good - Secured	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(b) Considered good - Unsecured	130	[illegible]
Less: Allowance for impairment loss allowance	5	20
	125	3,096
(c) Trade Receivables which have significant increase in credit risk	23	73
Less: Allowance for impairment loss allowance	2	1
	21	72
(d) Credit impaired	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
Total	**146**	**3,168**

(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.

(ii) Trade Receivables ageing schedule as at March 31st, 2023

(₹ in Lakhs)

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	125	-	-	-	-	125
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	21	-	-	-	-	21
(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	**146**	-	-	-	-	**146**

Trade Receivables ageing schedule as at March 31st, 2022

(₹ in Lakhs)

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**

(c) Movements in Expected Credit Losses Allowance is as below: (₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Balance at the beginning of the year	71	27
Charge in Statement of Profit and Loss	7	49
Utilised during the year	(71)	(5)
Balance at the end of the year	7	71

(d) Ageing of Trade Receivables and Credit Risk arising therefrom is as below: (₹ in Lakhs)

Particulars	As at March 31st, 2023		
	Gross carrying amount	Allowance for credit loss	Net carrying amount
Overdue till three months	153	7	146
Overdue between three to six months	-	-	-
Overdue between six months to one year	-	-	-
More than 1 year overdue	-	-	-
	153	7	146

(₹ in Lakhs)

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

The contractual amount outstanding on financial assets that were written off during the reporting period but are still subject to enforcement activity is ₹ 2,200 lakhs (March 31st, 2022 ₹ 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.

6. Loans

(₹ in Lakhs)

Particulars	As at March 31st, 2023						As at March 31st, 2022					
	Amortised cost	At Fair Value				Total	Amortised cost	At Fair Value				Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal			Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal	
	(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	[illegible]	2,687	19,091	-	21,778	[illegible]	27,29,246	16,462	39,187	-	55,649	[illegible]
(ii) Leasing (Refer Note No. 6.1)	2,633	-	-	-	-	2,635	6,240	-	-	-	-	[illegible]
(iii) Others												
Inter-Corporate Deposits	25,346	-	-	-	-	25,548	25,901	-	-	-	-	[illegible]
Total (A) Gross	27,34,941	2,687	19,091	-	21,778	27,56,719	27,91,487	16,462	39,187	-	55,649	28,46,736
Less: Impairment loss allowance	17,94,334	-	-	-	-	17,94,334	7,99,611	-	-	-	-	[illegible]
Total (A) Net	9,40,607	2,687	19,091	-	21,778	9,62,385	19,91,476	16,462	39,187	-	55,649	20,47,125
(B)												
(i) Secured by tangible assets (Refer Note *)	25,68,888	2,687	19,091	-	21,778	25,90,666	25,91,496	16,462	39,187	-	55,649	[illegible]
(ii) Unsecured	1,66,053	-	-	-	-	1,66,053	1,99,991	-	-	-	-	[illegible]
Total (B) Gross	27,34,941	2,687	19,091	-	21,778	27,56,719	27,91,487	16,462	39,187	-	55,649	28,46,736
Less: Impairment loss allowance	17,94,334	-	-	-	-	17,94,334	7,99,611	-	-	-	-	[illegible]
Total (B) Net	9,40,607	2,687	19,091	-	21,778	9,62,385	19,91,476	16,462	39,187	-	55,649	20,47,125
(C)												
(I) In India												
(i) Public Sector	732	-	-	-	-	732	1,278	-	-	-	-	[illegible]
(ii) Others	27,34,209	2,687	19,091	-	21,778	27,55,987	27,90,209	16,462	39,187	-	55,649	[illegible]
Total (C) Gross	27,34,941	2,687	19,091	-	21,778	27,56,719	27,91,487	16,462	39,187	-	55,649	28,46,736
Less: Impairment loss allowance	17,94,334	-	-	-	-	17,94,334	7,99,611	-	-	-	-	[illegible]
Total (C) Net	9,40,607	2,687	19,091	-	21,778	9,62,385	19,91,476	16,462	39,187	-	55,649	20,47,125

* Loans are secured by hypothecation of 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 [illegible] 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. [illegible] the Company and [illegible] collateral held as securities.

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

6. Loans (continued)

i. An analysis of changes in the gross carrying amount of loans is as follows:

(₹ in Lakhs)

Particulars	As at March 31st, 2023					As at March 31st, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount - opening balance	4,94,898	1,88,145	21,24,506	-	28,07,549	8,09,825	95,853	18,51,525	-	27,57,203
New assets originated or purchased / net disbursement @@	14,323	-	-	-	14,323	107	-	-	-	107
Assets derecognised or repaid (excluding write offs and includes Interest accruals adjusted) #	(10,202)	3,063	(37,421)	-	(44,560)	(21,625)	4,589	(12,935)	-	(29,971)
Effective interest rate on net carrying amount	-	-	49,723	-	49,723	-	-	1,27,566	-	1,27,566
Other Balances (Refer Note below)	82,619	-	-	-	82,619	-	-	-	-	-
Transfers to Stage 1	600	(208)	(392)	-	-	2,02,720	(857)	(2,01,863)	-	-
Transfers to Stage 2	(3,574)	3,563	(11)	-	-	(7,053)	10,447	(3,394)	-	-
Transfers to Stage 3	(5,81,535)	(1,82,019)	6,63,491	-	-	(1,24,147)	(9,201)	1,33,348	-	-
Amounts written off	(5,607)	(7)	(79,393)	-	(85,007)	(11,179)	(350)	(22,928)	-	(34,458)
Gross carrying amount - closing balance @	69,140	5,996	27,47,595	-	28,20,847	4,94,898	1,88,145	21,24,506	-	28,07,549

Note: Other balances includes shortfall on payments to Company lenders who were assigned the pool loans (Refer Note No. 61).

@ Excludes gross carrying amount of loans designated at fair value through profit or loss amounting to ₹ 19,091 lakhs (March 31st, 2022 ₹ 39,157 lakhs) out of which ₹ 19,091 lakhs (March 31st, 2022 ₹ 39,157 lakhs) is classified as Stage 3 assets.

@@ Conversion of loan into equity is not cash.

\# Represents balancing figure

ii. Reconciliation of ECL balance is given below: *

(₹ in Lakhs)

Particulars	As at March 31st, 2023					As at March 31st, 2022				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
ECL allowance - opening balance	35,573	4,174	7,60,517	-	8,00,264	36,049	4,194	5,83,598	-	6,23,841
New assets originated or purchased / net disbursement	3,111	-	-	-	3,111	1	-	-	-	1
Impact on year end ECL of Exposures transferred between stages during the year and reversal of ECL on account of Recovery #	(9,565)	105	10,67,534	-	10,58,074	(20,482)	19	2,07,797	-	1,87,334
Transfers to Stage 1	12,417	(52)	(12,365)	-	-	34,365	(128)	(34,237)	-	-
Transfers to Stage 2	(80)	95	(15)	-	-	(61)	506	(445)	-	-
Transfers to Stage 3	(27,914)	(3,930)	31,844	-	-	(14,343)	(280)	14,623	-	-
Amounts written off	(451)	(11)	(66,476)	-	(66,938)	(959)	(40)	(13,023)	-	(14,022)
ECL allowance - closing balance	12,981	455	17,81,128	-	17,94,564	35,573	4,174	7,60,517	-	8,00,264

* Includes ECL allowance of ₹ 2,541 lakhs (March 31st, 2022 ₹ 6,273 Lakhs) on off balance sheet exposure

* Includes ECL allowance created on loan assets measured through other comprehensive income of ₹ 329 lakhs (March 31st, 2022 ₹ 635 Lakhs)

\# 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 ₹ 59,478 lakhs (March 31st, 2022 ₹ 5,597 Lakhs)

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 in credit risk of the borrowers

6.1 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 Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
i. not later than one year	2,996	4,430
ii. later than one year and not later than five years	932	3,226
iii. later than five years	-	-
Total	3,928	7,656

Unearned finance Income (₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
i. not later than one year	304	1,159
ii. later than one year and not later than five years	41	358
iii. later than five years	-	-
Total	345	1,517

Minimum lease payments (₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
i. not later than one year	2,692	3,271
ii. later than one year and not later than five years	890	2,868
iii. later than five years	-	-
Total	3,582	6,139

[illegible]

[illegible]

[illegible]

Particulars	As at March 31st, 2023							As at March 31st, 2022						
	Amortised cost	At Fair Value				Others	Total	Amortised cost	At Fair Value				Others	Total
		Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal				Through Other Comprehensive Income	Through profit or loss	Designated at fair value through profit or loss	Subtotal		
[illegible]	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]
[illegible]	-	-	[illegible]	-	[illegible]	-	[illegible]	-	-	[illegible]	-	[illegible]	-	[illegible]
[illegible]	-	-	[illegible]	-	[illegible]	-	[illegible]	-	-	[illegible]	-	[illegible]	-	[illegible]
Total Gross (A)	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]
[illegible]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
[illegible]	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]
Total (B)	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]
[illegible]	[illegible]	-	-	-	-	-	[illegible]	[illegible]	-	-	-	-	-	[illegible]
Total - Net D (A)-(C)	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	-	[illegible]	-	[illegible]	-	[illegible]

[illegible]

[illegible]

Particulars	As at March 31st, 2023	As at March 31st, 2022
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]

[illegible]

[illegible]

Particulars	As at March 31st, 2023	As at March 31st, 2022
[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]

[illegible]

[illegible]

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
[illegible]	[illegible]	[illegible]
Total Tax Expense recognised in the Statement of Profit and Loss	[illegible]	[illegible]

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18. Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block				Depreciation/Amortisation/Impairment					Net Book value
	As at April 1st, 2022	Additions	Disposals and other adjustments	As at March 31st, 2023	As at April 1st, 2022	Depreciation/ Amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2023	As at March 31st, 2023
Assets for Own use										
Land - Freehold	[illegible]	-	-	[illegible]	-	-	-	-	-	[illegible]
Buildings*	[illegible]	-	-	[illegible]	196	[illegible]	-	-	[illegible]	[illegible]
Furniture and fixtures	5,156	-	19	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Plant and Machinery	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Motor vehicles	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Leasehold Improvements	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Computers and office equipment	[illegible]	[illegible]	426	[illegible]	[illegible]	[illegible]	-	426	[illegible]	[illegible]
(A)	[illegible]	2	486	[illegible]	[illegible]	2,168	-	[illegible]	[illegible]	[illegible]
Assets for Operating lease										
Aircrafts	-	-	-	-	-	-	-	-	-	-
Earthmoving Equipment	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Motor vehicles	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Plant and Machinery	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Wind Mills	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Computers	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Furniture and Fixtures	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
(B)	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Total for Property, Plant and Equipment (C= A+B)	[illegible]	2	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]

* Buildings including ₹ [illegible] lakhs (Net book value of ₹ [illegible] lakhs) in respect of which conveyancing is pending. These immovable properties were transferred to the Company pursuant to BTA (Refer Note No. [illegible]).
The property situated in Chennai and Kolkata are given as the security against the secured debentures [illegible] and the carrying value of such properties is ₹ [illegible] lakhs as on March 31st, 2023 (March 31st, 2022 ₹ [illegible] lakhs).

(₹ in Lakhs)

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	[illegible]	-	-	[illegible]	-	-	-	-	-	[illegible]
Buildings**	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Furniture and fixtures	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Plant and Machinery	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Motor vehicles	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Leasehold Improvements	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Computers and office equipment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
(A)	[illegible]	2	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	10,899	[illegible]
Assets for Operating lease										
Aircrafts	[illegible]	-	[illegible]	-	[illegible]	[illegible]	-	[illegible]	-	-
Earthmoving Equipment	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Motor vehicles	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Plant and Machinery	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Wind Mills	[illegible]	-	-	[illegible]	[illegible]	[illegible]	-	-	[illegible]	[illegible]
Computers	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Furniture and Fixtures	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
(B)	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]
Total for Property, Plant and Equipment (C= A+B)	[illegible]	2	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]

** Buildings includes ₹ [illegible] lakhs (Net book value of ₹ [illegible] lakhs) in respect of which conveyancing is pending. These immovable properties were transferred to the Company pursuant to BTA (Refer Note No. [illegible] of the Financial Statements for the year ended March 31st, 2021).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

11. Leases

(i) In the capacity of Lessee

The Company has taken various premises (offices and car parks) under leases. 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, 2023

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Opening Balance	712	1,063
Additions	228	517
Deletion	2	565
Depreciation	432	302
Closing Balance	506	712

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, 2023

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Opening Balance	828	1,142
Additions	224	517
Deletion	53	579
Finance cost accrued during the year	58	52
Payment of lease liabilities	473	303
Closing Balance	636	828

The table below provides details regarding the contractual maturities of lease liabilities as at March 31st, 2023 on an undiscounted basis

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Less than one year	352	387
One to five years	291	505
More than five years	-	-
Total	643	892

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 was ₹ 505 lakhs for the year ended March 31st, 2023 (₹ 173 lakhs for the year ended March 31st, 2022)

(ii) In the capacity of Lessor (Operating lease)

The Company has given assets on operating lease arrangements (refer Note No. 10) for periods ranging between 1 to 15 years. Some of the arrangements have clauses for contingent rent. Total contingent rent recognised as income in the Statement of Profit and Loss for the year ended March 31st, 2023 amounting to ₹ 55 lakhs (As at March 31st, 2022 - ₹ 516 lakhs).

The future minimum lease receivables in respect of non-cancellable operating leases are as follows:

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Not later than one year	35,136	52,114
Later than one year but not later than five years	2,671	14,312
Total	37,807	66,426

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

12. Other Intangible Assets

(₹ in Lakhs)

Particulars	Gross block				Depreciation/Amortisation/ Impairment					Net Book value
	As at April 1st, 2022	Additions	Disposals and other adjustments	As at March 31st, 2023	As at April 1st, 2022	Depreciation/ amortisation Charge	Impairment Charge	Disposals and other adjustments	As at March 31st, 2023	As at March 31st 2023
Assets for Own use Softwares	3,200	1	313	2,888	2,364	297	-	314	2,347	541
(A)	3,200	1	313	2,888	2,364	297	-	314	2,347	541
Assets for Operating lease Softwares	554	-	111	443	552	2	-	111	443	-
(B)	554	-	111	443	552	2	-	111	443	-
Total for Other Intangible assets (A+B)	3,754	1	424	3,331	2,916	299	-	425	2,790	541

(₹ in Lakhs)

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 for 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

13. Other Non-Financial Assets

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Capital Advances	10	11
Repossessed Assets and Assets acquired in satisfaction of debt*	21,4[illegible]	26,1[illegible]
Advance to Vendors	55[illegible]	[illegible]1
Advances to Employees	26	9
Balances with Government Authorities	1,55[illegible]	1,410
Others	363	167
Total	23,509	28,357

* Includes repossessed assets amounting to ₹ 2,282 lakhs (March 31st, 2022: ₹ 12,51[illegible] Lakhs) and also includes assets/collaterals acquired in satisfaction of debt amounting to ₹ 1[illegible],1[illegible] lakhs (March 31st, 2022: ₹ 14,2[illegible] lakhs).

14. Payables

Trade Payables

(i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 66)

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
a) The principal amount and interest due thereon remaining unpaid to any supplier	190	179
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 amounts 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 during the year) 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 years, 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	190	179

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available.

As the Company is currently undergoing CIRP (Refer Note No. [illegible]) under the provisions of the Code. Accordingly, a moratorium has been declared under section 14 of the Code. No interest was payable to the micro-enterprises before 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. 66)

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Due to others		
Other than Acceptance	6,224	6,245
Total	6,224	6,245

Trade Payables ageing schedule as at March 31st, 2023 :-

(₹ in Lakhs)

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	4	186	-	-	190
(ii) Others	1,748	2,303	111	180	5,652
(iii) Disputed dues- MSMEs	-	-	-	-	-
(iv) Disputed dues- Others	91		443	38	572
Total	1,843	2,489	554	1,528	6,414

Trade Payables ageing schedule as at March 31st, 2022 :-

(₹ in Lakhs)

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	172	-	-	-	172
(ii) Others	3,244	892	593	374	5,101
(iii) Disputed dues- MSMEs	-	-	-	-	-
(iv) Disputed dues- Others	158	233	411	248	1,050
Total	3,557	1,125	1,016	719	6,419

15. Debt Securities

(₹ in Lakhs)

Particulars	As at March 31st, 2023				As at March 31st, 2022			
	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. 6 and 54)								
Non-convertible debentures (Refer Note No. 15.1)	2,55,[illegible]	-	-	2,55,[illegible]	2,55,[illegible]	-	-	2,55,[illegible]
Long-term Infrastructure Bond (Refer Note No. 15.2)	4,049	-	-	4,049	4,049	-	-	4,049
Total	2,59,944	-	-	2,59,944	2,59,551	-	-	2,59,551
Debt Securities in India	2,59,944	-	-	2,59,944	2,59,551	-	-	2,59,551
Debt Securities outside India	-	-	-	-	-	-	-	-
Total	2,59,944	-	-	2,59,944	2,59,551	-	-	2,59,551

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

15.1 Secured Non-Convertible Debentures

Date of Allotment	Face Value per Debenture (₹)	Amount outstanding (₹ in Lakhs)		Interest rate (% p.a.)	Earliest redemption date / Balance tenure (years)
		As at March 31st, 2023 [illegible]	As at March 31st, 2022 [illegible]		
Private Placement					
12 January, 2018	10,00,000	1,000	1,000	11.00%	18 January, 2028
30 December, 2016	10,00,000	1,000	1,000	11.00%	30 December, 2026
26 March, 2018	10,00,000	1,500	1,500	11.00%	26 March, 2025
09 December, 2014 **	10,00,000	1,500	1,100	[illegible]	11 December, 2024
10 October, 2012	10,00,000	600	[illegible]	10.95%	05 October, 2024
15 September, 2012	10,00,000	[illegible]	[illegible]	10.50%	15 September, 2024
27 June, 2012	10,00,000	[illegible]	2,000	[illegible]	27 June, 2024
20 June, 2014 $$	10,00,000	1,000	1,000	12.00%	20 June, 2024
13 June, 2014 $$	10,00,000	1,000	1,000	12.97%	13 June, 2024
19 June, 2014 **	10,00,000	[illegible]	[illegible]	[illegible]	[illegible] June, 2024
31 May, 2013	10,00,000	[illegible]	1,000	[illegible]	[illegible] May, 2024
28 May, 2013	10,00,000	2,000	[illegible]	11.45%	28 May, 2024
10 January, 2014	10,00,000	[illegible]	[illegible]	[illegible]	[illegible] January, 2024
[illegible] December, 2015	10,00,000	500	500	[illegible]	[illegible] December, 2023
20 November, 2013 **	10,00,000	450	450	[illegible]	25 November, 2023
04 April, 2018	10,00,000	[illegible]	[illegible]	[illegible]	04 April, 2023
14 March, 2013	10,00,000	500	500	[illegible]	4 March, 2023
21 January, 2013 **	10,00,000	110	110	[illegible]	21 January, 2023
05 October, 2012 **	10,00,000	2,000	2,000	[illegible]	05 October, 2022
20 July, 2012 **	10,00,000	150	150	[illegible]	[illegible] July, 2022
09 June, 2012 $	[illegible]	[illegible]	50	[illegible]	09 June, 2022
29 October, 2011 **	10,00,000	[illegible]	1,000	[illegible]	29 October, 2021
05 October, 2011	[illegible]	[illegible]	500	11.95%	05 October, 2021
29 September, 2011 **	5,00,000	1,000	1,000	[illegible]	29 September, 2021
Public Issue					
21 May, 2015 $	1,000	[illegible]	[illegible]	[illegible]	[illegible]
17 January, 2014 $	1,000	30,542	30,542	[illegible]	[illegible]
15 May, 2018	1,000	[illegible]	[illegible]	[illegible]	[illegible]
24 January, 2019	1,000	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] October, 2014 **	1,000	[illegible]	[illegible]	[illegible]	[illegible]
27 February, 2017 **	1,000	[illegible]	[illegible]	[illegible]	[illegible]
16 March, 2018 **	1,000	[illegible]	[illegible]	[illegible]	[illegible]
15 May, 2019 **	1,000	[illegible]	[illegible]	[illegible]	[illegible]
Total		[illegible]	[illegible]		

[illegible]

Security: [illegible]

** [illegible]

$ [illegible]

$$ [illegible]

[illegible]

15.2 Long-Term Infrastructure Bond

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lakhs) ***		Interest rate (% p.a.) **	Earliest redemption date
		As at March 31st, 2023 [illegible]	As at March 31st, 2022 [illegible]		
22 March, 2012	1,000	[illegible]	[illegible]	[illegible]	22 March, 2027
22 March, 2012	1,000	[illegible]	[illegible]	[illegible]	22 March, 2022
Total		[illegible]	[illegible]		

The above debentures are redeemable at par in single instalment.

[illegible]

[illegible]

Security:

[illegible]

16. Borrowings (Other than Debt Securities)

(₹ in Lakhs)

Particulars	As at March 31st, 2023				As at March 31st, 2022			
	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. 16.1 and 66)								
(i) [illegible] Banks								
Rupee loans	2,19,881	-	-	2,19,881	2,19,716	-	-	2,19,716
Foreign currency loans	95,196	-	-	95,196	95,196	-	-	95,196
(ii) From Others								
Rupee loans	2,07,630	-	-	2,07,630	2,07,630	-	-	2,07,630
Foreign currency loans	74,778	-	-	74,778	74,778	-	-	74,778
(b) Working capital facilities (Refer Note No. 16.2 and 66)								
(i) From Banks								
Rupee loans	20,02,432	-	-	20,02,432	19,99,378	-	-	19,99,378
(c) Collateralised Borrowings (Refer Note No. 16.3)	3,251	-	-	3,251	13,993	-	-	13,993
UNSECURED								
(a) Term Loans (Refer Note No. 16.4 and 66)								
(i) From Banks								
Foreign currency loans	31,765	-	-	31,765	31,765	-	-	31,765
(ii) From Others								
Foreign currency loans	25,178	-	-	25,178	25,178	-	-	25,178
(b) Deferred payment liabilities (Refer Note No. 16.5 and 66)	9,123	-	-	9,123	9,123	-	-	9,123
(c) Inter corporate deposit (Refer Note No. 16.6 and 66)	106	-	-	106	106	-	-	106
Total	26,69,340	-	-	26,69,340	26,76,863	-	-	26,76,863
Borrowings in India	24,42,423	-	-	24,42,423	24,49,946	-	-	24,49,946
Borrowings outside India	2,26,917	-	-	2,26,917	2,26,917	-	-	2,26,917
Total	26,69,340	-	-	26,69,340	26,76,863	-	-	26,76,863

[illegible]

[illegible]

(a) Secured Term Loans

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2023	Repayment terms (Refer Note No. [illegible]) (₹ in Lakhs) Overdue	Monthly	Quarterly	Half yearly	Single instalment	Balance tenure (years)	Rate of interest per annum	Nature of security (Refer Note No. [illegible])
Rupee term loans From Banks	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
From Financial Institutions	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]	
Total	[illegible]	[illegible]	-	-	-	-			
Foreign currency term loans From Banks	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and receivables arising there from.
From Financial Institutions	[illegible]	[illegible]	-	-	-	-	1 - 2	[illegible]	
Total	[illegible]	[illegible]	-	-	-	-			

[illegible]

[illegible]

[illegible]

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2022	Repayment terms (Refer Note No. [illegible] to the Financial Statements for the year ended March 31st, 2022) (₹ in Lakhs) Overdue @	Monthly	Quarterly	Half yearly	Single instalment	Balance tenure (years)	Rate of interest per annum	Nature of security (Refer Note No. [illegible])
Rupee term loans From Banks	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]	Hypothecation of specific assets covered by hypothecation loan agreements and lease agreements with customers and receivables arising there from.
From Financial Institutions	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]	
Total	[illegible]	[illegible]	-	-	-	-			
Foreign currency term loans From Banks	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]	Hypothecation of specific assets covered by respective hypothecation loan agreements and lease agreements with customers and receivables arising there from.
From Financial Institutions	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]	
Total	[illegible]	[illegible]	-	-	-	-			

[illegible]

(b) Secured Working capital facilities

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

15. Subordinated Liabilities

(₹ in Lakhs)

Particulars	As at March 31st, 2023				As at March 31st, 2022			
	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. 15.1 and 65)	15,164	-	-	15,164	15,012	-	-	15,012
Rupee subordinated loans (Tier II Capital) (Refer Note No. 15.2 and 66)	16,825	-	-	16,825	16,825	-	-	16,825
Subordinated redeemable non-convertible debentures (Tier II Capital) (Refer Note No. 15.3 and 66)	2,30,469	-	-	2,30,469	2,29,744	-	-	2,29,744
Total	2,62,458	-	-	2,62,458	2,61,581	-	-	2,61,581
Subordinated Liabilities in India	2,62,458	-	-	2,62,458	2,61,581	-	-	2,61,581
Subordinated Liabilities outside India	-	-	-	-	-	-	-	-
Total	2,62,458	-	-	2,62,458	2,61,581	-	-	2,61,581

15.1 Unsecured subordinated perpetual debentures (Tier I Capital) *
During the year ended March 31st, 2023, the Company [illegible] subordinated perpetual debentures amounting ₹ Nil (March 31st, 2022: ₹ Nil). As at March 31st, 2023, the amount of principal outstanding in respect of [illegible] subordinated perpetual debentures is ₹ 13,750 lakhs (March 31st, 2022: ₹ 13,750 lakhs). These perpetual debentures have call option [illegible] approval of RBI. These perpetual debentures [illegible] 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 Lakhs)		Interest rate (%) ***	Earliest call option date
		As at March 31st, 2023 (Refer Note No. 1.2, 64, 65, 66 & 67)	As at March 31st, 2022 (Refer Note No. 1.2, 63, 64, 65 & 66 to the Financial Statements for the year ended March 31st, 2022)		
13 December 2008	10,00,000	10,000	10,000	13.00%	13 December, 2018
30 December 2011 **	1,00,000	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, 2023 are overdue.
* Does not include effective interest rate adjustment ₹ Nil (March 31st, 2022: ₹ Nil), interest accrued and not due ₹ Nil (March 31st, 2022: ₹ Nil) and overdue interest ₹ 1,414 lakhs (March 31st, 2022: ₹ 1,262 lakhs).
** CIRP has been initiated against the Company, as stated in Note No. 1.2 and accordingly, as per the Code, the Administrator has invoked the [illegible] October 08, 2021 (i.e. date of commencement of CIRP). Considering the same, the Company has not been able to exercise Call Option at the end of 10th year from the date of allotment.
*** Includes step up interest.

15.2 Unsecured Rupee subordinated loans (Tier II Capital)

Particulars	Outstanding (₹ in Lakhs)	Repayment terms (Refer Note No. 1.2, 64, 65, 66 & 67) (₹ in Lakhs)			Balance tenure (years)	Rate of interest per annum
	As at March 31st, 2023	Overdue @	Quarterly	Single Instalment		
Rupee Subordinated term loans (Tier II Capital) *	16,825	16,825	-	-	-	10%-11%
Total	16,825	16,825	-	-		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2023 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 Lakhs)	Repayment terms (Refer Note No. 1.2, 63, 64, 65 & 66 to the Financial Statements for the year ended March 31st, 2022) (₹ in Lakhs)			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	-	-		

Does not include effective interest rate adjustment ₹ Nil and interest accrued and not due ₹ Nil
@ It also includes interest overdue.

[illegible] FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

16.3 Secured Collateralised Borrowings

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2023	Repayment terms (₹ in Lakhs)				Balance tenure (years)	Rate of interest per annum	Nature of security
		Overdue	Monthly	Quarterly	Single installment			
Collateralised Borrowings	[illegible]	41	[illegible]	[illegible]	-	[illegible]	[illegible]	This represents amount against assignment of future lease rentals
Total	[illegible]	[illegible]	[illegible]	77	-			

[illegible]
[illegible]
[illegible]

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2022	Repayment terms (₹ in Lakhs)				Balance tenure (years)	Rate of interest per annum	Nature of security
		Overdue	Monthly	Quarterly	Single installment			
Collateralised Borrowings	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	This represents amount against assignment of future lease rentals
Total	[illegible]	[illegible]	[illegible]	[illegible]	-			

[illegible]
[illegible]
[illegible]

16.4 Unsecured term loans

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2023	Repayment terms (Refer Note No. 1.2, 64, 65, 66 & 67) (₹ in Lakhs)				Balance tenure (years)	Rate of interest per annum
		Overdue	Quarterly	Half yearly	Yearly		
Foreign currency term loan from bank	31,365	31,365	-	-	-	[illegible]	~10%
Foreign currency term loan from financial institutions	25,178	25,178	-	-	-	[illegible]	~10%
Total	56,543	56,543	-	-	-		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2023 are overdue.
[illegible]
[illegible]

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2022	Repayment terms (Refer Note No. 1.2, 63, 64, 65 & 66 to the Financial Statements for the year ended March 31st, 2022) (₹ in Lakhs)				Balance tenure (years)	Rate of interest per annum
		Overdue	Quarterly	Half yearly	Yearly		
Foreign currency term loan from bank	31,365	31,365	-	-	-	[illegible]	~10%
Foreign currency term loan from financial institutions	25,178	25,178	-	-	-	[illegible]	~10%
Total	[illegible]	[illegible]	-	-	-		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2022 are overdue.
[illegible]
[illegible]

16.5 Unsecured Deferred payment liabilities

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2023	Repayment terms (Refer Note No. 1.2, 65, 66 & 67) (₹ in Lakhs)					Balance tenure (years)	Rate of interest per annum
		Overdue	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]
Total	[illegible]	[illegible]	-	-	-	-		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2023 are overdue.
[illegible]

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2022	Repayment terms (Refer Note No. 1.2, 64, 65 & 66 to the Financial Statements for the year ended March 31st, 2022) (₹ in Lakhs)					Balance tenure (years)	Rate of interest per annum
		Overdue	Monthly	Quarterly	Half yearly	Yearly		
Deferred payment liabilities	[illegible]	[illegible]	-	-	-	-	[illegible]	[illegible]
Total	[illegible]	[illegible]	-	-	-	-		

[illegible]

16.6 Inter-corporate deposits

Particulars	Outstanding (₹ in Lakhs) As at March 31st, 2023	Repayment terms (Refer Note No. 1.2, 65, 66 & 67) (₹ in Lakhs)					Balance tenure (years)	Rate of interest per annum
		Overdue	Monthly	Quarterly	Half yearly	Single installment		
Inter corporate deposits	106	106	-	-	-	-	-	7%
Total	106	106	-	-	-	-		

Pursuant to initiation of CIRP (Refer Note No. 1.2), amount outstanding as at March 31st, 2023 are overdue.
[illegible]
[illegible]

Particulars	Outstanding (₹ in Lakhs) As at March 31, 2022	Repayment terms (Refer Note No. 1.2, 64, 65 & 66 to the Financial Statements for the year ended March 31st, 2022) (₹ in Lakhs)					Balance tenure (years)	Rate of interest per annum
		Overdue	Monthly	Quarterly	Half yearly	Single installment		
Inter corporate deposits	106	106	-	-	-	-	[illegible]	7%
Total	106	106	-	-	-	-		

[illegible]
[illegible]

17.1 Unsecured subordinated redeemable non convertible debentures (Tier II Capital)

During the year ended March 31st, 2023, the Company [illegible] subordinated redeemable non convertible debentures qualifying for Tier II Capital [illegible] (March 31st, 2022: ₹ Nil). The following table sets forth [illegible] as at the Balance Sheet date:

Date of Allotment	Face value per debenture (₹)	Amount outstanding (₹ in Lakhs) # As at March 31st, 2023 (Refer Note No. 1.2, 64, 65, 66 & 67)	As at March 31st, 2022 (Refer Note No. 1.2, 64, 65, 66 & 67 to the Financial Statements for the year ended March 31st, 2022)	Interest rate (%) *	Earliest redemption date/ Balance tenure (years)
Private Placement:					
10 October, 2017	10,00,000	500	500	12.25%	10 October, 2028
23 June, 2017	10,00,000	4,500	4,500	11.80%	23 June, 2027
30 March, 2017	10,00,000	5,000	5,000	12.25%	30 March, 2027
04 November, 2016	10,00,000	1,900	1,900	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	150	150	12.15%	26 May, 2026
25 May, 2016	10,00,000	2,000	2,000	12.15%	25 May, 2026
31 March, 2016	10,00,000	2,000	2,000	12.70%	31 March, 2026
18 March, 2016	10,00,000	500	500	12.70%	18 March, 2026
05 February, 2016	10,00,000	500	500	12.65%	05 February, 2026
29 January, 2016	10,00,000	500	500	12.60%	29 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	13.05%	16 March, 2025
01 March, 2017	10,00,000	500	500	12.40%	01 June, 2024
03 July, 2014	10,00,000	5,000	5,000	12.35%	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	2,100	2,100	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	12.45%	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	300	300	13.20%	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	13.10%	24 January, 2023
16 January, 2013	10,00,000	250	250	13.10%	16 January, 2023
15 January, 2013	10,00,000	7,000	7,000	13.55%	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
28 September, 2012	10,00,000	3,890	3,890	13.70%	28 September, 2022
11 August, 2015	10,00,000	5,000	5,000	12.75%	11 August, 2022
31 July, 2012	10,00,000	1,206	1,206	13.50%	31 July, 2022
09 March, 2017	10,00,000	500	500	12.15%	09 June, 2022
01 June, 2012	10,00,000	1,120	1,120	13.50%	01 June, 2022
30 March, 2012	10,00,000	10,080	10,080	13.40%	30 March, 2022
12 January, 2012	10,00,000	8,410	8,410	13.90%	12 January, 2022
01 January, 2012	10,00,000	6,600	6,600	11.90%	01 January, 2022
23 December, 2011	10,00,000	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	2,500	2,500	12.30%	24 April, 2021
Public Issue:					
24 January, 2014	1,000	1,428	1,428	12.25%-13.00%	10 years
08 August, 2017	1,000	56,195	56,195	11.25%-11.30%	5 - 10 years
16 March, 2018	1,000	2,702	2,702	11.10%-11.75%	10 years
Total		1,98,770	1,98,770		

All the above debentures are redeemable at par in single instalment.

Pursuant to [illegible] (Refer Note No. 1.2), [illegible] outstanding as at March 31st, 2023 are overdue.

* Includes [illegible] interest.

Does not include [illegible] (March 31st, 2022: ₹ Nil) [illegible] (March 31st, 2022: ₹ Nil) [illegible] (March 31st, 2022: ₹ Nil) [illegible]

18. Other Financial Liabilities

(₹ In Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Trade deposits received	8,510	11,784
Advance From Operating Lease customer	1,977	2,065
Payable to Employees	1,251	1,306
Liability for Operating Expenses	2,590	2,949
Financial Guarantee Contract Liability	105	55
Unclaimed debentures and interest accrued thereon (Refer Note No. 15)	333	333
Others	-	150
Total	14,766	18,672

19. Current Tax Liabilities (Net)

(₹ In Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Current Tax Liabilities [net of advance income tax of ₹ 23,976 lakhs (March 31st, 2022 : ₹ 23,959 lakhs)]	13,635	13,632
Total	13,635	13,632

20. Provisions

(₹ In Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Provision for Gratuity	-	338
Provision for compensated absence	321	438
Others		
Provision against disputed statutory dues under litigation (Refer Note No. 71)	15,008	15,001
Total	15,329	15,777

21. Other Non-Financial Liabilities

(₹ In Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Pre-received amount for lease contracts	93	290
Interest Capitalisation Account	1,878	1,495
Statutory dues payable	1,857	2,483
Total	3,828	4,268

22. Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Authorised		
Equity shares, ₹ 10/- face value		
50,00,00,000 (March 31st, 2022 : 50,00,00,000) Equity shares	50,000	50,000
Preference shares, ₹ 100/- face value		
5,00,00,000 (March 31st, 2022 : 5,00,00,000) Preference shares	50,000	50,000
	1,00,000	1,00,000
Issued, Subscribed and fully paid up		
Equity shares, ₹ 10/- face value		
7,90,16,415 (March 31st, 2022 : 7,90,16,415) Equity shares	7,902	7,902
Total	7,902	7,902

22.1.1 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, 2023		As at March 31st, 2022	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
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

22.1.2 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.

22.1.3 The details of shareholders holding more than 5% of the equity shares each:

Class of shares and names of shareholders	As at March 31st, 2023		As at March 31st, 2022	
Equity shares, ₹ 10/- face value	No. of shares	% held	No. of shares	% held
Srei Infrastructure Finance Limited (Holding Company)$	7,90,16,415	100	7,90,16,415	100

$ Including nominee shareholders

22.1.4 The details of shares held by promoters* as at March 31st, 2023:

Shares held by promoters at the end of the year			% change during the year
Promoter Name	No. of Shares**	% of total shares	
Srei Infrastructure Finance Limited (Holding Company) $	7,90,16,415	100%	-

$ Including nominee shareholders

22.1.4A The details of shares held by promoters* as at March 31st, 2022:

Shares held by promoters at the end of the year			% change during the year
Promoter Name	No. of Shares**	% of total shares	
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

22.1.5 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. 54) with its Holding Company, SIFL w.e.f October 1st, 2019. Accordingly the Company had allotted 1,95,56,415 equity shares of ₹ 10/- each to SIFL at a premium of ₹ 461/- per share thereby increasing the share capital by ₹ 1,956 lakhs and securities premium by ₹ 91,104 lakhs. The Company has not issued any shares without payment being received in cash from financial year 2017-18 to financial year 2019-20 and financial year 2020-21 to financial year 2021-22.

22.1.6 Refer Note No. 49 - "Capital Management" for the Company's objectives, policies and processes for managing capital.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

21 Other Equity

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
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	15,776	15,776
Add: Transferred from Retained Earnings	-	-
Closing balance	15,776	15,776
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	1,97,278	1,97,278
Add: Received on issue of equity shares for the year	-	-
Closing balance	1,97,278	1,97,278
Debenture Redemption Reserve		
Opening balance	39,624	39,624
Add: Transferred from Retained Earnings	-	-
Less: Transferred to Retained Earnings on redemption	-	-
Closing balance	39,624	39,624
Retained Earnings		
Opening balance	(14,74,437)	(10,15,165)
Add: Profit/(Loss) after tax for the year	(11,21,928)	(3,37,292)
Add: Other Comprehensive Income (net of tax)	(182)	(42)
Amount available for appropriation	(25,96,547)	(13,52,499)
Appropriations:		
Less: Amount transferred to Impairment Reserve (Refer Note No. 63)	(45,533)	(1,22,999)
Add: Amount transferred from Debt Redemption Reserve on Redemption	-	-
Add: Amount transferred from Equity Instruments through Other Comprehensive Income	-	1,061
Closing balance	(26,42,080)	(14,74,437)
Impairment Reserve		
Opening balance	5,70,463	4,47,464
Add: Transferred from Retained Earnings (Refer Note No. 63)	45,533	1,22,999
Closing balance	6,15,996	5,70,463
Debt Instruments through Other Comprehensive Income		
Opening balance	948	1,158
Add: Addition/(Reduction) during the year	(719)	(210)
Closing balance	229	948
Equity Instruments through Other Comprehensive Income		
Opening balance	-	1,061
Add: Addition during the year	-	-
Less: Reclassified to Retained Earnings	-	(1,061)
Closing balance	-	-
Effective portion of Cash Flow Hedges		
Opening balance	-	(14)
Add: Addition during the year	-	14
Closing balance	-	-
Total	(17,29,952)	(6,07,123)

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

23. 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 per cent 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 amalgamation (the Scheme) between BNP Paribas Lease Group (BPLG) and SEFL, approved by shareholders and sanctioned by Hon'ble High Court of Calcutta vide order of 25th 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) Regulations, 2008 to DRR and no DRR is required in case of privately placed debentures.
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 is 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.

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

24. Interest Income

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023				For the year ended March 31st, 2022			
	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	389	1,14,447	2,999	1,17,835	2,458	2,43,026	7,151	[illegible]
Interest income from Investment	-	527	424	951	-	139	13	152
Interest on Fixed Deposits with Banks	-	9,617	-	9,617	-	1,421	-	1,421
Total	389	1,24,591	3,423	1,28,403	2,458	2,44,625	7,812	2,54,855

25. Net gain/ (loss) on fair value changes

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023			For the year ended March 31st, 2022		
	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	-	-	-	5,128	-	5,128
(ii) Others						
- Investments	-	(11,415)	(11,415)	-	(22,664)	(22,664)
- Loan	-	(116)	(116)	-	(12,999)	(12,999)
- Trade Receivables	1,825	-	1,825	3,014	-	3,014
Total Net gain/(loss) on fair value changes	1,825	(11,531)	(9,706)	8,142	(35,663)	(27,521)
Fair Value changes:						
-Realised	-	-	-	(507)	(4,457)	(4,964)
-Unrealised	1,825	(11,531)	(9,706)	8,649	(31,206)	(22,557)
Total Net gain/(loss) on fair value changes	1,825	(11,531)	(9,706)	8,142	(35,663)	(27,521)

26. Others

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Liabilities no longer required written back	204	3,097
Income from joint controlled operation	1,998	1,913
Miscellaneous Income	(159)	49
Others	941	1,434
Total	2,984	6,493

27. Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Net gain or (loss) on foreign currency transaction and translation (other than considered as finance cost)	-	
Others	1,617	
Total	1,617	(280)

28. Finance Costs

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023 (Refer Note No. [illegible])			For the year ended March 31st, 2022 [illegible]		
	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	-	[illegible]	[illegible]	-	[illegible]	[illegible]
Interest on Debt Securities	-	[illegible]	[illegible]	-	[illegible]	[illegible]
Interest on Subordinated Liabilities	-	[illegible]	[illegible]	-	[illegible]	[illegible]
Other Interest Expense	-	[illegible]	[illegible]	-	[illegible]	[illegible]
Total	-	[illegible]	[illegible]	-	[illegible]	[illegible]

29. Impairment on Financial Instruments (Net)

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023			For the year ended March 31st, 2022		
	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	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Others	-	[illegible]	[illegible]	-	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

30. Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Salaries and Wages	[illegible]	[illegible]
Contribution to provident and other funds*	[illegible]	[illegible]
Staff Welfare Expenses	[illegible]	[illegible]
Total	[illegible]	[illegible]

* This includes [illegible] expended under defined contribution plans of ₹ [illegible] lakhs (March 31st, 2022: ₹ [illegible] lakhs).

31. Other Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Rates & Taxes	66	[illegible]
Rent	617	[illegible]
Electricity Charges	182	[illegible]
Repairs and Maintenance - Machinery	1,846	[illegible]
- Others	150	[illegible]
Communication Costs	153	[illegible]
Printing and Stationery	81	[illegible]
Advertisement and Subscription	[illegible]	[illegible]
Director's fees, Allowances and expenses	-	[illegible]
Auditor's Fees and Expenses (Refer Note No. 31.1)	163	[illegible]
Legal and Professional Charges	5,549	[illegible]
Insurance	400	[illegible]
Travelling and Conveyance	1,090	[illegible]
Net loss on derecognition of Property, Plant and Equipment	1,513	[illegible]
Repossession Expenses	111	[illegible]
Corporate Social Responsibility Expenses (Refer Note No. 31.2)	-	-
Conference and Seminar	-	[illegible]
Exchange Fluctuation (Net)	-	[illegible]
Impairment loss on capital advance	-	[illegible]
CIRP Expenses (Refer Note No. 31.3)	1,989	[illegible]
Other Expenditure	[illegible]	[illegible]
Total	[illegible]	[illegible]

31.1 Payments to the Auditor (including GST)

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
As Auditor - Statutory Audit & Limited Reviews	[illegible]	[illegible]
As Auditor - Tax Audit	17	-
Other Services (Certification etc.)	[illegible]	[illegible]
For Reimbursement Expenses	[illegible]	[illegible]
Total	[illegible]	[illegible]

31.2 Corporate Social Responsibility Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
(a) Gross amount required to be spent by the Company during the year	-	-
(b) Amount of expenditure incurred (paid in cash)	-	-
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	[illegible]	[illegible]
(e) Reason for shortfall	Refer Note No. [illegible]	Refer Note No. [illegible]
(f) Nature of CSR activities	Not Applicable	Not Applicable
(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

31.3 CIRP Expenses

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Fees to Resolution professionals	[illegible]	[illegible]
Manpower Cost	[illegible]	[illegible]
Reimbursement of expenses	[illegible]	[illegible]
Other Expenses	[illegible]	[illegible]
Total	[illegible]	[illegible]

32. Earnings Per Share

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Net Profit attributable to Equity Shareholders (₹ in Lakhs)	(11,13,928)	(2,77,297)
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 ₹)	(1409.87)	(350.93)

33. Deferred Tax (Assets)/Liabilities (Net)

(₹ in Lakhs)

Particulars	Balance as at March 31st, 2023	Balance as at March 31st, 2022
Deferred Tax Liabilities on		
Property, Plant and Equipment and Intangible Assets	4,111	10,715
Gross deferred tax liabilities	4,111	10,715
Deferred Tax Assets on		
Financial assets and liabilities at fair value	36,407	30,404
Financial assets and liabilities at amortised cost	14,055	22,179
Loss under Income Tax	4,20,078	1,75,715
Expenses allowable for tax purpose when paid	40,200	38,330
Other timing differences	(32)	35
Gross deferred tax assets	5,10,708	2,67,271
Deferred tax liabilities/(Assets) (Net) *	(5,06,597)	(2,56,556)

* 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.

34. Contingent Liabilities and Commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Contingent liabilities		
Claims against the Company not acknowledged as debt *		
Disputed demands		
- Entry Tax [deposit made under protest March 31st, 2023: ₹ 1 lakh (March 31st, 2022: ₹ 1 lakh)]	-	-
- Value Added Tax (VAT) [deposit made under protest March 31st, 2023: ₹ 185 lakhs (March 31st, 2022: ₹ 186 lakhs)]	1,212	1,212
- Central Sales Tax [deposit made under protest March 31st, 2023: ₹ 1 lakh (March 31st, 2022: ₹ 1 lakh)]	-	-
- Service tax [deposits made under protest March 31st, 2023: ₹ 455 lakhs (March 31st, 2022: ₹ 455 lakhs)] #	1,410	1,410
- Income Tax [deposits made under protest March 31st, 2023: ₹ 672 lakhs (March 31st, 2022: ₹ 672 lakhs)]	6,931	6,931
(A) **	9,553	9,553
Disputed demands ##		
- Service Tax [deposits made under protest March 31st, 2023: ₹ 4 lakhs (March 31st, 2022: ₹ 4 lakhs)]	382	382
- Income Tax	-	-
(B) ***	382	382
Bank guarantees	79	79
(C)	79	79
Total (A+B+C)	10,014	10,014
Commitments		
Estimated amount of capital contracts remaining to be executed [Net of advances of ₹ 30 lakhs (March 31st, 2022: ₹ 11 lakhs)]	-	****

* The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Based on the directions of RBI, during the year ended March 31st, 2022 the Company has made provision amounting to ₹ 9,907 lakhs and ₹ 4,09[illegible] lakhs 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. 71), details of which is as given below :
** Entry Tax - ₹ 30 Lakhs, Value Added Tax - ₹ 66 Lakhs, Central Sales Tax - ₹ 1 Lakhs, Service tax - ₹ 400 Lakhs, Income Tax - ₹ 375 Lakhs.
*** Central Sales Tax - ₹ 211 Lakhs, Service tax - ₹ 4,265 Lakhs, Income Tax - ₹ 9,532 Lakhs.

Further, during the year ended March 31st, 2023 the Company had made provision amounting to ₹ 7 lakhs in respect of indirect tax cases with the relevant tax authorities details of which is as given below :
Goods and Service Tax - ₹ 5 lakhs , Value Added Tax - ₹ 2 lakhs.

**** ₹ 40,000/- only.

Net of ₹ 519 lakhs (March 31st, 2022: ₹ 519 lakhs) 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 w.e.f October 1st, 2019, by virtue of which the Company has undertaken to repay any liability with respect to disputed demands for the Transferred Undertaking (refer Note No. 64), 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.

35. Financial Guarantees

(₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
Bank Guarantee @@	29,185	36,141
Corporate Guarantee @@@	2,330	9,289
Total	31,515	45,430

@ Represents bank guarantees issued on behalf of the customer and other parties.
@@ Includes ₹ 331 lakhs (March 31st, 2022: ₹ 415 lakhs) issued on behalf of its holding Company including out of banks credit line which was transferred to the Company as part of BTA (refer Note No. 64).
@@@ Represents corporate guarantee issued on behalf of the company.

[illegible]
[illegible]

[illegible]

[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]				
[illegible]	Building	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Building	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Land	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
[illegible]	Land	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Land	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Land	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
	Land	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
	Building	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
	Building	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
	Land	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
	Land	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	[illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]
[illegible]	Payables (Postage & Courier)	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31st, 2023

iii) Registration of charges or satisfaction with Registrar of Companies (ROC)
[illegible]

Satisfaction yet to be registered with ROC

(₹ in Lakhs)

Facility Name	Charge ID	Date of charge creation / Modification	Name of charge holder	Charge amount	
				As at March 31st, 2023	As at March 31st, 2022
Optionally Convertible Debentures	10075085	June 13th, 2018	Axis Trustee Services Limited		5,754
Debt Securities	10078770	December 20th, 2017	Catalyst Trusteeship Limited	500	500
Term Loans	10060417	March 24th, 2017	Small Industries Development Bank of India	10,000	10,000
Term Loans	10059773	September 20th, 2016	The Karur Vysya Bank Limited	7,500	7,500
Term Loans	10026468	November 24th, 2016	Axis Trustee Services Limited	36,000	35,000
Total				54,000	62,554

Charges not yet registered with ROC

(₹ in Lakhs)

Facility Name	Name of Lender	Reason for Non-registration	Amount *	
			As at March 31st, 2023	As at March 31st, 2022
Debt Securities	Catalyst Trusteeship Limited	Form CHG-9 filed with ROC but not approved ** (As at March 31st, 2022 - Form CHG-9 filed with ROC but yet to be approved **)	10,092	10,085
Debt Securities	Axis Trustee Services Limited		86,709	85,525
Debt Securities	Axis Trustee Services Limited	Security Agreement signed but form CHG-9 not filed ** (As at March 31st, 2022 - Form CHG-9 filed with ROC but yet to be approved **)	81	81
Term Loans	HDFC Bank Limited	Form CHG-1 not filed with ROC	21	21
Term Loans	ICICI Bank Limited		25	25
Term Loans	Toyota Financial Services India Limited		34	50
Term Loans	Bank of India	Security Agreement not signed **	38,101	38,147
Term Loans	Canara Bank		8,956	8,956
Term Loans	IDBI Limited		13,929	45,825
Term Loans	Indian Bank		6,862	6,862
Term Loans	Lakshmi Vilas Bank		1,113	1,113
Term Loans	Punjab and Sind Bank		3,513	3,551
Term Loans	Punjab National Bank		18,852	18,906
Term Loans	South Indian Bank Limited		255	295
Term Loans	State Bank of India		2,619	2,533
Term Loans	Union Bank of India		23,963	23,851
Working Capital Facilities ***	Consortium with Lead Bank Axis Bank Limited		8,70,864	8,76,151
Total			11,00,341	10,97,929

ROC - Registrar of Companies, Kolkata
* This represents amount outstanding and does not include effect of effective interest rate adjustment and interest accrued but not due.
** Refer Note No. 42 and 74
*** Includes WCDL, FITL and Cash credit

41. The Company has not been declared as wilful defaulter by any bank or financial institution or other lender during the year ended March 31st, 2023 and March 31st, 2022 (Also refer Note No. [illegible]).

42. The Company does not have any subsidiaries as at March 31st, 2023 and March 31st, 2022. Hence, compliance with clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

43. The Company has taken borrowings from Banks or financial institutions on the basis of security of current assets.
Post [illegible] commencement of CIRP (Refer Note No. [illegible]), the Company has not filed quarterly returns or statements of current assets with banks or financial institutions for the quarters ended June 30th, 2022, September 30th, 2022, December 31st, 2022 and March 31st, 2023.
During the previous year, quarterly returns or statements of current assets filed by the Company with banks or financial institutions for the quarters ended June 30th, 2021 and September 30th, 2021 are in agreement with the books of accounts. Further, subsequent to initiation of CIRP (Refer Note No. [illegible]), the Company has not filed quarterly returns or statements of current assets with banks or financial institutions for the quarters ended December 31st, 2021 and March 31st, 2022.
Current assets for this purpose includes loans and other receivables which are expected to be realised within twelve months after the reporting date.

44. Utilisation of Borrowed funds and share premium:
(A) During the year ended and as at March 31st, 2023 and March 31st, 2022, 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, 2023 and March 31st, 2022, 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.

45. 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, 2023 and March 31st, 2022.

46. Disclosure pursuant to Ind AS 19 - Employee Benefits

I. Defined Contribution Plan

Contributions to Defined Contribution Plans as recognised in the Statement of Profit and Loss by the Company are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Employer's contribution towards		
- Provident Fund	414	555
- Employees' State Insurance	9	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. 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 employee's 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, 2023.

46.1. Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(₹ in Lakhs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	As at March 31st, 2023	As at March 31st, 2022	As at March 31st, 2023	As at March 31st, 2022
1. Change in the defined benefit obligation (DBO)				
Present value of obligation at the beginning of the year	1,111	1,265	78	317
Current Service Cost	101	139	94	1
Interest Cost	69	71	*	2
Settlement (Credit)/Cost	-	-	-	65
Past Service Costs - plan amendments	-	-	-	-
Acquisitions Cost/(Credit)	-	-	-	-
Actuarial (gain)/loss - experience	18	53	38	121
Actuarial (gain)/loss - demographic assumptions	-	-	-	-
Actuarial (gain)/loss - financial assumptions	166	(29)	13	(2)
Benefits paid	(261)	(359)	(144)	(366)
Present value of obligation at the end of the year	**1,204**	**1,111**	**79**	**78**
2. Change in plan assets				
Fair value of Plan Assets at the beginning of the year	773	927	-	-
Acquisition adjustment	-	-	-	-
Interest income on plan assets	71	57	-	-
Contributions by the employer	747	156	-	-
Return on Plan assets greater/(lesser) than discount rate	2	(8)	-	-
Benefits paid	(261)	(359)	-	-
Fair value of Plan Assets at the end of the year	**1,332**	**773**	-	-

* ₹ 0.42 lakhs

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 Lakhs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
	As at March 31st, 2023	As at March 31st, 2022	As at March 31st, 2023	As at March 31st, 2022
3. Amounts recognised in Balance Sheet consists of :**				
Fair value of Plan Assets at the end of the year (A)	1,333	773	-	-
Present Value of Obligation at the end of the year (B)	1,204	1,111	79	78
Funded status [surplus/(deficit)] (A-B)	129	(338)	(79)	(78)
Net defined benefit Asset/(Liabilities) (A-B)	129	(338)	(79)	(78)

** Also includes DBO in respect of sick leave amounting to ₹ 242 lakhs as at March 31st, 2023 (As at March 31st, 2022 ₹ 360 lakhs).

(₹ in Lakhs)

Description	Gratuity (Funded)		Compensated absence (Unfunded)	
4. Expenses recognised in the Statement of Profit and Loss consists of:	**For the year ended March 31st, 2023**	**For the year ended March 31st, 2022**	**For the year ended March 31st, 2023**	**For the year ended March 31st, 2022**
Employee benefits expenses:				
Current Service cost	101	139	90	106
Net Interest cost	(2)	15	*	2
Actuarial (Gain) / Loss due to DBO experience	-	-	54	119
Actuarial (Gain) / Loss due to DBO assumptions changes	-	-	-	-
Total (A)	**99**	**154**	**145**	**227**
Other Comprehensive Income				
Actuarial (Gain) / Loss due to DBO experience	18	53	38	121
Actuarial (Gain) / Loss due to DBO assumptions changes	166	(29)	13	(2)
Actuarial (Gain) / Loss during the year	184	24	51	119
Return on Plan assets (greater)/lesser than discount rate	(2)	8	-	-
Actuarial (Gain) / Losses recognised in OCI (B)	**182**	**42**	-	-
Adjustment for limit on net asset	-	-	-	-
Expense recognised during the year (A+B)	**281**	**196**	**145**	**227**

* ₹ 0.42 lakhs

The expense for the Defined Benefits referred to in note no. 46.1 above, are included in the line item under 'Contribution to Provident and other Funds' in Note No. 32.

SREI EQUIPMENT FINANCE LIMITED
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46.2 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	
5. Investment Details of Plan Assets	As at March 31st, 2023	As at March 31st, 2022	As at March 31st, 2023	As at March 31st, 2022
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	7.20%	7.00%	7.20%	7.00%
Salary escalation rate per annum	7.50%	5.00%	7.50%	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	

46.3 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.

46.4 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, 2023				As at March 31st, 2022			
	Gratuity (Funded)		Compensated absence (Unfunded)		Gratuity (Funded)		Compensated absence (Unfunded)	
	%	(₹ in Lakhs)	%	(₹ in Lakhs)	%	(₹ in Lakhs)	%	(₹ in Lakhs)
1. Discount Rate + 1%	[illegible]	(94)	[illegible]	(6)	-8.30%	[illegible]	[illegible]	[illegible]
2. Discount Rate – 1%	8.92%	107	8.40%	7	[illegible]	[illegible]	[illegible]	[illegible]
3. Salary Increase Rate + 1%	[illegible]	85	8.30%	7	7.50%	[illegible]	[illegible]	[illegible]
4. Salary Increase Rate – 1%	[illegible]	(78)	-7.40%	(6)	-7.00%	[illegible]	[illegible]	[illegible]

46.5 Maturity analysis of the defined benefit obligation are as follows.

(₹ in Lakhs)

Description	As at March 31st, 2023		As at March 31st, 2022	
	Gratuity (Funded)	Compensated absence (Unfunded)	Gratuity (Funded)	Compensated absence (Unfunded)
Within 1 year	[illegible]	[illegible]	51	5
1-2 years	47	3	58	5
2-3 years	77	7	63	3
3-4 years	113	5	82	4
4-5 years	95	4	113	5
5+ years	[illegible]	35	[illegible]	47

The Company expects to contribute ₹ Nil to the fund in the next financial year.

46.6. Weighted average duration of the defined benefit obligation is 9 years for compensated absence (unfunded) (Previous year: 5 years) and 9 years for gratuity (funded) (Previous year: 9 years).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2022

47. 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 (wef 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 (wef March 1st, 2022)	Managing Director (till October 4th, 2021) Chief Business Officer (wef March 1st, 2022)
Mr. Indranil Sengupta (wef August 1st, 2020) (till October 4th, 2021)*	Whole Time Director
Mr. Manoj Kumar Beriwala (till June, 29th, 2021) and (wef March 1st, 2022)	Chief Financial Officer (till June, 29th, 2021) Chief Compliance Officer - RBI Compliances (wef 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 Sharma (wef August 20th, 2021)	Company Secretary
Ms. Nidhi Saharia (wef March 1st, 2022)	Chief Risk Officer
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 (wef April 2nd, 2020) (till October 4th, 2021)*	Independent Director
Mr. Malay Mukherjee (wef March 6th, 2020) (till October 4th, 2021)*	Independent Director
Mr. Deepak Verma (wef April 23rd, 2021) (till October 4th, 2021)*	Independent Director

Others

Name	Nature of Relationship
Yogesh Kajaria - HUF (wef June 30th, 2021)	KMP is Karta
Manoj Kumar Beriwala - HUF (till June, 29th, 2021) and (wef March 1st, 2022)	KMP is Karta
Vandana Kumari (wef April 1st, 2021)	Relative of KMP of Parent Company
Prabhu Sureka (wef March 1st, 2022)	Relative of KMP
Sangita Agarwal (wef March 21st, 2022)	Relative of KMP of Parent Company

*Refer Note No. 1.2

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2022

47. Disclosure pursuant to Ind AS 24 Related Party Disclosures (continued)
47(c) Summary of Transactions with Related Parties

(₹ in Lakhs)

Name of the Related Party	Nature of relationship/designation	Nature of transactions	For the year ended March 31st, 2022	Balance as at March 31st, 2022	For the year ended March 31st, 2021	Balance as at March 31st, 2021
Srei Infrastructure Finance Limited	Parent Company	Rent paid for Leased Premises	34	225	38	[illegible]
		Security Deposit paid for Leased Premises - Excluding impairment loss allowance of ₹ 15,065 lakhs as at March 31st, 2022 ([illegible] as at March 31st, 2021)	-	15,986	-	[illegible]
		Rent received for Leased Premises	11	-	3	3
		Inter corporate Deposit Given (including interest accrued thereon) - Excluding impairment loss allowance of ₹ [illegible] lakhs as at March 31st, 2022 ([illegible] as at March 31st, 2021)	31	25,813	19	25,223
		Refund of Intercorporate Deposit Given	81	-	2,718	-
		Reimbursement of IT Expense	28	-	-	-
		Other Receivables - Amount received	300	-	-	-
		Other Receivables - Amount paid	300	-	-	-
		Other Receivables - Advance Given	-	-	1,355	-
		Other Receivables - Refund of Advance Given	-	-	1,319	-
		Bank Guarantee released (Refer Note No. [illegible])	-	-	88	-
		Bank Guarantee issued (Refer Note No. [illegible])	-	391	-	390
		Claim Receivable - Excluding impairment loss allowance of ₹ [illegible] lakhs as at March 31st, 2022 ([illegible] as at March 31st, 2021)	101	107	-	-
		Closure of Bank Guarantee	116	-	-	-
Bengal Srei Infrastructure Development Limited	Fellow Subsidiary	Loan Given (Secured) (Refer Note No. [illegible]) - Excluding impairment loss allowance of ₹ [illegible] lakhs as at March 31st, 2022 ([illegible] lakhs as at March 31st, 2021)	-	123	-	119
		Interest Income on Loan Given	4	-	13	-
Trinity Alternative Investment Managers Limited (formerly Srei Alternative Investment Managers Limited)	Fellow Subsidiary	Loan Given (Secured) - Excluding impairment loss allowance of ₹ 3,005 lakhs as at March 31st, 2022 (₹ [illegible] lakhs as at March 31st, 2021)	-	1,039	-	1,097
		Interest Income on Loan Given	336	-	307	-
Controlla Electrotech Private Limited	Fellow Subsidiary	Rent paid for Leased Premises	312	156	130	156
		Security Deposit paid for Leased Premises - Excluding impairment loss allowance of ₹ [illegible] lakhs as at March 31st, 2022 (Nil as at March 31st, 2021)	-	2,308	-	2,250
		Interest Received on Security Deposit - Excluding impairment loss allowance of ₹ [illegible] lakhs as at March 31st, 2022 (Nil as at March 31st, 2021)	205	152	177	163
Srei Capital Markets Limited	Fellow Subsidiary	Rent received for Leased Premises	1	-	1	1
Srei Insurance Broking Private Limited	Fellow Subsidiary	Rent received for Leased Premises	10	1	3	-
Mr. Rajneesh Sharma	Administrator (w.e.f October 4th, 2021)	Consultancy Fees	56	-	27	-
Mr. Hemant Kanoria	Chairman (till October 4th, 2021)	Short-term employee benefits	-	34	2	34
Mr. Sunil Kanoria	Vice Chairman (till October 4th, 2021)	Short-term employee benefits	-	18	2	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	212	64	198	93
		Post-employment benefits	17	3	10	5
Mr. [illegible] Sengupta	Whole Time Director (w.e.f August 1st, 2020) (till October 4th, 2021)	Short-term employee benefits	-	2	43	2
		Post-employment benefits	-	-	2	-
Mr. Yogesh Kajaria	Chief Financial Officer (w.e.f June 30th, 2021)	Short-term employee benefits	70	5	49	8
		Post-employment benefits	3	-	3	-
Mr. Manoj Kumar Beriwala	Chief Financial Officer (till June 29th, 2021) and Chief Compliance Officer - Rail Compliance (w.e.f March 1st, 2022)	Short-term employee benefits	54	10	27	10
		Post-employment benefits	5		8	-
Ms. Ritu Bhojak	Company Secretary (till May 18th, 2021)	Short-term employee benefits	-	-	6	-
		Post-employment benefits	-	-	1	-
Mr. Mohit [illegible]	Chief Risk Officer (w.e.f March 1st, 2022)	Short-term employee benefits	40	3	4	4
		Post-employment benefits	2	-	-	-
Mr. Sumit Kumar Sureka	Company Secretary (w.e.f August 23rd, 2021)	Short-term employee benefits	56	3	28	3
		Post-employment benefits	2	-	1	-
Mr. Shyamalendu Chatterjee	Independent Director (w.e.f April 2nd, 2020) (till October 4th, 2021)	Sitting Fees	-	***	19	***
Mr. Suresh Kumar Jain	Independent Director (till October 4th, 2021)	Sitting Fees	-	-	23	-
Dr. Tamali Sengupta	Independent Director (till October 4th, 2021)	Sitting Fees	-	2	22	2
Mr. Uma Shankar Paliwal	Independent Director (till October 4th, 2021)	Sitting Fees	-	-	28	-
Mr. Malay Mukherjee	Independent Director (w.e.f March [illegible], 2021) (till October 4th, 2021)	Sitting Fees	-	2	26	2
Mr. Deepak Verma	Independent Director (w.e.f April 22nd, 2021) (till October 4th, 2021)	Sitting Fees	-	-	8	-
Yogesh Kajaria - HUF	KMP is Karta (w.e.f June 30th, 2021)	Car Hire Charges	4	2	5	3
Manoj Kumar Beriwala - HUF	KMP is Karta (till June 29th, 2021) and KMP is Karta (w.e.f March 1st, 2022)	Car Hire Charges	6	1	2	1
Vandana Kanoria	Relative of KMP of Parent Company (w.e.f April 1st, 2021)	Car Hire Charges	6	-	1	-
Prabha Sureka	Relative of KMP (w.e.f March 1st, 2022)	Car Hire Charges	6	-	****	-
Sangeeta Agrawal	Relative of KMP of Parent Company (w.e.f March 21st, 2022)	Car Hire Charges	6	-	-	-

* ₹ [illegible]/-
** ₹ [illegible]/-
*** ₹ [illegible]/-
**** ₹ [illegible]/-
# [illegible] represents [illegible] from Parent Company, APC & TRO.
Note 1. Settlement of [illegible] arising between [illegible] in cash.
Note 2. The above transactions [illegible] excluding GST.
Note 3. All the related party transactions have been made on the ordinary course of business and the terms are generally at arms length basis.

47(d) Compensation to KMPs

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2022	For the year ended March 31st, 2021
Short-term employee benefits	462	132
Other long-term employee benefits	9	14
Post-employment benefits	31	15

48. As at March 31st, 2023 and as at March 31st, 2022, 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.

49. 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 wef 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. 63, 64, 65 and 69

(₹ in Lakhs)

	As at March 31st, 2023	As at March 31st, 2022
Tier I capital	(23,52,073)	(11,86,181)
Tier II capital	7,613	22,892
Total capital *	**(23,52,073)**	**(11,86,181)**
Risk weighted assets **	6,09,024	18,31,340
Tier I Ratio	(386.21)%	(64.77)%
Tier II Ratio	1.25%	1.25%

* 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, 2023 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.

50. 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. 3 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 Lakhs)

Particulars	As at March 31st, 2023		As at March 31st, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
a) Measured at Amortised Cost				
i) Cash and Cash Equivalents	2,52,699	2,52,699	1,27,381	1,27,381
ii) Bank Balance other than (i) above	18,162	18,162	19,261	19,261
iii) Trade Receivables	146	146	3,168	3,168
iv) Loans	9,40,605	9,57,970	9,51,476	10,27,162
v) Investments	8,982	8,994	6,986	6,996
vi) Other Financial Assets	3,501	3,501	17,989	17,989
Sub-total	12,24,044	12,51,419	21,65,759	22,41,657
b) Measured at Fair value through Profit or Loss				
i) Loans	19,091	19,091	39,187	39,187
ii) Investments	54,758	54,758	1,16,620	1,16,620
iii) Other Financial Assets	62,196	62,196	72,542	72,542
Sub-total	1,36,045	1,36,045	2,28,349	2,28,349
c) Measured at Fair value through Other Comprehensive Income				
i) Loans	2,687	2,687	16,462	16,462
Sub-total	2,687	2,687	16,462	16,462
Total Financial Assets	13,62,776	13,90,151	24,10,570	24,46,468
Financial Liabilities				
a) Measured at Amortised Cost				
i) Trade Payables	6,414	6,414	6,413	6,413
ii) Debt Securities	2,59,944	2,59,944	2,59,552	2,59,552
iii) Borrowings (Other than Debt Securities)	26,69,340	26,69,421	26,75,461	26,75,292
iv) Subordinated Liabilities	2,62,458	2,62,458	2,61,581	2,61,581
v) Lease Liabilities	696	696	428	428
vi) Other Financial Liabilities	14,706	14,706	14,672	14,672
Total Financial Liabilities	32,13,558	32,13,641	32,20,914	32,24,043

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, 55) the carrying value as at March 31st, 2023 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.

[illegible]
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

56. Financial Instruments and Related Disclosures (continued)

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

(₹ in Lakhs)

Particulars	As at March 31st, 2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	[illegible]	21,726
Investments	[illegible]	[illegible]	48,558	[illegible]
Other Financial Assets	-	-	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

(₹ in Lakhs)

Particulars	As at March 31st, 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Loans	-	-	55,649	55,649
Investments	421	[illegible]	1,16,215	[illegible]
Other Financial Assets	-	-	72,542	72,542
	421	[illegible]	[illegible]	[illegible]

Fair value of the Company's assets and liabilities that are measured at fair value on a recurring basis

(₹ in Lakhs)

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation Technique and Key Inputs	Significant Unobservable Inputs
	March 31st, 2023	March 31st, 2022			
Financial Assets					
Loans	21,726	55,649	Level 3	Note (i)	Note (v) and (vi)
Investment	[illegible]	421	Level 1	Note (ii)	Not applicable
Investment	[illegible]	[illegible]	Level 2	[illegible]	Not applicable
Investment	48,558	1,16,215	Level 3	Note (i)	Note (v)
Other Financial Assets	[illegible]	72,542	Level 3	Note (i)	Note (vii)

(i) 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.
(ii) Quoted Prices
Quoted bid prices of securities on the exchange.
(iii) Price to Revenue/Earnings Multiple Method
Price was derived as a multiple of revenue/earnings based on relevant information from comparable companies [illegible]
(iv) 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.
(v) [illegible]
(vi) The fair value of [illegible]
(vii) Probability of recovery and discount rate considered by the Valuer.

Reconciliation of Level 3 fair value measurements

(₹ in Lakhs)

Reconciliation	Investments		Loans		Other Financial Assets	
	March 31st, 2023	March 31st, 2022	March 31st, 2023	March 31st, 2022	March 31st, 2023	March 31st, 2022
Opening Balance	1,16,215	[illegible]	55,649	[illegible]	72,542	[illegible]
Addition	[illegible]	[illegible]	2,190	[illegible]	-	
Redemption / transfers to repossessed assets*	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Transfers into Level 3	-	-	-	-	-	-
Transfers from Level 3	-	-	-	-	-	-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Comprehensive Income	-	-	[illegible]	[illegible]	-	-
Closing Balance	48,558	1,16,215	21,726	55,649	[illegible]	72,542

* Includes write off
[illegible]

[illegible]. Financial Instruments and Related Disclosures (continued)

Sensitivity of fair value measurements to changes in unobservable market data

The table below describes the effect of changing the significant unobservable inputs to reasonably 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 symmetrical as the model inputs are usually not in the middle of the favourable/unfavourable range.
Below table shows impact of the possible effect of fair valuation measurement at 2%

(₹ in Lakhs)

Particulars	As at March 31st, 2023		As at March 31st, 2022	
	Favourable Changes	Unfavourable Changes	Favourable Changes	Unfavourable Changes
Loans at FVTOCI	-	-	459	(514)
Loans at FVTPL	668	(651)	1,637	(1,556)
Investments at FVTPL*	584	(654)	6,911	(6,118)
Other Financial Assets at FVTPL	1,721	(1,172)	1,903	(1,894)
Total	3,072	(2,481)	10,910	(9,943)

*Impact of increase/decrease in the fair value measurement of 2% excludes those cases of Security Receipts, where provision as per RBI circular DOR.STR.REC.51/21.04.048/2022-23 dated June 28, 2022 is higher than fair value measurement derived by respective values.

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 upon implementation of the approved resolution plan.

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, 2023.

Foreign Currency Exposure

(₹ in Lakhs)

As at March 31st, 2023	USD	EURO	Total
Borrowings (Other than Debt Securities)	1,46,388	80,529	2,26,917
As at March 31st, 2022	USD	EURO	Total
Borrowings (Other than Debt Securities)	1,46,388	80,529	2,26,917

(₹ in Lakhs)

Hedged Foreign Currency Balances :		As at March 31st, 2023	As at March 31st, 2022
Borrowings (Other than Debt Securities)	USD	-	-
	EURO	-	-

(₹ in Lakhs)

Unhedged Foreign Currency Balances : *		As at March 31st, 2023	As at March 31st, 2022
Borrowings (Other than Debt Securities)	USD	1,46,388	1,46,388
	EURO	80,529	80,529

* Includes Overdue Principal and Interest. Also Refer Note No. 68.

50. Financial Instruments and Related Disclosures (continued)

Foreign currency sensitivity

Impact on increase in 2% (₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
USD	-	-
EURO	-	-

Impact on decrease in 2% (₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
USD	-	-
EURO	-	-

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 tools.

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, 2023 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 Lakhs)

As at March 31st, 2023	INR	USD	EURO	Total
Financial Assets				
Loans	5,70,810	-	-	5,70,810
Financial Liabilities				
Borrowings (Other than Debt Securities)	-	-	-	-
Subordinated Liabilities	-	-	-	-
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	-	-	-	-

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 Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
INR	11,416	16,129
USD	-	-
EURO	-	-

Impact on decrease in 2% (₹ in Lakhs)

Particulars	As at March 31st, 2023	As at March 31st, 2022
INR	(11,416)	(16,129)
USD	-	-
EURO	-	-

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 liability/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, 2023 is ₹ 277 lakhs (March 31st, 2022 ₹ 421 lakhs).

A 10% change in equity prices of such securities held as at March 31st, 2023 would result in an impact of ₹ 28 lakhs (March 31st, 2022 ₹ 42 lakhs).

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

[illegible]

(i) 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

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

Year	Number of Significant Counterparties** #	Amount (₹ in Lakhs) *	% of Total deposits	% of Total Liabilities
March 31st, 2023	13	24,46,512	Not applicable	75%
March 31st, 2022	16	24,98,051	Not applicable	77%

[illegible]

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits) - Not applicable [illegible]

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

As at March 31st, 2023		As at March 31st, 2022	
Amount (₹ in Lakhs) *	% of Total Borrowings	Amount (₹ in Lakhs) *	% of Total Borrowings
20,91,179	80%	[illegible]	[illegible]

[illegible]

(iv) Funding Concentration based on significant instrument/product

Sr. No.	Name of the instrument/product ##	As at March 31st, 2023		As at March 31st, 2022	
		Amount (₹ in Lakhs) #	% of Total Liabilities	Amount (₹ in Lakhs) #	% of Total Liabilities
1	Term Loan from Banks				
a.	Rupee Term loans - Secured	[illegible]	7%	2,18,716	7%
b.	Foreign currency Term loans - Secured	25,196	1%	41,137	1%
2	Working capital facilities	20,22,411	63%	19,75,575	61%
3	Term Loan from Others				
a.	Rupee Term loans - Secured	[illegible]	[illegible]	[illegible]	1%
b.	Foreign currency Term loans - Secured	74,778	2%	74,276	2%
4	Non-convertible debentures - Secured	2,55,893	8%	2,55,503	8%
5	Subordinated Non-convertible debentures (Tier II Capital)	2,18,409	7%	2,20,741	7%

\# Amount is as per contractual terms
\#\# [illegible]

(v) Stock Ratios

Sr. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
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	[illegible]	[illegible]
8	Other Short-Term Liabilities to Total Liabilities	[illegible]	[illegible]
9	Other Short-Term Liabilities to Total Assets	[illegible]	[illegible]

[illegible]

(vi) Institutional set-up for liquidity risk management
[illegible] December 13th, 2021

Notes:
1. The Reserve Bank of India ('RBI') vide press release dated October 4, 2021, in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 ('RBI Act') superseded the Board of Directors of the Company ('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 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 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. 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 received from Prospective Resolution Applicants (PRAs) on January 14, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated COC took on record the results of the e-voting in CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited ('NARCL') was duly approved by COC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016 thereby declaring NARCL as Successful Resolution Applicant (SRA).

The approved resolution plan of NARCL was filed before Adjudicating Authority i.e. Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory [illegible] Adjudicating Authority. [illegible]

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. A 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 [illegible] 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) Directions, 2016.

6. [illegible] 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.
[illegible]
[illegible]

[illegible] FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

[illegible]

[illegible]

[illegible]

[illegible]

(Rs in Lakhs)

Particulars	As at March 31st, 2023								
	[illegible]	Over 1 month & up to 2 Months	Over 2 months & up to 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	[illegible]	-	-	-	-	-	-	-	[illegible]
(ii) Bank Balance other than (i) above	607	[illegible]	48	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
(iii) Trade Receivables	[illegible]	-	-	-	-	-	-	-	[illegible]
(iv) Loans	[illegible]	2,580	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(a) Liability towards Assignment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]
(v) Investments	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(vi) Other Financial Assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B. Financial Liabilities									
(i) Trade Payables	-	-	-	-	[illegible]	-	-	-	[illegible]
(ii) Debt Securities	-	-	-	-	-	-	-	-	[illegible]
(iii) Borrowings (Other than Debt Securities)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]
(iv) Subordinated Liabilities	-	-	-	-	-	-	-	-	[illegible]
(v) Lease Liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]
(vi) Other Financial Liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]

[illegible]

(Rs in Lakhs)

Particulars	As at March 31st, 2022								
	[illegible]	Over 1 month & up to 2 Months	Over 2 months & up to 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	[illegible]	-	-	-	-	-	-	-	[illegible]
(ii) Bank Balance other than (i) above	[illegible]	[illegible]	38	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
(iii) Trade Receivables	[illegible]	-	-	-	-	-	-	-	[illegible]
(iv) Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(a) Liability towards Assignment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	-	[illegible]
(v) Investments	[illegible]	-	24	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(vi) Other Financial Assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B. Financial Liabilities									
(i) Trade Payables	[illegible]	[illegible]	[illegible]	[illegible]	-	-	-	-	[illegible]
(ii) Debt Securities	-	-	-	-	-	-	-	-	[illegible]
(iii) Borrowings (Other than Debt Securities)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
(iv) Subordinated Liabilities	-	-	-	-	-	-	-	-	[illegible]
(v) Lease Liabilities	37	[illegible]	35	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
(vi) Other Financial Liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]

[illegible]

50. Financial Instruments and Related Disclosures (continued)

[illegible] Liquidity Coverage Ratio (LCR)

[illegible] RBI [illegible] dated November [illegible] on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

The Company [illegible] December 31, 2021 [illegible] Note No. [illegible] March 31, 2021.

Pursuant to initiation of CIRP w.e.f. October 8th, 2021 (Refer Note No. 1.2) all the debts owed to financial Creditors [illegible] resolution plan to be approved by adjudicating authority. [illegible] September 30, 2021, December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022, December 31, 2022 and March 31, 2023 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. [illegible]
The principal business of the Company is to provide financing in the form of loans to its clients [illegible] Trade Receivables. [illegible] Credit risk encompasses both the direct risk of default and the risk of [illegible] Board which lays down the credit evaluation and approval process in compliance with regulatory guidelines. [illegible] further lending is envisaged till the implementation of resolution plan.
The Company uses the Expected Credit Loss (ECL) Methodology to assess the impairment on [illegible] on such assets as per RBI guidelines and accounted for in the books as per regulatory guidelines.
Any concentration breach as per prudential norms are reported as required by RBI. [illegible]

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 minimize 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 [illegible] has been strengthened within the organization with review of policies of the Company – i.e. Credit Policy, Risk Policy and Stressed Asset Management Policy.

51. Transfers of Financial Assets

Transfers of financial assets that are not derecognised in their entirety

The Company has not entered into securitisation transactions during the financial year 2022-23 and 2021-22. There is no carrying amount and the values of all financial assets transferred that are not derecognised in their entirety and associated liabilities as at March 31, 2023 and March 31, 2022.

51. Assets obtained by taking possession of collateral [illegible]

The Company has obtained certain non-financial assets during the year by taking possession of collaterals or security against outstanding by the party. [illegible] asset can be recovered [illegible] are classified as Repossessed Assets and Assets acquired in satisfaction of debt [illegible] whichever is lower. The Company's policy is to realise collateral on a timely basis.

The table below shows the [illegible] value of Repossessed Assets and Assets acquired in satisfaction of debt [illegible]

(₹ in Lakhs)

Particular	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Land	-	-
Other	2,116	6,483
Total	2,116	6,483

53 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 Lakhs)

Assets	As at March 31st, 2023			As at March 31st, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Cash and Cash Equivalents	2,52,519	-	2,52,519	1,27,881	-	1,27,881
Bank Balance other than above	12,386	5,773	18,159	14,452	5,558	[illegible]
Trade Receivables	146		146	3,168	-	[illegible]
Loans	1,29,978	10,30,610	11,60,588	1,21,955	23,68,980	[illegible]
Liability on Assets Assignment $	(1,78,124)	(79)	(1,94,203)	(2,46,515)	10,095	[illegible]
Investments	4,533	59,207	63,740	41,920	81,084	[illegible]
Other Financial Assets # ^	48,543	17,079	65,697	20,191	54,840	[illegible]
Current Tax Assets (Net)	-	14,650	14,650	-	34,501	[illegible]
Property, Plant and Equipment	-	1,22,538	1,22,538	-	1,45,412	[illegible]
Right of use Assets	70	436	506	48	664	[illegible]
Other Intangible Assets	-	541	541	-	336	[illegible]
Other Non-Financial Assets	22,597	912	23,509	27,411	940	[illegible]
Total	2,12,778	12,51,447	15,74,300	1,33,262	25,17,628	26,58,390

Receivables of security deposits from Srei Infrastructure Finance Limited (SIFL) amounting to ₹ 15,000 lakhs (net of impairment loss allowance of ₹ 15,000 lakhs) (March 31st, 2022 ₹ 15,000 lakhs (net of impairment loss allowance of ₹ 7,500 lakhs)) admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2 and 65) are not determinable.

$ For the current and previous year amount within 12 months includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation. (Also Refer Note No. 61)

^ Amount receivable from Holding Company, Srei Infrastructure Finance Limited (SIFL) amounting to ₹ 75 lakhs (net of impairment loss allowance of ₹ 37 lakhs) admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2 and 65) are not determinable.

(₹ in Lakhs)

Liabilities	As at March 31st, 2023			As at March 31st, 2022		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
Trade Payables ##	2,464	-	5,414	1,129	-	[illegible]
Debt Securities *	-	-	2,59,944	-	-	[illegible]
Borrowings (Other than Debt Securities) *	2,726	525	26,69,340	10,802	5,190	[illegible]
Subordinated Liabilities *	-	-	2,62,458	-	-	[illegible]
Lease Liabilities	70	546	626	70	756	[illegible]
Other Financial Liabilities	14,015	751	14,766	16,490	2,257	[illegible]
Current Tax Liabilities (Net)	-	13,635	13,635	-	13,652	[illegible]
Provisions	62	15,267	15,329	77	15,700	15,777
Other Non-Financial Liabilities	1,880	1,948	3,828	2,525	1,742	[illegible]
Total	21,217	32,672	31,46,350	31,040	37,275	32,57,614

Repayments of Trade Payables admitted as claims pursuant to initiation of CIRP (Refer Note No. 1.2, 65 and 66) 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, 65 and 66)

54. Disclosure of Joint Controlled Operations as on March 31st, 2023

During the year ended March 31st, 20[illegible] the Company had entered into agreements with [illegible] [illegible]. These SPV's [illegible] [illegible]

Accordingly [illegible]

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.

55. Segment Reporting

The Company is primarily engaged in financial services to its customers across India. Consequently, there are no separate reportable segments as per the AS 108.

56. (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 Direction') is furnished vide Annexure – I and hereto Annexed.

56. (ii) Disclosure of details as required in terms of [illegible] dated October 22, 202[illegible] [illegible] and in terms of circular [illegible] dated April 19, 2022 on [illegible] to Accounts for NBFCs is furnished vide Annexure – II and Annexure – III attached herewith.

56. (iii) Disclosure as per Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021 dated September 24, 2021

56. (iii)(a) Disclosure relating to securitisation pursuant to Reserve Bank of India Master Direction RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 for Non-STC (Simple, transparent and comparable) Securitisation Transaction*

Sl. No	Particulars	As at March 31st, 2023 ₹	As at March 31st, 2022 ₹
		No. / ₹ in Lakhs	No. / ₹ in Lakhs
1	No of SPEs holding assets for securitisation transactions originated by the originator (only the SPVs relating to outstanding securitisation exposures to be reported here)	-	-
2	Total amount of securitised assets as per books of the SPEs	-	-
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	-	-
	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	-	-
	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, 2023 and Nil as at March 31st, 2022)		
	Fixed Deposit in favour of SPE		
	a) Amount paid	-	-
	b) Repayment received	-	[illegible]
	c) Outstanding amount	-	-
	Credit enhancement with SPE		
	a) Amount paid/(Repayment received) (net)**	-	-
	b) Outstanding amount	-	-
8	Average default rate of portfolios observed in the past #	Not Applicable	Not Applicable
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	-	-
	(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 in respect of Credit enhancement with SPE

The above figures are based on the information obtained from the SPEs, [illegible] by the SPEs' auditors.

56. The Company is primarily engaged in financial services to its customers [illegible] [illegible] [illegible]

56. (iii)(b) Disclosure relating to securitisation pursuant to Reserve Bank of India [illegible] RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated September 24, 2021 for STC (Simple, transparent and comparable) Securitisation Transaction [illegible]

[illegible]

[illegible]

[illegible]

Sr. No.	Type of Restructuring		Under CDR Mechanism			Others			Total		
	Asset Classification		Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful	Standard	Sub-Standard	Doubtful
	Details										
1	Restructured Accounts as on April 1st, 2022	No. of Borrowers	- (1)	-	1 (1)	1 [illegible]	35 [illegible]	[illegible]	1 [illegible]	33 [illegible]	[illegible]
		Amount Outstanding	- [illegible]	- (-)	2,907 (2,581)	119 [illegible]	[illegible]	[illegible]	119 (4,297)	[illegible]	[illegible]
		Provision thereon	-	- (-)	[illegible]	21 [illegible]	[illegible]	[illegible]	21 [illegible]	17,244 [illegible]	21,907 [illegible]
2	Fresh restructuring during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (-)	- (10)	- (-)	- (-)	- (10)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (-)	- [illegible]	- (-)	- (-)	- [illegible]	- (-)
		Provision thereon	- (-)	- (-)	- (-)	- (-)	- (14,401)	- (-)	- (-)	- [illegible]	- (-)
3	Upgradation to restructured standard category during the year	No. of Borrowers	- (-)	- (-)	- (-)	- (8)	- (-8)	- (-)	- (8)	- (-8)	- (-)
		Amount Outstanding	- (-)	- (-)	- (-)	- (32,183)	- (-39329)	- (-)	- (32,183)	- (-39329)	- (-)
		Provision thereon	- (-)	- (-)	- (-)	- (3,370)	- (-8725)	- (-)	- (7,276)	- (-8725)	- (-)
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	- (-)	- (-)	- (-)	- [illegible]	- (-)	- (-)	- [illegible]	- (-)	- (-)
		Provision thereon	- (-)	- (-)	- (-)	- [illegible]	- (-)	- (-)	- [illegible]	- (-)	- (-)
5	Downgradation of restructured accounts during the year	No. of Borrowers	- (-)	- (-)	- (-)	-1 (-4)	-10 (-14)	11 (18)	-1 (-4)	-10 (-14)	11 (18)
		Amount Outstanding	- (-)	- (-)	- (-)	-119 (-84)	-94,384 (-53684)	94,787 (56,730)	-119 (-84)	-94,384 (-53684)	94,787 (56,730)
		Provision thereon	- (-)	- (-)	- (-)	-21 (-7)	-18,808 (-17946)	18,817 (21,528)	-21 (-7)	-18,808 (-17946)	18,817 (21,528)
6	Write-offs of restructured accounts during the year	No. of Borrowers	- (-1)	- (-)	- (-)	- (-1)	-1 (-7)	- (-1)	- (-8)	-1 (-7)	- (-1)
		Amount Outstanding	- (-119)	- (-)	-9 (-14)	- [illegible]	-389 (-2018)	[illegible] (-7245)	- [illegible]	389 (-2018)	1,040 (-1354)
		Provision thereon	-	- (-)	944 (-3)	- (-11)	(87) (-565)	10,815 (-1460)	- (-34)	(87) (-565)	11,759 (-1471)
7	Restructured Accounts as on March 31st, 2022	No. of Borrowers	- (-)	- (-)	1 (1)	- (8)	11 (22)	30 [illegible]	- (1)	11 (25)	32 [illegible]
		Amount Outstanding	- (-)	- (-)	7,390 (2,907)	- (119)	810 (95,662)	1,62,281 (86,433)	- (119)	810 (95,662)	1,69,893 (89,340)
		Provision thereon	- (-)	- (-)	3,097 (1,492)	- (21)	551 [illegible]	1,14,586 (26,756)	- (21)	551 [illegible]	1,17,683 [illegible]

Figures in the bracket indicates figures for the previous year.

[illegible]

Note:

[illegible]

[illegible]

[illegible]

No. of accounts where S4A has been applied	Aggregate amount outstanding	Amount outstanding		Provision held
		In part A	In part B *	
[illegible]	1,309	-	1,309	-
[illegible]	[illegible]	(5,555)	[illegible]	(1,082)
[illegible]	[illegible]	-	[illegible]	-

Figures in the bracket indicates figures for the previous year.

[illegible]

[illegible]

SREI EQUIPMENT FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31ST, 2023

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

(a) The Company has not transferred or acquired any loans not in default during the year ended March 31st, 2023 and March 31st, 2022

(b) The Company has not transferred or acquired any stressed loan during the year ended March 31st, 2023 and March 31st, 2022

(c) Details on recovery ratings assigned for Security Receipts as on March 31st, 2023 and March 31st, 2022

(₹ in Lakhs)

Recovery Ratings	Anticipated recovery as per recovery rating	As at March 31st, 2023	As at March 31st, 2022
RR1	100%-150%	16,454	9,456
RR2	75%-100%	19,125	15,540
RR5*	0%-25%	-	-

* The latest available recovery rating is as at August 28th, 2020

Disclosures are provided for the year ended March 31st, 2023 as the Master Direction is effective from September 24th, 2021

58. 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 Lakhs)

As at March 31st, 2023		As at March 31st, 2022	
No. of accounts restructured	Amount outstanding	No. of accounts restructured	Amount outstanding
128	1,062	150	1,255

59. 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, 2023

(₹ in Lakhs)

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*	8,356	5,467		847	2,002
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	8,356	5,467	-	847	2,002

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

60. Disclosures as required by RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets and RBI Circular dated April 17, 2020 on "COVID-19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets

As per RBI circular no. RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, the Company has implemented Resolution Plan for its 1 borrower resulting in Debt instruments (including securities issued earlier when restructuring at the time of CDR and subsequently under S4A) amounting to ₹10,637 lakhs on the date of implementation. The outstanding Fair Value amount of these debt instruments as on March 31, 2023 after provisioning applicable in such instances in terms of the aforesaid circular is ₹ 6,754 lakhs.

Further, the accounts where the resolution period was extended in terms of RBI Circular dated April 17, 2020 on "COVID-19 Regulatory Package – Review of Resolution Timelines under the Prudential Framework on Resolution of Stressed Assets" is "Nil".

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

44. Business Transfer Agreement and Scheme of Arrangement [illegible]

During the year 2019-20 the Company and its holding Company [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

70. Probable Connected/Related Companies

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Composition	As at March 31st, 2023	As at March 31st, 2022
Borrowers who are Investee Companies of the Alternative Investment Fund (AIF)	47,868	3,42,329
Borrowers whose investment is done by investee companies of AIF	5,289	2,50,807
Power Trust and its Investee Companies	-	39,235
Surety and its Investee Companies	-	36,413
	53,157	7,08,800
Total		

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

SREI EQUIPMENT FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

[illegible]

The Company has not entered into any Scheme of Arrangement [illegible]

The Company [illegible]

11. Analytical Ratios

Particulars	As at March 31, 2023			As at March 31, 2022	% Variance	Reason for variance (if above 25%)
	Numerator	Denominator	Ratio			
Capital to risk-weighted assets ratio (CRAR) $	(21,52,021)	4,09,321	(526.[illegible])%	[illegible]	[illegible]	*
Tier I CRAR #	(21,53,[illegible])	4,09,321	(526.[illegible])%	[illegible]	[illegible]	
Tier II CRAR #	[illegible]	4,09,321	[illegible]	[illegible]	[illegible]	
Liquidity Coverage Ratio	Refer Note No. 38			[illegible]	Not Applicable	

* Reasons for variance [illegible]

Refer Note No. [illegible] of the Financial Statements

[illegible]

[illegible]

Signatories to Notes 1 to 38

For J Kala & Associates
Chartered Accountants
ICAI Firm Registration No. [illegible]

For Das Gupta & Associates
Chartered Accountants
ICAI Firm Registration No. [illegible]

For and on behalf of SREI Equipment Finance Limited
[illegible]

Jayesh Kala
Partner
Membership no. [illegible]

[illegible]
Partner
Membership no. [illegible]

Rajneesh Sharma
Administrator appointed under IBC

Place: Kolkata
Date: May [illegible], 2023

Place: Kolkata
Date: May [illegible], 2023

Place: Kolkata
Date: May [illegible], 2023

The Administrator has been appointed under [illegible] of the Insolvency and Bankruptcy [illegible] Code, 2016 [illegible] 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 - [illegible] Kolkata
Email ID for Correspondence: [illegible]

SREI EQUIPMENT FINANCE LIMITED

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 Lakhs unless otherwise stated)

Sl. No.	Items	As at March 31st, 2023	As at March 31st, 2022
(i)	CRAR (%)**	(356.71)	(64.27)
(ii)	CRAR - Tier I Capital (%)	(356.21)	(64.27)
(iii)	CRAR - Tier II Capital (%)	1.25	[illegible]
(iv)	Amount of subordinated debt raised as Tier-II capital	-	-
(v)	Amount raised by issue of Perpetual Debt Instruments#	-	-

As at March 31st, 2023, the amount of principal outstanding in respect of unsecured subordinated perpetual debentures is ₹ 11,150 lakhs (March 31st, 2022 : ₹ 11,750 lakhs) which is [illegible]% (March 31st, 2022 : [illegible]%) of total Tier I Capital.

** Does not include off-balance sheet items as considered by the management under the calculation of negative CRAR, as it would not have any favourable impact on CRAR-Tier I Ratio.

2. Exposure to Real Estate Sector

(₹ in Lakhs)

Sl. No.	Category	As at March 31st, 2023	As at March 31st, 2022
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;	7,27,213	7,24,069
(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	7,27,213	7,24,069

Includes lending to Special Economic Zones / Industrial parks amounting to ₹ 2,52,582 lakhs (March 31st, 2022 ₹ 2,57,565 lakhs) 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.

3. Exposure to Capital Market

(₹ in Lakhs)

Sl. No.	Category	As at March 31st, 2023	As at March 31st, 2022
(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;*	13,140	15,249
(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;	2,190	1,964
(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)	1,090	928
	Total Exposure to Capital Market	16,420	18,141

* 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 Lakhs unless otherwise stated)

Sl. No.	Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
(i)	No. of accounts (Nos.)	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v)	Aggregate gain / (loss) over net book value	-	-

SREI EQUIPMENT FINANCE LIMITED

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")

5. Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31st, 2023 are as follows:

(₹ in Lakhs)

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)	1,71,361	83	2,562	1,457	2,516	12,984	25,007	46,149	1,14,702	26,73,157	[illegible]
Liability towards Assignment *	(1,96,190)	(242)	(720)	(852)	(1,226)	(1,960)	(1,309)	794	-	-	[illegible]
Investments (refer note - 2 below)	-	-	2,476	-	[illegible]	452	[illegible]	33,379	[illegible]	[illegible]	[illegible]
Borrowings (refer note - 3 below)	[illegible]	(2)	327	521	[illegible]	[illegible]	745	[illegible]	-	-	[illegible]
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

* Amount in first bucket includes certain liabilities prior to initiation of CIRP, which are subject to reconciliation. (Also Refer Note No. 61)

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, [illegible] and [illegible]).

Maturity pattern of certain items of assets and liabilities as at March 31st, 2022 are as follows:

(₹ in Lakhs)

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)	1,13,454	83	10,722	9,738	7,581	24,724	29,134	2,01,336	4,53,753	22,44,559	[illegible]
Liability towards Assignment *	(1,97,337)	(2,381)	(5,336)	(6,595)	(6,397)	[illegible]	[illegible]	[illegible]	-	-	[illegible]
Investments (refer note - 2 below)	-	-	284	-	54	20,440	[illegible]	25,362	[illegible]	[illegible]	[illegible]
Borrowings (refer note - 3, 4 & 5 below)	370	-	1,810	921	784	3,321	[illegible]	[illegible]	[illegible]	-	[illegible]
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, [illegible] of the Financial Statements for the year ended March 31st, 2022).

SREI EQUIPMENT FINANCE LIMITED

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")

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023		As at March 31st, 2022	
		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	2,59,944	2,59,944	2,59,552	[illegible]
	- Unsecured	2,45,633	2,45,633	2,44,755	2,44,756
	(Other than falling within the meaning of public deposits)				
	b) Deferred credits	9,121	[illegible]	9,123	9,123
	c) Term loans	6,54,429	6,54,429	[illegible]	6,54,261
	d) Inter-corporate loans and borrowings	106	105	110	105
	e) Commercial paper	-	-	-	-
	f) Other Loans (Term Loan, Buyers Credit, Working Capital Demand Loan etc)	20,22,909	20,13,304	25,30,196	[illegible]

* Refer Note No. 1.2, 64, 65, 66 and 67

** Refer Note No. 1.2, 63, 64, 65 and 66 of the Financial Statements for the year ended March 31st, 2022

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
		Amount outstanding	Amount outstanding
	Assets side:		
7.	Break-up of Loans and Advances including bills receivables [other than those included in (8) below]		
	(a) Secured	25,90,666	26,47,145
	(b) Unsecured	1,66,053	1,99,591
	Total (a) + (b) (Refer Note No. 6 of the Financial Statements)	27,56,719	28,46,736
8.	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 I	Refer note I
	(b) Operating Lease	Refer note I	Refer note I
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Refer note I	Refer note I
	(b) Repossessed Assets	Refer note I	Refer note I
	(iii) Other loans counting towards AFC activities		
	(a) Loans where Assets have been repossessed	Refer note I	Refer note I
	(b) Loans other than (a) above	Refer note I	Refer note I

Note I: The Company has not disclosed amount outstanding under assets financing activities as the RBI has merged Asset Financing Companies (AFCs), Loan Companies and Investment companies into a new category 'NBFC - Investment and Credit Company' vide its circular no. DNBR (PD) CC. No. 097/03.10.001/2018-19 dated February 22nd, 2019

SREI EQUIPMENT FINANCE LIMITED

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")

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
		Amount Outstanding	Amount Outstanding
9.	Breakup 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	2,475	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	279	421
	(b) Preference		-
	(ii) Debentures and Bonds	17,468	6,984
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others		-
	2. Unquoted		-
	(i) Shares (a) Equity	5,011	571
	(b) Preference	45	51,946
	(ii) Debentures and Bonds	6,574	5,800
	(iii) Units of mutual funds		-
	(iv) Government Securities		-
	(v) Others*	37,860	55,947

* Includes Security Receipts and units of Trust and Schemes of Venture Fund.

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
10.	Value of Investments		
(i)	Gross Value of Investments	73,330	1,33,194
	(a) In India	73,330	1,33,194
	(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	63,740	1,23,604
	(a) In India	63,740	1,23,604
	(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 Lakhs)

Sl. No.	Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
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)	Provision towards NPA/ Write-offs and Other Financial Assets #	12,00,470	3,10,590
(iii)	Provision made towards Income tax (Refer Note No. 71)	-	9,907
(iv)	Other Provision and Contingencies		
	- Provision for Employee Benefits	308	153
	- Provision for Standard Assets ##	(47,398)	43,570
		11,53,380	3,64,312

Includes Impairment Reserve created for Non-performing Loans and Assets acquired in satisfaction of debt amounting to ₹ 1,14,035 lakhs (March 31st, 2022 : ₹ 2,07,116 lakhs) 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 ₹ [illegible] lakhs (March 31st, 2022 : ₹ 44,237 lakhs) pursuant to the RBI regulatory guidance on implementation of Indian Accounting Standards. Refer Note No. [illegible] of Annexure - I to notes to the financial statements.

[illegible] LIMITED

[illegible] TO THE FINANCIAL STATEMENTS

Disclosure of details as required by [illegible] Non Banking Financial Company - [illegible] Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, [illegible] (Updated as on [illegible])

13. Borrower Group-wise Classification of assets financed as in (2) and (3) above

(₹ in Lakhs)

Sr. No.	Category	Amount (Net of provisions) #					
		As at March 31st, 2023			As at March 31st, 2022		
		Secured	Unsecured	Total	Secured	Unsecured	Total
(i)	Related parties*						
	(a) Subsidiaries						
	(b) Companies in the same group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	(c) Other related parties						
(ii)	Other than related parties	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	20,32,720
	Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* As per Ind AS 24: Related Party Disclosures.

\# Refer Note No. [illegible]

14. Investor Group-wise Classification of all investments in shares and Securities

(₹ in Lakhs)

Sr. No.	Category	As at March 31st, 2023		As at March 31st, 2022	
		Market Value/Break up or Fair value or NAV	Book value (net of provisions)	Market Value/Break up or Fair value or NAV	Book value (net of provisions)
(i)	Related parties *				
	a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	c) Other related parties	-	-	-	-
(ii)	Other than related parties	[illegible]	[illegible]	[illegible]	[illegible]

* As per Ind AS 24: Related Party Disclosures.

15. Concentration of Advances

(₹ in Lakhs unless otherwise stated)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
(i)	Total Advances to twenty largest borrowers	[illegible]	[illegible]
(ii)	Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	[illegible]	[illegible]

16. Concentration of Exposures

(₹ in Lakhs unless otherwise stated)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
(i)	Total Exposure to twenty largest borrowers / customers	[illegible]	[illegible]
(ii)	Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	[illegible]	[illegible]

17. Concentration of NPAs

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
(i)	Total Exposure to top four NPA accounts	[illegible]	[illegible]

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 customers across India. The portfolio has been bifurcated into [illegible] / infrastructure [illegible] which includes [illegible], mining, bridges, [illegible], railway projects, [illegible] projects, etc.

19. Movement of Non-Performing Assets (NPAs)

(₹ in Lakhs unless otherwise stated)

Sl. No.	Particulars	As at March 31st, 2023		As at March 31st, 2022	
		Excluding Impairment Reserve	Including Impairment Reserve #	Excluding Impairment Reserve	Including Impairment Reserve #
(i)	Net NPAs to Net Advances (%) @	[illegible]	[illegible]	[illegible]	[illegible]
(ii)	Movement of NPAs (Gross)				
	(a) Opening balance	[illegible]	[illegible]	[illegible]	[illegible]
	(b) Additions during the year	[illegible]	[illegible]	[illegible]	[illegible]
	(c) Reductions during the year *	[illegible]	[illegible]	[illegible]	[illegible]
	(d) Closing balance	[illegible]	[illegible]	[illegible]	[illegible]
(iii)	Movement of Net NPAs				
	(a) Opening balance	[illegible]	[illegible]	[illegible]	[illegible]
	(b) Additions during the year	[illegible]	[illegible]	[illegible]	[illegible]
	(c) Reductions during the year *	[illegible]	[illegible]	[illegible]	[illegible]
	(d) Closing balance	[illegible]	[illegible]	[illegible]	[illegible]
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)				
	(a) Opening balance	[illegible]	[illegible]	[illegible]	[illegible]
	(b) Provisions made during the year	[illegible]	[illegible]	[illegible]	[illegible]
	(c) Write-off / write-back of excess provisions	[illegible]	[illegible]	[illegible]	[illegible]
	(d) Closing balance	[illegible]	[illegible]	[illegible]	[illegible]

* Including write-off during the year.

@ Net NPA [illegible] Loans, Trade Receivables and Net Block of Assets for Operating Lease.

\# Including Impairment Reserve created for Non-performing assets amounting to ₹ [illegible] lakhs (March 31st, 2022 : ₹ [illegible] lakhs) pursuant to the RBI regulatory guidelines on Implementation of Indian Accounting Standards.

Refer Note No. [illegible] of Annexure - I to notes to the financial statement.

SREI EQUIPMENT FINANCE LIMITED

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")

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, 2023 is given below.

(₹ in Lakhs)

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	69,140	12,818	56,322	8,300	4,518
Standard	Stage 2	3,598	455	3,143	87	368
Subtotal for Standard		72,738	13,273	59,465	8,387	4,886
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,13,377	38,115	75,262	27,240	10,875
Subtotal for Substandard		1,13,377	38,115	75,262	27,240	10,875
Doubtful - up to 1 year	Stage 3	10,54,166	8,30,756	2,23,410	9,70,312	(1,39,556)
1 to 3 years	Stage 3	12,48,509	7,19,537	5,28,972	9,77,807	(2,58,270)
More than 3 years	Stage 3	3,50,548	1,85,342	1,65,206	3,35,135	(1,49,793)
Subtotal for doubtful		26,53,223	17,35,635	9,17,588	22,83,254	(5,47,619)
Loss @	Stage 3	80,606	-	80,606	80,606	(80,606)
Subtotal for NPA		28,47,206	17,73,750	10,73,456	23,91,100	(6,17,350)
Additional impairment reserve	Stage 3	-	-	-	6,973	(6,973)
Subtotal		-	-	-	6,973	(6,973)
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	-	173	(173)	-	173
	Stage 2	-		-	-	-
	Stage 3	-	7,368	(7,368)	-	7,368
Subtotal		-	7,541	(7,541)	-	7,541
Total	Stage 1	69,140	12,991	56,149	8,300	4,691
	Stage 2	3,598	455	3,143	187	268
	Stage 3 (Loans)	27,66,600	17,81,118	9,85,482	23,21,467	(5,40,349)
	Stage 3 (Others)	80,606	-	80,606	80,606	(80,606)
	Total (Refer Note below)	29,19,944	17,94,564	11,25,380	24,10,560	(6,15,996)

@ Loss includes :

Claims Receivable (measured at fair value through profit or loss)	Stage 3	62,196			62,196	(62,196)
Assets acquired in satisfaction of debt	Stage 3	18,410			18,410	(18,410)

Note: The gross carrying amount in above table includes shortfall in payment to Company lenders who were assigned the receivables (Refer Note No.5(i) and 8)

The above table excludes Loss Allowances (Provisions) towards Trade Receivables (Refer Note No. 5), Rental accrued but not due (Refer Note No. 8), Interest receivable (Refer Note No. 8) and Other Financial Assets (Refer Note No. 9). It also excludes Repossessed Assets (Refer Note No. 13)

SREI EQUIPMENT FINANCE LIMITED

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")

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 (continued):

(Rs. in Lakhs)

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	5,96,161	35,281	5,60,880	24,238	[illegible]
Standard	Stage 2	1,00,145	4,174	95,971	10,937	[illegible]
Subtotal for Standard		6,96,306	39,455	6,56,851	1,05,205	(66,348)
Non-Performing Assets (NPA)						
Substandard	Stage 3	5,08,480	1,35,853	3,72,627	1,20,251	[illegible]
Subtotal for Substandard		5,08,480	1,35,853	3,72,627	1,20,251	[illegible]
Doubtful - up to 1 year	Stage 3	8,95,446	2,92,138	6,03,308	4,29,914	[illegible]
1 to 3 years	Stage 3	6,37,598	3,00,735	3,36,515	4,87,621	[illegible]
More than 3 years a	Stage 3	1,49,539	25,661	1,11,278	1,03,217	[illegible]
Subtotal for doubtful		16,58,483	6,18,584	10,50,899	10,11,842	[illegible]
Loss b	Stage 3	63,419	-	67,459	62,419	[illegible]
Subtotal for NPA		22,41,382	7,54,437	14,86,945	13,43,012	[illegible]
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	-	252	(292)	-	[illegible]
	Stage 2	-	-	-	-	-
	Stage 3	-	6,060	(5,060)	-	6,0[illegible]
Subtotal		-	6,372	(6,372)	-	6,372
Total	Stage 1	5,96,161	35,533	5,60,588	24,778	[illegible]
	Stage 2	1,00,145	4,174	95,971	10,937	[illegible]
	Stage 3 (Loan)	21,58,430	7,60,517	13,89,913	11,16,251	[illegible]
	Stage 3 (Others)	90,952	-	90,952	78,761	[illegible]
	Total	29,31,688	8,00,264	21,27,424	13,28,727	[illegible]

a Doubtful - More than 3 years includes :

Claims Receivable (measured at fair value through profit or loss)	Stage 3	28,533	-	28,533	8,362	[illegible]

b 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. 5), Rental accrued but not due (Refer Note No. [illegible]), [illegible] Pool Assigned (Refer Note No. [illegible]) and Other Financial Assets (Refer Note No. [illegible]).

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE TO THE 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, [illegible], as amended from time to time (the "Master Directions")

31 Details of non-performing financial assets purchased from other NBFCs

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
(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	-	-

32 Details of Non-performing Financial Assets sold to other NBFCs :

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
(i)	No. of accounts sold	-	-
(ii)	Aggregate outstanding	-	-
(iii)	Aggregate consideration received	-	-

33 Other Information :

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023		As at March 31st, 2022	
		Excluding Impairment Reserve	Including Impairment Reserve #	Excluding Impairment Reserve	Including Impairment Reserve #
i	Gross Non-Performing Assets				
	(a) Related Parties	38,832	38,832	[illegible]	[illegible]
	(b) Other than related Parties	[illegible]	[illegible]	[illegible]	[illegible]
ii	Net Non-Performing Assets #				
	(a) Related Parties	12,921	12,921	[illegible]	[illegible]
	(b) Other than related Parties	[illegible]	[illegible]	[illegible]	[illegible]
iii	Assets / Receivables acquired in satisfaction of debt (net) #	[illegible]	-	[illegible]	[illegible]

Includes Impairment Reserve created for Non-performing Loans amounting to [illegible] (March 31st, 2022 : [illegible]) and Assets / Receivables acquired in satisfaction of debt amounting to [illegible] (March 31st, 2022 : [illegible]) pursuant to the RBI regulatory guidance on 'Implementation of Indian Accounting Standards' (Refer Note No. 25 of Annexure - I to notes to the financial statements).

34 Derivatives

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfill 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, 2023 are set out below :

(₹ in Lakhs)

Sl. No.	Nature	As at March 31st, 2023	As at March 31st, 2022	Benchmark	Terms
		Notional Principal			
(i)	[illegible] (Refer Note No. 57)	-	-	USD LIBOR	Fixed Payable Vs Floating Receivable

35 Exchange Traded Interest Rate (IR) Derivatives

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023	As at March 31st, 2022
(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"	-	-

36 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. [illegible]

The Company is currently undergoing CIRP (Refer Note No. 1.2) under the provisions of the Code. [illegible]

[illegible] March 31st, 2023.

(II) Quantitative Disclosure

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31st, 2023		As at March 31st, 2022	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging	-	-	-	-
(ii)	Marked to Market Positions				
	a) Asset (+)	-	-	-	-
	b) Liability (-)	-	-	-	-
(iii)	Credit Exposure	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

[illegible]

Sl. No.	Regulatory Body	Reason	[illegible]	[illegible]
(i)	[illegible]	[illegible]	-	[illegible]
(ii)	[illegible]	[illegible]	[illegible]	-
(iii)	[illegible]	[illegible]	[illegible]	-
(iv)	[illegible]	[illegible]	[illegible]	-
(v)	[illegible]	[illegible]	-	[illegible]
(vi)	[illegible]	[illegible]	-	[illegible]
(vii)	[illegible]	[illegible]	[illegible]	-
(viii)	Securities and Exchange Board of India	[illegible]	[illegible]	-
(ix)	[illegible]	[illegible]	[illegible]	-
(x)	[illegible]	[illegible]	[illegible]	-
(xi)	[illegible]	[illegible]	[illegible]	-
(xii)	[illegible]	[illegible]	-	[illegible]

[illegible]

Sl. No.	Particulars	As at March 31st, [illegible]			As at March 31st, [illegible]		
		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 Instrument	-	BWR D	-	-	BWR D	-
(iv)	NCDs/Bonds	CARE D	BWR D	ACUITE D	CARE D	BWR D	ACUITE D
(v)	Unsecured Subordinated/Tier II Debentures/Bonds	CARE D	BWR D	ACUITE D	CARE D	BWR D	ACUITE D
(vi)	Perpetual Debentures	CARE D	BWR D	-	CARE D	BWR D	-

[illegible]

Sl. No.	Particulars	As at March 31st, [illegible]		As at March 31st, [illegible]	
		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	-
(iv)	Unsecured Subordinated/Tier II Debentures/Bonds	CARE D	-	CARE D	-

[illegible]

Sl. No.	Particulars	[illegible]	[illegible]
(i)	[illegible]	-	-
(ii)	[illegible]	-	-
(iii)	[illegible]	-	-
(iv)	[illegible]	-	-
(v)	[illegible]	-	-

[illegible]

Disclosure of Complaints

Sl. No.	Customer Complaints	[illegible]	[illegible]
(i)	No. of complaints pending at the beginning of the year	[illegible]	-
(ii)	No. of complaints received during the year	[illegible]	[illegible]
(iii)	No. of complaints redressed during the year	[illegible]	[illegible]
(iv)	No. of complaints pending at the end of the year	-	[illegible]

Disclosure of Fraud

[illegible]

[illegible]

[illegible]

[illegible]

1. Exposure to real estate sector

Sl. No.	Category	As at March 31st, 2022	As at March 31st, 2021
(i)	Direct exposure		
(ii)	Residential Mortgages – [illegible]	-	-
(iii)	Commercial Real Estate – [illegible]	3,27,317	7,26,061
(iv)	Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – a. Residential b. Commercial Real Estate c. Indirect Exposure [illegible]	-	-
	Total Exposure to Real Estate Sector	3,27,317	7,26,069

[illegible]

2. Exposure to capital market

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	33,180	17,340
(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	3,190	1,090
(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 [illegible]	-	-
(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)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds:	-	-
	(i) Category I	-	-
	(ii) Category II	-	-
	(iii) Category III	-	-
	Total Exposure to Capital Market	38,370	15,413

3. Sectoral exposure

(₹ in Lakhs unless otherwise stated)

Sectors	As at March 31st, 2022			As at March 31st, 2021		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	19,830	18,876	100%	8,113	9,213	100%
2. Industry	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2.1 Mining & Quarrying (incl. Coal)	3,04,395	3,52,137	12%	2,16,498	2,15,414	9%
2.2 Food Processing	73	74	[illegible]	84	60	95%
2.3 Textiles	73	74	[illegible]	13	12	[illegible]
2.4 Basic Metal & Metal Products	38,266	34,263	1%	31,198	27,716	1%
2.5 Paper & Paper Products	[illegible]	-	[illegible]	419	-	[illegible]
2.6 [illegible]	[illegible]	[illegible]	1%	22,411	[illegible]	1%
2.7 All Engineering	[illegible]	2,819	[illegible]	[illegible]	[illegible]	[illegible]
2.8 Construction	[illegible]	[illegible]	11%	[illegible]	[illegible]	[illegible]
2.9 Infrastructure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2.9.1 Power	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2.9.2 Roads	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2.9.3 Water Transport / Ports	[illegible]	[illegible]	1%	[illegible]	-	[illegible]
2.9.4 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2.9.5 Electricity Distribution	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2.9.6 Solar Power Energy	-	-	[illegible]	[illegible]	-	[illegible]
2.9.7 Other Infrastructure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2.10 Other Industries	[illegible]	[illegible]	1%	[illegible]	[illegible]	[illegible]
3. Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3.1 Transport Operators	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3.2 Computer Software	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3.3 Tourism, Hotel and Restaurants	[illegible]	11	[illegible]	[illegible]	13	[illegible]
3.4 Professional Services	[illegible]	[illegible]	2%	[illegible]	[illegible]	[illegible]
3.5 Commercial Real Estate	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3.6 NBFCs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3.7 Aviation	[illegible]	[illegible]	[illegible]	[illegible]	-	[illegible]
3.8 Other Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4. Personal Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4.1 Vehicle / Auto Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]	Ultimate Holding		Parent Company		[illegible]		[illegible]		[illegible]		Key Management Personnel		[illegible]		Others		Total	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible] NOTES TO THE FINANCIAL STATEMENTS

[illegible] October 22, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' [illegible] April 19, 2022 on disclosures in Financial Statements [illegible] for NBFCs.

7 Disclosure of complaints

(i) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sl. No.	Particulars	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2022
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	28	46
2	Number of complaints received during the year	348	533
3	Number of complaints disposed during the year	351	551
3.1	Of which, number of complaints rejected by the NBFC	-	-
4	Number of complaints pending at the end of the year	37	28
	Maintainable complaints received by the NBFC from Office of Ombudsman		
	Number of maintainable complaints received by the NBFC from Office of Ombudsman pending at the beginning of the year	2	-
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	124	77
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	125	75
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

(ii) Top five grounds of complaints received by the NBFC from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
	As at and for the year ended March 31st, 2023				
Repayment & Collection	5	504	40%	21	13
BCD	-	178	[illegible]	3	2
CIBIL	3	108	30%	6	2
Closure	3	68	74%	4	3
Loan & Advances	7	48	(75%)	5	-
Others *	5	53	(26%)	2	1
Total	30	766	58%	37	21
	As at and for the year ended March 31st, 2022				
Repayment & Collection	33	240	185%	3	-
BCD	-	7	#	-	-
CIBIL	4	83	42%	3	-
Closure	1	39	(11%)	2	1
Loan & Advances	4	109	410%	7	6
Others *	4	52	80%	5	-
Total	46	533	113%	20	8

*Others - Complaints related to customer asked to provide original Invoice, agreement documents, TDS credit, GST related issues, moratorium reversal etc.

Previous year amount is Nil.

8 Corporate Governance

The Company is incorporating the Corporate Governance Report in the Annual Report of the Company for the Financial Year ended March 31, 2023.

9 Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with views of management [illegible] for the financial year ended as at March 31st, 2023 is given in Annexure III

10 Items of income and expenditure of exceptional nature

Items of Income of Exceptional nature

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Income of Exceptional nature	-	-

Items of Expenditure of Exceptional nature

(₹ in Lakhs)

Particulars	For the year ended March 31st, 2023	For the year ended March 31st, 2022
Impairment on Financial Instruments (Net) (A)	[illegible]	-
Net gain/ (loss) on financial instruments at fair value through profit or loss - Unrealised		-
- Investments	[illegible]	-
- Loans	[illegible]	-
- Other Receivable	[illegible]	-
Total Net gain/(loss) on fair value changes - Unrealised (B)	[illegible]	-
Total (A+B)	[illegible]	-

ANNEXURE TO THE NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework' and in terms of circular DOR.ACC.REC.No.20/21.04.018/2022-23 dated April 19, 2022 on disclosures in Financial Statements- Notes to Accounts for NBFCs

11 **Breach of covenants as at March 31st, 2023 and March 31st, 2022**

For the financial years ended as at March 31st, 2023 and March 31st, 2022, the Company has [illegible] complied with all the covenants in respect of loans availed or debt securities issued. Some of the major financial covenants are: Capital Adequacy Ratio, NPA ratios, Debt Equity ratio, Interest coverage ratio, Security / Asset coverage ratio, Net worth related ratios, Profitability related ratios and minimum rating thresholds etc. Also Refer Note No. [illegible]

12 **Divergence in Asset Classification and Provisioning**

(₹ in Lakhs)

Sl. No.	Particulars	Amount
1	Gross NPAs as on March 31, 2020* as reported by the NBFC	3,32,466
2	Gross NPAs as on March 31, 2020 as assessed by the Reserve Bank of India	12,14,722
3	Divergence in Gross NPAs (2-1)	8,82,256
4	Net NPAs as on March 31, 2020 as reported by the NBFC	2,14,312
5	Net NPAs as on March 31, 2020 as assessed by Reserve Bank of India	6,15,256
6	Divergence in Net NPAs (5-4)	3,94,376
7	Provisions for NPAs as on March 31, 2020 as reported by the NBFC	1,13,249
8	Provisions for NPAs as on March 31, 2020 as assessed by Reserve Bank of India	6,01,176
9	Divergence in provisioning (8-7)	4,87,927
10	Reported Profit before tax and impairment loss on financial instruments for the year ended March 31, 2020	31,603
11	Reported Net Profit after Tax (PAT) for the year ended March 31, 2020	5,991
12	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2020 after considering the divergence in provisioning (11 - (a+b) Refer Note below)	(4,34,299)

* March 31, 2020 is the close of the reference period in respect of which divergences were assessed

Note : (a) Divergence in provisioning (refer point no. 9 of above table) 4,87,927
(b) Provision required for likely losses on aft - balance sheet date 2,571

13 **Disclosure of details as required in terms of circular DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022 on "Loans and Advances – Regulatory Restrictions - NBFCs"**

Loans to Directors, Senior Officers and relatives of Directors (₹ in Lakhs)

Particulars	As at and for the year ended March 31st, 2023	As at and for the year ended March 31st, 2022
Directors and their relatives	Nil	Nil
Entities associated with directors and their relatives	Nil	Nil
Senior Officers and their relatives	Nil	Nil

SREI EQUIPMENT FINANCE LIMITED

ANNEXURE - III TO NOTES TO THE FINANCIAL STATEMENTS

Disclosure of details as required in terms of Circular DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 on 'Scale Based Regulation (SBR): A Revised Regulatory Framework'.

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March, 2023

I.	Sl.No	Particulars	Audited Figures (as reported before adjusting for qualifications) ₹ in Lakhs	Audited Figures (as reported after adjusting for qualifications) ₹ in Lakhs *
	1	Total Income	1,55,757	2,14,994
	2	Total Expenses (including tax expense)	12,77,685	23,60,581
	3	Net Profit/(Loss)	(11,21,928)	(21,45,587)
	4	Earnings Per Share - Basic - Diluted	 (1419.87) (1419.87)	 (2,715.37) (2,715.37)
	5	Total Assets	11,24,300	9,06,775
	6	Total Liabilities	32,40,350	39,12,455
	7	Net Worth	(21,16,940)	(28,08,093)
	8	Any Other financial item(s) (as felt appropriate by the management)	None	None

* Refer comment given by Management in Item No II (e) herein below

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification : Refer Annexure - A
b. Type of Audit Qualification: Disclaimer of Opinion
c. Frequency of qualification: Repeated for Sl. No. (a) to (r) except first time Sl. No. (b) and (p)
d. For audit Qualification (s) where the impact is quantified by the auditor, Management's views:
The impact of the qualification has been given in (I) above. The said Audit qualifications are reproduced in Sl no. (a), (b), (f) and (p) of Annexure-A. Refer comment given by management in Sl no. (a), (b), (f) and (p) 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 : Except as mentioned in Annexure A at Sl. No. (a), (b), (f) and (p), 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 (r) except (a), (b), (f) and (p).

(iii) Auditors' Comments on (i) or (ii) above : Our views remains unchanged considering the matter referred in basis for disclaimer of opinion from paragraph (a) to (r) of our Independent Auditors Report dated May 9, 2023 on the Audited Ind AS financial Statements of the Company for the year ended March 31, 2023

Details of Audit Qualification(s)	Management's Views
Basis for Disclaimer of Opinion (a) [illegible]	(a) Management's View [illegible]
(b) Note No. [illegible] to the Ind AS financial statements [illegible]	(b) Management's View [illegible]
(c) Note No. [illegible] to the Ind AS financial statements [illegible]	(c) Management's View [illegible]
(d) Note No. [illegible] to the Ind AS financial statements [illegible]	(d) Management's View [illegible]
(e) Note No. [illegible] to the Ind AS financial statements [illegible]	(e) Management's View [illegible]
(f) Note No. [illegible] to the Ind AS financial statements [illegible]	(f) Management's View [illegible]
(g) Note No. [illegible] to the Ind AS financial statements [illegible]	(g) Management's View [illegible]

[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]
[illegible]	Management's View [illegible]

Material Uncertainty Related to Going Concern	Management's View
Note No. 44 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, 2023 and earlier years/periods as well. As a result, the Company's net worth has fully eroded and it has not been able to comply with outstanding debt obligations. All this had impacted the Company's ability to continue its operations in normal course of future. These events or conditions, along with other matters as set forth in the aforesaid Note, indicate that there is a material uncertainty which may cast significant doubt on 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 Ind AS financial statements on a going concern basis.	The Company had incurred losses during the year ended March 31, 2023 and earlier years/periods as well. Hence, the net worth of the Company has fully eroded. There is persistent [illegible] on the working capital and operations of the Company and it is undergoing significant financial stress. As stated in Note No. 1.2 to the audited Ind AS financial statements for the year ended March 31, 2023, CIRP was initiated in respect of the Company w.e.f. October 8, 2021. The Company has assessed that the use of the going concern assumption is appropriate in the circumstances and hence, these Ind AS financial statements have 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, is running the Company under the provisions of the IBC, in ongoing [illegible] the Company as a going concern. Considering the [illegible] recovery of [illegible] and [illegible], the Company is hopeful of improvement in its cash flows in due course of time. c) Reduction in overhead expenditure. d) The Company has 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 is undergoing and as part of the process, the Consolidated Committee of Creditors (CoC) took on record three Resolution Plans received from Prospective Resolution Applicants (PRAs) on January 18, 2023. The three Resolution Plans received by the Consolidated CoC were put to e-voting. The Consolidated CoC with requisite majority [illegible] the meeting of CoC meeting held on February 15, 2023, and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by CoC by majority voting under section 30(4) of the IBC read with Regulation 39(3) of CIRP Regulations, 2016, thereby declaring NARCL as Successful Resolution Applicant (SRA). The approved resolution plan of NARCL was filed before Adjudicating Authority i.e., Hon'ble NCLT, Kolkata on February 18, 2023 for its approval. The Administrator has also filed all the necessary legal and regulatory approvals before the Adjudicating Authority. The approval of the resolution plan is awaited from the Adjudicating Authority pending certain litigations. Pending the completion of the said process under CIRP, these Ind AS financial statements have been prepared on a going concern basis.

CONTROLLA ELECTROTECH PRIVATE LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report on the business and operations of Controlla Electrotech Private Limited ("CEPL" / "the Company") together with the Audited Financial Statement of the Company for the financial year ended March 31, 2023.

FINANCIAL RESULTS AND OPERATIONS

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Total Income	316.41	160.34
Total Expenditure	258.21	143.62
Profit Before Depreciation	58.20	16.72
Depreciation	42.28	45.25
Profit / (Loss) Before Bad Debts / Provision and Tax	15.92	(28.53)
Bad Debts / Provisions etc.	-	-
Profit / (Loss) Before Tax	**15.92**	**(28.53)**
Current Tax	-	-
Income Tax in respect of earlier years	1.00	(2.08)
Profit / (Loss) After Tax	**14.92**	**(26.45)**

REVIEW OF OPERATIONS

During the Financial Year 2022-23, your Company earned the Total Income of Rs. 316.41 Lakhs as against Rs. 160.34 Lakhs earned in the previous financial year and incurred a Profit of Rs. 14.92 Lakhs as compared to the Loss of Rs. 26.45 Lakhs in the previous financial year.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) OF SREI INFRASTRUCTURE FINANCE LIMITED (SIFL), HOLDING COMPANY

The Reserve Bank of India ('**RBI**') had vide Press Release dated 4th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) ('Press Release') superseded the Board of Directors of Srei Infrastructure Finance Limited ('**SIFL**'), the holding Company of your Company owing to governance concerns and defaults by SIFL in meeting various payment obligations. Mr. Rajneesh Sharma was appointed as the Administrator of SIFL under Section 45-IE (2) of the RBI Act with effect from 4th October, 2021 vide the said Press Release.

On 8th October, 2021, the RBI filed application for initiation of Corporate Insolvency Resolution Process ('**CIRP**') against SIFL before the Hon'ble National Company Law Tribunal, Kolkata Bench ('**Hon'ble NCLT**') under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code, 2016 ('**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"). Thereafter, vide an Order dated 8th October, 2021 of the Hon'ble NCLT, the application filed by the RBI for initiating the CIRP in respect of SIFL was admitted and a Corporate Insolvency Resolution Process was initiated against SIFL and the appointment of Mr. Rajneesh Sharma as the Administrator of SIFL (as per the RBI press release dated 04th October, 2021) was also confirmed. Thereafter, a Committee of Creditors was constituted as per the provisions of the Insolvency and Bankruptcy Code, 2016.

Accordingly, SIFL, the holding Company of your Company, is undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator of SIFL is to perform the duties of the Resolution Professional under the Code. In accordance with the provisions of the Code and with the approval of the Committee of Creditors (CoC) of SIFL the Administrator on 25th February, 2022 had invited expressions of interest (EOI) from prospective resolution applicants (PRAs).

The revised final list of prospective PRAs was shared by SIFL on November 17, 2022. The resolution plans were duly presented by the Administrator of SIFL to CoC for voting on January 21, 2023. The E-voting on the resolution plans concluded on 14th February, 2023 and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by the requisite majority and was declared as the successful resolution plan under Section 30(4) of the Code. Further, your Holding Company had received no objection pursuant to change in control / ownership / management of SIFL from RBI vide its letter dated March 23, 2023.

The Administrator of SIFL had also filed an application under Section 30(6) of the Code for the submission of resolution plan of NARCL as approved by CoC with the Hon'ble National Company Law Tribunal (NCLT), Kolkata on February 18, 2023, the response of the same is still awaited.

DIVIDEND

The Board of Directors of your Company does not recommend any dividend for the financial year 2022-23.

TRANSFER TO RESERVES

Your Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2022-23.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business carried out by the Company.

HOLDING COMPANY

The Company is a wholly-owned Subsidiary of Srei Infrastructure Finance Limited (SIFL) as on March 31, 2023.

CONTROLLA ELECTROTECH PRIVATE LIMITED

SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES

Your Company does not have any Subsidiary Company, Joint Ventures and Associate Company as required to be disclosed in terms of provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5 and 8(5) the Companies (Accounts) Rules, 2014.

PUBLIC DEPOSITS

Your Company has not invited or accepted any Deposits from Public in terms of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014, therefore, no disclosure was required to be made.

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilization, safety and environment.

Your Company has not utilized or earned any foreign exchange during the year ended March 31, 2023 (Previous Year – Nil).

DIRECTORS & KEY MANAGERIAL PERSONNEL

Appointment and Cessation of Directors

Presently, the Board of Directors of your Company comprises of Two (2) Directors (Category: Non-Executive), namely, Mr. Manoj Kumar (DIN: 06397089) and Mr. Hari Shanker Sharma (DIN: 09404713).

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Manoj Kumar (DIN: 06397089), Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment.

Key Managerial Personnel

As per the provisions of Section 203 of the Companies Act, 2013 ("the Act") read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company and every other Public Company having a paid-up share capital of ten crore rupees or more shall have whole-time Key Managerial Personnel (KMPs), namely, (i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director, (ii) Company Secretary; and (iii) Chief Financial Officer. Further, every Private Company having paid-up share capital of ten crores rupees or more shall have a whole-time Company Secretary.

CONTROLLA ELECTROTECH PRIVATE LIMITED

Your Company is not required to appoint any whole time KMPs as the paid up share capital of the Company is less than the limit as prescribed above.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed / noted in the subsequent Meeting of the Board of Directors of the Company.

During the Financial Year 2022-23, Four (4) Meetings of the Board of Directors of the Company were held on 29th April, 2022, 4th August, 2022, 8th November, 2022 and 2nd February, 2023. The maximum time gap between any two consecutive meetings did not exceed 120 days. The presence of Directors at such Meetings is as follows:

Name of Directors	No. of Meetings entitled to Attend	No. of Meetings Attended
Mr. Manoj Kumar	4	4
Mr. Hari Shanker Sharma	4	4

PARTICULARS OF EMPLOYEES

There was no employee in your Company during the financial year 2022-23, so the disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2022-23, your Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all related party transactions entered into by your Company during the financial year 2022-23 were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company.

EXTRACT OF THE ANNUAL RETURN

The Ministry of Corporate Affairs (MCA) vide Notification no. G.S.R.159 (E) dated 5th March, 2021 has amended the Companies (Management and Administration) Rules, 2014.

CONTROLLA ELECTROTECH PRIVATE LIMITED

According to the amended provisions of Rule 12 of the said rule, the extract of Annual Return in Form No. MGT-9 is not applicable as on the financial year ended 31st March, 2023.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

INTERNAL FINANCIAL CONTROL

The Company has an internal financial control and system, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of internal financial control has been designed to provide a reasonable assurance with regard to system and process and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorised use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

RISK MANAGEMENT

There is no element of risk which may threaten the existence of your Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2022-23, no significant and material orders has been passed by Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Since there was no employee in the Company during the financial year 2022-23, so the disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, is not applicable to your Company.

Y 10/EP, SALTLAKE ELECTRONICS COMPLEX, SECTOR - V,
BIDHANNAGAR, KOLKATA - 700 091, WEST BENGAL
CIN U29303WB1901PTC052455
PHONE: (033) 6602 3282 FAX 91 33 6602 3077,
EMAIL ID. secretarial.cepl@gmail.com

CONTROLLA ELECTROTECH PRIVATE LIMITED

MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 during the financial year ended March 31, 2023.

SHARE CAPITAL

The Paid up Equity Share Capital as on 31st March, 2023 was Rs. 3,53,050/- divided into 35,305 Equity Shares of Rs. 10/- each. There were no changes in the Share Capital of the Company during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 read with relevant Rules made thereunder, your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors have prepared the annual accounts for the financial year ended 31st March, 2023 on a going concern basis;

(v) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

Messrs. P. K. Drolia & Co., Chartered Accountants, having Registration No. 316057E allotted by the Institute of Chartered Accountants of India (ICAI), was re-appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 4th July, 2019 for a term of five years, who shall hold the office until the conclusion of the Annual General Meeting to be held in the year 2024.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

CONTROLLA ELECTROTECH PRIVATE LIMITED

ACKNOWLEDGEMENT

Your Directors express their gratitude for the continued cooperation and excellent support received from the Ministry of Corporate Affairs, Srei Infrastructure Finance Limited, the Holding Company, Bankers, Business Associates and various regulatory and Government authorities.

On behalf of the Board of Directors
For Controlla Electrotech Private Limited

	Sd/-	**Sd/-**
Place: Kolkata	**Manoj Kumar**	**Hari Shanker Sharma**
Date: 09.05.2023	**Director**	**Director**
	DIN: 06397089	**DIN: 09404713**

Y 10/EP, SALTLAKE ELECTRONICS COMPLEX, SECTOR - V,
BIDHANNAGAR, KOLKATA - 700 091, WEST BENGAL
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EMAIL ID: secretarial.cepl@gmail.com

P.K.Drolia & Co.
Chartered Accountants
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Mobile +91 9830099491 *Email: pkdrolhaco@gmail.com*

INDEPENDENT AUDITOR'S REPORT

To the Members of CONTROLLA ELECTROTECH PRIVATE LIMITED

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **CONTROLLA ELECTROTECH PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its **Profit**, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter:

We draw attention to the following matters in the notes to the Financial Statements:

1) Notes 24 to the Financial Statements which discloses that the Reserve Bank of India (RBI) had vide Press Release dated 4th October, 2021 superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL), being its 100% Holding Company and has appointed Mr. Rajneesh Sharma as the Administrator of SIFL under Section 45-IE (2) of the RBI Act.

Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss [including the Statement of Other Comprehensive Income], the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;

   (h) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i) The company does not have any pending litigations which would impact its financial position.

      ii) The Company did not have any long-term contracts including derivative contracts during the year for which there were any material foreseeable losses nor have any outstanding derivative contract at the year end

      iii) The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the year because there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv) (a)The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that 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 and paid any Dividend during the year.

For P.K.Drolia & Co.
Chartered Accountants
Firm Registration No.316057E

S/d
P. K. Drolia
Partner
Membership No.52629

UDIN-

Place : Kolkata
Date : 09/05/2023

ANNEXURE "1" TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of **CONTROLLA ELECTROTECH (P) LIMITED** on the financial statements for the year ended 31/03/2023]

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

(b) The Property, Plant & Equipment of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us, The title deed of immovable properties disclosed in the financial statements are held by the company in its own name as per the documents produced before us.

(d) According to the information and explanations given to us, The Company has not revalued its of Property, Plant & Equipment during the year . Hence this clause is not applicable

(e) According to the information and explanations given to us. No proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder,

(ii) The Company has no inventory and has not been sanctioned any working Capital limit by any banks or financial Institutions during the year. Hence, the provisions stated in paragraph 3 (ii) (a) and (b) of the order are not applicable.

(iii) In our opinion and according to the information and explanations given to us, the Company has neither made any investment nor provided any guarantee or securities or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties during the year. Hence, the provisions stated in paragraph 3 (iii) (b) (c), (d), (e) and (f) of the order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security, the company has complied with the provisions of section 185 and 186 of the Companies Act 2013.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. hence directives issued by the Reserve Bank of India and provision of Sections 73 to 76 of the Companies Act are not applicable.

"ANNEXURE A" TO AUDITORS' REPORT (Contd.)

(vi) As explained to us and to the best of our knowledge and belief, the maintenance of Cost records under Section 148(1) of the Companies Act,2013 are not applicable to the Company

(vii) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods & Service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax , duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it and no undisputed amounts payable in respect thereof were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) In our opinion and according to the information and explanations given to us, no unrecorded transactions in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans & borrowings to financial institution, bank, government or dues to debenture holders. Hence other provisions relating to this clause are not applicable.

(x) (a) On the basis of our examination of records and according to the information and explanations given to us, the Company has neither raised any money by the way of initial public offer or further public offer (including debt instrument) nor taken any term loan during the year. Therefore, other provisions of this clause are not applicable to the Company.

(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, other provisions of this clause are not applicable to the Company.

(xi) (a) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) In our opinion and according to the information and explanations given to us, no whistle blower complaints have been received during the year by the company

ANNEXURE A" TO AUDITORS' REPORT (Contd.)

(xii) The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) On the basis of our examination of records and according to the information and explanations given to us, the Company has entered into transactions with the related parties and have complied with the provisions of Section 127 and 188 of the Act. The names of related parties as required by Accounting Standard 18 have been disclosed in the Financial Statements.

(xiv) In our opinion and according to the information and explanations given to us, the provisions relating to an internal audit system is not applicable to the company .

(xv) On the basis of our examination of records and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company.

(xvi) (a)On the basis of our examination of records and according to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

(b)On the basis of our examination of records and according to the information and explanations given to us, the Company has no conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c)On the basis of our examination of records and according to the information and explanations given to us, the Company is neither a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India nor it has CIC in the group. Therefore, other provisions of this clause are not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) During the year under audit, there has been no resignation of the statutory auditors during the year. Therefore, other provisions of this clause are not applicable to the Company.

(xix) In our opinion and according to the information and explanations given to us, 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 financial statements, and on the basis of the information provided to us of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

ANNEXURE A" TO AUDITORS' REPORT (Contd.)

(xx) In our opinion and according to the information and explanations given to us ,the second proviso to sub-section (5) of section 135 of the Companies Act is not applicable to the Company.

(xxi) In our opinion and according to the information and explanations given to us, the provisions of this clause are not applicable to the Company.

For P.K.Drolia & Co.
Chartered Accountants
Firm Registration No.316057E

sd/-
P. K. Drolia
Partner
Membership No.52629
UDIN:

Place : Kolkata
Date : 09/05/2023

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CONTROLLA ELECTROTECH PRIVATE LIMITED** ("the Company") as of 31[st] March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For P.K.Drolia & Co.
Chartered Accountants
Firm Registration No.316057E

Sd/-
P. K. Drolia
Partner
Membership No.52629

UDIN:

Place : Kolkata
Date : 09/05/2023

CONTROLLA ELECTROTECH PRIVATE LIMITED
CIN: U29304WB1992PTC052455
BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in lakhs)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I.	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	2	0.94	6.85
	(b) Investment Property	3	1,655.76	1,692.15
	(c) Financial Assets			
	(i) Other Financial Assets	4	3.02	2.55
	(d) Other Non Current Assets	5	18.50	5.06
	Total Non - Current Assets		**1,678.22**	**1,706.60**
	Current Assets			
	(a) Financial Assets			
	(i) Investment	6	68.50	20.37
	(ii) Trade Receivables	7	185.92	157.92
	(iii) Cash and Cash Equivalents	8	1.89	1.07
	(iv) Other Bank Balances	9	67.86	65.16
	(b) Other Current Assets	10	1.36	15.79
	Total Current Assets		**323.64**	**290.31**
	TOTAL ASSETS		**2,001.86**	**1,996.90**
II.	**EQUITY AND LIABILITY**			
	EQUITY			
	(a) Equity Share Capital	11	3.53	3.53
	(b) Other Equity	12	(470.24)	(485.17)
	Total Equity		**(466.71)**	**(481.64)**
	LIABILITIES			
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade Payable			
	- Due to Micro, Small and Medium Enterprises	13	-	-
	(ii) Other Financial Liabilities	14	2,463.57	2,463.57
	(b) Other Current Liabilities	15	5.01	14.97
	Total Current Liabilities		**2,468.58**	**2,478.54**
	TOTAL EQUITY AND LIABILITIES		**2,001.86**	**1,996.90**

The Accompanying Notes are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. : 316057E

Sd/-
CA P.K. Drolia
Partner
Membership No. : 052629
UDIN : 23052629BGWXYV1122

On behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
Din No.: 06390089

Sd/-
Hari Shankar Sharma
Director
Din No.: 09404743

Place : Kolkata
Date: 9th May, 2023

CONTROLLA ELECTROTECH PRIVATE LIMITED

CIN: U29309WB1997PTC082455

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in lakhs)

	Particulars	Note No.	Year ended March 31 2023	Year ended March 31 2022
I.	Revenue From Operations	15	312.00	156.00
II.	Other Income	17	4.41	4.34
III.	**Total Income (I+II)**		**316.41**	**160.34**
IV.	Expenses:			
	Finance Cost	18	235.00	117.50
	Depreciation and Amortisation Expense	19	42.28	45.25
	Other Expenses	20	23.21	26.12
	Total Expenses (IV)		**300.49**	**188.87**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**15.92**	**(28.53)**
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		**15.92**	**(28.53)**
VIII.	Tax Expense			
	Current Tax	21	-	-
	Income Tax in respect of earlier years		1.00	(2.08)
IX.	**Profit For The Period/Year (VII-VIII)**		**14.92**	**(26.45)**
X.	Other Comprehensive Income			
	(i) Items that will not be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		-	-
XI.	**Total Comprehensive Income For The Period/Year (IX + X)**		**14.92**	**(26.45)**
XII.	**Earnings Per Equity Share** (of Rs. 10/- each)	25		
	Basic (Rs.)		42.25	(74.93)
	Diluted (Rs.)		42.25	(74.93)

The Accompanying Notes are an Integral part of the Financial Statements
As per our report of even date Annexed

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. 318057E

Sd/-
CA P.K. Drolia
Partner
Membership No.: 052629
UDIN: 23052629BGJDYV1132

Place: Kolkata
Date: 5th May, 2023

On behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
Din No.- 06397089

Sd/-
Hari Shankar Sharma
Director
Din No.- 09406713

CONTROLLA ELECTROTECH PRIVATE LIMITED

CIN: U25209WB1991PTC052455

Statement of Cash Flows for the year ended March 31, 2023

(Rs. in lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash Flows from Operating Activities		
Profit Before Tax	15.92	(28.50)
Adjustment for :		
Depreciation and Amortization Expense	42.25	45.25
Finance costs	235.00	117.50
Interest Income	(4.41)	(4.34)
Operating profit before working capital changes	**288.79**	**129.88**
Changes in working capital :		
Increase / (Decrease) in Trade Receivables, Loans, Advances and Other Assets	(29.33)	(18.36)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	(9.97)	(8.38)
Cash generated/(used) in operations	**249.49**	**103.15**
Income Tax Paid (Net)	13.44	(0.03)
Net Cash used in Operating Activities	**262.93**	**103.12**
B. Cash flows from Investing Activities		
Investment in Mutual Fund	(27.11)	7.65
Net Cash used in Investing Activities	**(27.11)**	**7.65**
C. Cash Flows from Financing Activities		
Interest paid	(235.00)	(117.50)
Net Cash generated from Financing Activities	**(235.00)**	**(117.50)**
Net Increase / (Decrease) in Cash and Cash Equivalents	**0.82**	**(6.73)**
Cash & Cash Equivalents at the beginning of the year	**1.07**	**7.80**
Cash and Cash Equivalents at the end of the year	**1.89**	**1.07**

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

2) Components of Cash and Cash Equivalents:

(Rs. in lakhs)

	Year ended March 31, 2023	As at March 31, 2022
Cash on hand	-	-
In Current Account	1.89	1.07
	1.89	**1.07**

The Accompanying Notes are an Integral part of the Financial Statements

As per our report of even date Annexed

For P. K. Drolia & Co.

Chartered Accountants

Firm Registration No. : 316057E

On behalf of the Board of Directors

Sd/-

CA P.K. Drolia

Partner

Membership No. : 052629

UDIN: 22052629AJEJYV1122

Place : Kolkata

Date: 9th May, 2023

Sd/-

Manoj Kumar

Director

Din No.- 06397089

Sd/-

Hari Shanker Sharma

Director

Din No.- 09404713

CONTROLLA ELECTROTECH PRIVATE LIMITED
CIN: [illegible]
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31,2023

A. Equity Share Capital

(1) Current reporting period (Rs. in lakhs)

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
Equity Share Capital	5.53	0.00	5.53	0.00	5.53

(2) Previous reporting period

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
Equity Share Capital	5.53	0.00	5.53	0.00	5.53

B. Other equity (Rs. in lakhs)

Particulars	Reserve(s) and Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at March 31, 2021	31.75	(490.45)	(458.70)
Profit for the year ended March 31, 2022	-	(26.45)	(26.45)
Changes in accounting policies/prior period errors	-	-	-
Balance as at March 31, 2022	31.75	(516.90)	(485.15)
Profit for the year ended March 31, 2023	-	14.92	14.92
Changes in accounting policies/prior period errors	-	-	-
Balance as at March 31, 2023	31.75	(501.98)	(470.23)

Securities Premium Reserves

Securities premium reserves is issued to record the premium on issue of shares. The reserve can be utilised in accordance with the provision of the Companies Act 2013.

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. 316052E

Sd/-
CA P. K. Drolia
Partner
Membership No. 052629

Place: Kolkata
Date: 5th May, 2023

On behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
Din No: 06397029

Sd/-
Hari Shanker Sharma
Director
Din No: 09404713

CONTROLLA ELECTROTECH PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Controlla Electrotech Private Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at Y-10, Block-EP, Sector-V, Saltlake Electronics Complex, Bidhannagar Kolkata - 700 091. The Company is engaged in business of providing business centre, renting and allied activity.

(B) Recent Accounting Developments

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

(C) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(D) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.16- Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Investments in subsidiaries, associates and joint ventures

Investment in associates and joint ventures are accounted for at cost. Cost is arived at on weighted average method for the purpose of valuation of investments.

Equity investment in subsidiaries are carried at cost less accumulated impairment, if any.
When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1.4. Revenue
Income rental and business centre is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.5. Leasing
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.6. Foreign Currency Transactions
The financial statements are presented in Indian Rupee (INR) in lakhs, the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates

Non-Financial Instruments - foreign currency translation policy:
Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:
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 other comprehensive income

Financial Liabilities - Foreign Exchange Gains and Losses:
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. Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in other comprehensive income

1.7. Borrowing Cost
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, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 the statement of profit and loss in the period in which they are incurred.

1.8. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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.

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 sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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 residual value of the assets at the end of their useful life is considered as nil. 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.

Estimated useful life of the assets determined is as under:

- Buildings- 60 years
- Plant and machinery- 15 years
- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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 the period of the lease. Freehold Land is not depreciated.

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

1.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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.

1.10. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.11. Financial Instruments, Financial assets, Financial liabilities and Equity Instruments

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

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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

Financial Assets at Fair Value through Other Comprehensive Income (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 not held for trading 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 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 investments 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 Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are 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 as 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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

b) For financial assets measured at fair value through other comprehensive income, 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.

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new 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.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when 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 asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss
Expected credit loss (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.

1.12. Taxes on Income
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 by the end of the reporting period.

Deferred tax
The Company's deferred tax is calculated using tax rate that are substantially 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.

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 other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.13. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.14. Provisions

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.

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 recognized 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 recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets

Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.15. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided by the Board of Director. Based on such the Company operates in one operating segment.

1.16. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations, that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of property, plant and equipment and investment property.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Useful lives of property, plant and equipment:
As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) **Fair value measurements and valuation processes:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and are liable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

1.17. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.18. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2 Property, Plant and Equipment

(Rs. in lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2022	Additions	Disposals and other adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation/ amortisation Charge	Disposals and other adjustments	As at March 31, 2023	As at March 31, 2023
Plant & Machinery	51.12	-	-	51.12	44.29	5.89	-	50.18	0.94
Total Tangible assets	51.12	-	-	51.12	44.29	5.89	-	50.18	0.94

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2021	Additions	Disposals and other adjustments	As at 31st March, 2022	As at April 01, 2021	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2022	As at 31st March, 2022
Plant & Machinery	51.12	-	-	51.12	35.43	8.86	-	44.29	6.83
Total Tangible assets	51.12	-	-	51.12	35.43	8.86	-	44.29	6.83

(i) The Company has not revalued its Property, Plant and Equipment during the financial year 2022-23.

CONTROLLA ELECTROTECH PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

3 Investment Property

(Rs. in lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2022	Additions	Disposals and other adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation/ amortisation Charge	Disposals and other adjustments	As at March 31, 2023	As at March 31, 2023
Land	8.99	-	-	8.99	-	-	-	-	8.99
Building	1,865.11		-	1,865.11	181.95	36.39	-	218.34	1,646.77
Total Tangible assets	**1,874.10**	-	-	**1,874.10**	**181.95**	**36.39**	-	**218.34**	**1,655.76**

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2021	Additions	Disposals and other adjustments	As at 31st March, 2022	As at April 01, 2021	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2022	As at 31st March, 2022
Land	8.99	-	-	8.99	-	-	-	-	8.99
Building	1,865.11		-	1,865.11	145.56	36.39	-	181.95	1,683.16
Total Tangible assets	**1,874.10**	-	-	**1,874.10**	**145.56**	**36.39**	-	**181.95**	**1,692.15**

(ii) The Investment Property is valued at cost. Depreciation is charged using the straight-line method based on its estimated useful life i.e. 60 years

(iii) Fair Value of Land and Building as on 31.03.2023 - Rs 3,704 Lakhs (as on 31.03.2022 - Rs 3,704 Lakhs)

(iv) The amount recognised in the profit or loss in relation to Investment Property -

a) Income for the year 2022-23 - Rs 317 Lakhs (previous year - Rs 56 Lakhs)

b) Direct operating expenses arising from investment property that generated rental income as on 31.03.2023 - Rs 250.39 Lakhs (previous year - Rs 178.39 Lakhs)

c) Building is Mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible Debentures aggregating to Rs 0.30 Crores by Srei Equipment Finance Limited, the fellow subsidiary company in favour of the Debenture Trustee, Axis Trustee Services Limited.

4 Other Financial Assets - Non Current

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposit	3.02	2.55
Total	3.02	2.55

5 Other Non Current Assets

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax & Tax Deducted At Source	18.50	5.06
Less: Provision for taxation	-	-
Total	18.50	5.06

6 Investment Current

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments (Measured at Fair Value through Profit and loss)		
Investments Investments in Scheme of Mutual Funds	68.60	20.37
Total	68.60	20.37

7 Trade Receivables

Trade Receivables ageing schedule as at March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	Total
Unsecured						
(i) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	183.92	-	183.92
(iii) Disputed 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	-	-	-	-	-	-
	-	-	-	183.92	-	183.92
Unbilled dues	-	-	-	-	-	
Total	-	-	-	183.92	-	183.92

Trade Receivables ageing schedule as at March 31, 2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	Total
Unsecured						
(i) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	183.92	-	-	183.92
(iii) Disputed 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	-	-	-	-	-	-
	-	-	183.92	-	-	183.92
Unbilled dues	-	-	-	-	-	
Total	-	-	183.92	-	-	183.92

i. In determining the allowances for credit losses 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 Company measures the loss allowance at an amount equal to lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Asset Classification norms of RBI compared on individual basis.

ii. The above trade receivable is [illegible] from the [illegible] company [illegible] Finance Limited [illegible] currently under IBC process. Due to the [illegible] by the [illegible] Business Centre Rent for the period Oct 2020 to Mar 2021. [illegible] Security Deposit amounting to Rs. 117.54 Lacs. The aforesaid Trade Receivable and payable will be settled during the outcome of resolution plan. Hence no provision on Trade Receivable has been done by the Company.

CONTROLLA ELECTROTECH PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

8 Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
Balances with Banks in current account	1.89	1.07
Total	1.89	1.07

9 Other Bank Balances

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposit with balance maturity upto 12 months	57.86	63.03
(Rs 46.74 Lakhs Under Lien with bank as margin money against Bank Guarantee)		
Interest accrued but not due	-	2.12
Total	57.86	65.15

10 Other Current Assets

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
GST Input	7.19	5.59
Advance For Investment in Mutual Fund	-	12.50
Other Advances	1.17	1.70
Total	8.36	19.79

11 Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Authorised				
Equity Shares of Rs. 10 each	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00
Issued, Subscribed & Paid up				
Equity Shares of Rs. 10 each fully paid up	35,305	3.53	35,305	3.53
Total	35,305	3.53	35,305	3.53

The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors 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 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.

11.1 Equity shares issued/bought back during the period:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	**(Rs. in lakhs)**	**Number**	**(Rs. in lakhs)**
Shares outstanding at the beginning of the period/ year	35,305	3.53	35,305	3.53
Shares Issued during the period	-	-	-	-
Shares Forfeiture	-	-	-	-
Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the period	35,305	3.53	35,305	3.53

11.2 Details of Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates :-

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	**% of Holding**	**Number**	**% of Holding**
SREI Infrastructure Finance Limited *	35,305	100.00	35,305	100.00

11.3 Details of shareholder holding more than 5% shares :-

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	**% of Holding**	**Number**	**% of Holding**
SREI Infrastructure Finance Limited *	35,305	100.00	35,305	100.00

* Includes 3000 Equity shares held by nominee of Srei Infrastructure Finance Limited.

Shareholding of promoters as at March 31, 2023 :

Shares held by promoters at the end of the year				% Change during the year
Sl. No.	**Promoter name**	No. of shares	% of total shares	
(i)	SREI Infrastructure Finance Limited *	35,305	100.00	NA
	Total			

Shareholding of promoters as at March 31, 2022 :

Shares held by promoters at the end of the year				% Change during the year
Sl. No.	**Promoter name**	No. of shares	% of total shares	
(i)	SREI Infrastructure Finance Limited *	35,305	100.00	NA
	Total			

12 **Other Equity** (Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Share Premium	31.74	31.74
b) **Retained Earnings**		
Balance as per last accounts	(516.90)	(490.45)
Net Profit/(Loss) for the Period/Year	14.92	(26.45)
Closing Balance	**(501.98)**	**(516.90)**
Total (a+b)	(470.24)	(485.16)

13 Trade Payables

Trade Payables ageing schedule as at March 31, 2023					(₹ in Lakhs)
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues (MSME) and	-	-	-	-	-
(iv) Disputed dues (Others)	-	-	-	-	-
	-	-	-	-	-
Unbilled dues					
Total	-	-	-	-	-

Trade Payables ageing schedule as at March 31, 2022					(₹ in Lakhs)
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues (MSME) and	-	-	-	-	-
(iv) Disputed dues (Others)	-	-	-	-	-
	-	-	-	-	-
Unbilled dues					
Total	-	-	-	-	-

(A) Due to Micro, Small and Medium Enterprises **(Rs. in lakhs)**

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
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	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

14 **Other Financial Liabilities - Current**

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposit taken-measured at amortised cost	2,350.00	2,350.00
Interest payable on Refundable Security Deposit *	113.34	113.34
Liabilities for expenses	2.23	0.45
Total	**2,465.57**	**2,463.78**

*Refer Note 7(ii)

15 Other Current Liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	5.01	4.07
Total	**5.01**	**4.07**

16 Revenue From Operations

(Rs. in lakhs)

Particulars	Year ended March 31 2023	Year ended March 31 2022
Income from Business Centre *	312.00	156.00
Total	312.00	156.00

* The company has given its property to its fellow subsidiary, Srei Equipment Finance Ltd (SEFL) as business centre on a monthly consideration of Rs 26 lacs. Due to restrictions imposed by the Bankers of SEFL, they had requested the company to waive business centre fees and the same is approved by Bankers. Hence, business centre fees for the period April 1, 2021 to Sep 30, 2021 amounting to Rs 156 lakhs was waived by the Company. Consequently, SEFL also waived the interest on Security Deposit amounting to Rs 117.5 lacs to the company for the period April 1, 2021 to Sep 30, 2021. The Bankers have approved business centre fees and interest on security deposit w.e.f. Oct 1, 2021 which has been recognised in books by both the companies.

17 Other Income

(Rs. in lakhs)

Particulars	Year ended March 31 2023	Year ended March 31 2022
Interest on Fixed Deposits	3.06	3.17
Interest on Income tax refund	0.04	0.02
Profit on Investment in Mutual Fund Scheme	1.31	1.15
Total	4.41	4.34

18 Finance Cost

(Rs. in lakhs)

Particulars	Year ended March 31 2023	Year Ended March 31 2022
Interest expense on Security deposit measured at amortised cost	235.00	117.50
Total	235.00	117.50

19 Depreciation and Amortisation Expense

(Rs. in lakhs)

Particulars	Year ended March 31 2023	Year Ended March 31 2022
Depreciation on property, plant and equipments	42.26	45.25
Total	42.26	45.25

20 Other Expenses

(Rs. in lakhs)

Particulars	Year ended March 31 2023	Year Ended March 31 2022
Rates & Taxes	20.62	21.17
Insurance	1.70	2.49
Legal & Professional Fees	0.16	0.54
Director Sitting Fee	0.40	0.10
Payment to Auditors		
- Statutory Audit Fees	0.35	0.25
Bank Charges	0.06	1.57
Miscellaneous Expenses	0.02	0.00
Total	23.21	26.12

21 Tax Expenses

(Rs. in lakhs)

Particulars	Year ended March 31 2023	Year Ended March 31 2022
Current Tax	-	-
Tax for earlier year	1.00	(2.08)
Total Current Tax	1.00	(2.08)
Deferred tax	-	-
Total Deferred Tax	-	-
Total	1.00	(2.08)

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense is as follows:

(Rs. in lakhs)

Particulars	Year ended March 31 2023	Year Ended March 31 2022
Profit before tax	15.93	(28.53)
Statutory Income Tax Rate	25.17%	25.17%
Expected income tax expense at statutory income tax rate	4.01	(7.18)
(i) Income exempt from tax/Items not deductible	-	-
(ii) Adjusted from previous year loss/gain	(4.01)	7.18
Total Tax Expense recognised in profit and loss	-	-

22 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generation with a judicious use to fund working capital that arise from time to time as well as requirements of future business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

23 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 to the financial statements.

A1 Categories of Financial Instruments

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Financial assets				
a) Measured at amortised cost				
(i) Cash and Cash Equivalents	1.89	1.89	1.07	1.07
(ii) Other Bank Balances	67.86	67.86	65.16	65.16
(iii) Other Financial Assets	3.02	3.02	2.55	2.55
Sub-Total	72.77	72.77	68.78	68.78
b) Measured at Fair Value through Profit or Loss				
(i) Investments	68.60	68.60	20.37	20.37
Sub-Total	68.60	68.60	20.37	20.37
Total financial assets	**141.37**	**141.37**	**89.15**	**89.15**
Financial liabilities				
a) Measured at amortised cost				
(i) Other Financial Liabilities	2,463.57	2,463.57	2,463.57	2,463.57
Total financial liabilities	**2,463.57**	**2,463.57**	**2,463.57**	**2,463.57**

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.

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 include: cash, cash equivalents, other bank balances and Other receivables.

Other financial liabilities measured at amortised cost

For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: Trade & Other payables.

CONTROLLA ELECTROTECH PRIVATE LIMITED

Notes to the financial statement for the year ended March 31, 2023

23 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd.)

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 [illegible] described below.

Quoted prices in an active market (Level 1): Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equi[illegible] 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 rep[illegible]

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example ov[illegible] derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specifi[illegible] all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, t[illegible] included in level 3. This is the case for unlisted equity securities, contingent consideration and investments in Alternate Investment Funds included in [illegible]

	As at 31.03.2023		
	Level 1	Level 2	Level 3
Financial Assets			
Investments	68.60	-	-
	68.60	-	-

	As at 31.03.2022		
	Level 1	Level 2	Level 3
Financial Assets			
Investments	20.37	-	-
	20.37	-	-

C) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company's financial risk management [illegible] enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests [illegible] procedures issued by appropriate authorities, internal control systems, process of regular reviews / audits to set appropriate risk limits and controls [illegible] such risks and compliance to regulation for the same.

a) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so [illegible] cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a ra[illegible] specific and market-wide events.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table [illegible] details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

	As at 31.03.2023		As at 3[illegible]
	Current	Non-Current	Current
Financial assets			
a) Measured at amortised cost			
(i) Cash and Cash Equivalents	1.89	-	1.07
(ii) Other Bank Balances	67.86	-	65.16
(iii) Other Financial Assets	-	3.02	-
Total	**69.75**	**3.02**	**66.23**
Financial liabilities			
a) Measured at amortised cost			
(i) Other Financial Liabilities	2,463.57	-	2,463.57
Total	**2,463.57**	-	**2,463.57**

c) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

24 Related Party Disclosures

(i) Related Parties list

Sl. No.	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
1	Srei Leasing Private Limited	India
2	Adisri Strategic Advisors Private Limited	India
3	Adisri Leasing Private Limited	India
C	**Holding Company**	
1	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries:**	
1	Srei Equipment Finance Limited	India
2	Srei Insurance Broking Private Limited	India
3	Srei Capital Markets Limited	India
4	Srei Mutual Fund Asset Management Private Limited	India
5	Srei Mutual Fund Trust Private Limited	India
6	Srei Asset Leasing Limited	India
7	Bengal Srei Infrastructure Development Limited	India
8	Trinity Alternative Investment Managers Limited	India
9	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of	India
10	Cyberabad Trustee Company Private Ltd. (subsidiary of Trinity Alternative	India
E	**TRUSTS**	
1	Srei Mutual Fund Trust	India
F	**OTHERS**	
1	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
1	Vishnu Gopal Agarwal (ceased w.e.f. 21.12.2021)	Director
2	Sandeep Kumar Sultania (ceased w.e.f. 21.12.2021)	Director
3	Manoj Kumar (w.e.f. 20.12.2021)	Director
4	Hari Shanker Sharma (w.e.f. 20.12.2021)	Director
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
5	Mr. Hemant Kanoria *	Chairman
6	Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
7	Mr. Shyamalendu Chatterjee *	Independent Director
8	Mr. Malay Mukherjee *	Independent Director
9	Dr. Punita Kumar Sinha *	Independent Director
10	Dr. Tamali Sengupta *	Independent Director
11	Dr. Deepali Pant Joshi (w.e.f. 28.06.2021) *	Additional Director
12	Mr. Ram Krishna Agarwal (ceased w.e.f. 17.09.2021)	Independent Director
13	Mr. Srinivasachari Rajagopal (ceased w.e.f. 30.06.2021)	Independent Director
14	Mr. Rakesh Kumar Bhutoria (ceased w.e.f. 15.07.2021)	Chief Executive Officer
15	Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. 07.12.2021)	Chief Financial Officer
16	Mr. Rajneesh Sharma (w.e.f. 04.10.2021) **	Administrator
17	Mr. Sourav Mukhopadhyay (from 30.09.2021 to 18.07.2022)	Deputy Chief Executive Officer
18	Mr. Manoj Kumar (w.e.f. 01.04.2021)	Company Secretary & Chief Financial Officer
19	Mr. Vishnu Gopal Agarwal (w.e.f. 21.12.2021)	Chief Compliance Officer & Financial Controller

* In exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, the Reserve Bank of India (RBI) vide its Press Release dated 4th October, 2021 superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL).

** The Reserve Bank of India has appointed Mr. Rajneesh Sharma as the Administrator of SIFL under Section 45-IE (2) of the RBI Act.

CONTROLLA ELECTROTECH PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

24 Related Party Transactions

b) Transactions entered with related parties during the year ended March 31, 2023 and year ended March 31, 2022 are as under:

(Rs. in lakhs)

Name of related party	Nature of Transactions	Year ended March 31 2023	Year ended March 31 2022
(A) Fellow Subsidiary			
Srei Equipment Finance Limited	**Transactions**		
	Security Deposit taken	-	-
	Security Deposit refunded	-	-
	Income From Business Centre	313.00	156.00
	Interest expense on Security deposit measured at amortised cost	235.00	117.50
(B) Key Management Personnel			
Vishnu Gopal Agrawal (Ceased to be Director w.e.f. 21.12.2021)	Director Sitting Fee	-	-
Sandeep Kumar Sultania (Ceased to be Director w.e.f. 21.12.2021)	Director Sitting Fee	-	-
Manoj Kumar (Director w.e.f. 20.12.2021)	Director Sitting Fee	-	-
Hari Shanker Sharma (Director w.e.f. 20.12.2021)	Director Sitting Fee	0.40	0.10

c) Balance due with related parties as on March 31, 2023 and March 31, 2022 are as under:

(Rs. in lakhs)

Name of related party	Outstanding balances	As at March 31, 2023	As at March 31, 2022
(A) Fellow Subsidiary			
Srei Equipment Finance Limited	**Outstanding Balances:** Security Deposit Balance	2,350.00	2,350.00
	Receivable : Income From Business Centre	-	180.93
	Payable : Interest Expenses on Security Deposit	113.34	113.34
	Property mortgaged as a collateral security against the allotment of Secured Redeemable Non-Convertible Debentures	20.00	20.00

25 **Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:**

S.No	Particulars	Year ended March 31 2023	Year ended March 31 2022
1	Profit/(Loss) after tax attributable to Equity Shareholders (Rs. In Lakhs)	14.92	(26.45)
2	Weighted average number of Equity Shares Basic (Nos.)	35,305	35,305
3	Weighted average number of Equity Shares Diluted (Nos.)	35,305	35,305
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	42.25	(74.92)
6	Diluted Earnings per share (Rs)	42.25	(74.92)

26 **Segment Reporting**

The Company is primarily engaged in a single business segment of Real Estate Services. All the activity of the company revolves around the main business. As such there are no separate reportable segments as per Accounting Standard – 108 "Operating Segments".

CONTROLLA ELECTROTECH PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

27 Contingent Liability and capital commitment

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liability		
Bank Guarantee *	46.74	46.74
Income Tax Demand u/s 143(3) - FY 2010-11	-	0.35
Income Demand u/s 115JB intimation u/s 143 (1) - FY 2019-20	-	1.42
Total	**46.74**	**48.51**
Capital Commitment	-	-

* Bank Guarantee has been issued to West Bengal State Electricity Distribution Company Limited & renewed every two years. The last renewal was done on 17th March 2022 & expirying on 15th March 2024. Against this guarantee the company has created fixed deposit with ICICI Bank. The current outstanding amount of fixed deposit is Rs 67.86 lacs.

28 **Ratios to be disclosed:**

S.No	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Current Ratio	0.13	0.12
(b)	Debt Equity Ratio*	NA	NA
(c)	Debt Service Coverage Ratio*	NA	NA
(d)	Return on Equity Ratio**	NA	NA
(e)	Inventory Turnover Ratio	NA	NA
(f)	Trade Receivable Turnover Ratio	3.44	0.87
(g)	Trade Payable Turnover Ratio	-	-
(h)	Net Capital Turnover Ratio**	-	-
(i)	Net Profit Ratio	0.05	(0.16)
(j)	Return on Capital Employed**	-	-
(k)	Return on Investment	-	-

* There is no debt in the company

** As the Net worth/ Net Capital is negative. Hence the ratio are not applicable

*** Since, the Net worth of the Company is negative and the operations are insignificant there is wide variation in ratio (more than 25%) compared to previous year

29 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them

The Accompanying Notes are an Integral part of the Financial Statements

As per our report of even date annexed.

For P. K. Drolia & Co.
Chartered Accountants
Firm Registration No. : 316057E

Sd/-
CA P.K. Drolia
Partner
Membership No. : 052629
UDIN: 23052629[illegible]

On behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
Din No:- 06397089

Sd/-
Hari Shankar Sharma
Director
Din No:- 09404713

Place : Kolkata
Date: 9th May, 2023

Srei Asset Leasing Limited

(Formerly Srei Finance Limited)

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company have pleasure in presenting the Ninth Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2023.

FINANCIAL RESULTS AND OPERATIONS

(Rs. in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Total Income	5.57	4.02
Total Expenditure	1.96	0.50
Profit / (Loss) Before Tax	**3.61**	**3.52**
Provision for Current Tax	-	-
Profit / (Loss) After Tax	**3.61**	**3.52**
Balance brought forward from previous year	**3.17**	**(0.35)**
Balance carried to Balance Sheet	**6.78**	**3.17**
Paid up Equity Share Capital	100.00	100.00
Amount transferred to Reserves	-	-

REVIEW OF OPERATIONS

During the Financial Year 2022-23, your Company earned a total Profit of Rs. 3.61 Lakhs as compared to the previous year profit of Rs. 3.52 Lakhs.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) OF SREI INFRASTRUCTURE FINANCE LIMITED, THE HOLDING COMPANY

The Reserve Bank of India ('**RBI**') had vide Press Release dated 4th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) ('Press Release') superseded the Board of Directors of Srei Infrastructure Finance Limited ('**SIFL**'), the holding Company of your Company owing to governance concerns and defaults by SIFL in meeting various payment obligations. Mr. Rajneesh Sharma was appointed as the Administrator of SIFL under Section 45-IE (2) of the RBI Act with effect from 4th October, 2021 vide the said Press Release.

On 8th October, 2021, the RBI filed application for initiation of Corporate Insolvency Resolution Process ('**CIRP**') against SIFL before the Hon'ble National Company Law Tribunal, Kolkata Bench ('**Hon'ble NCLT**') under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code, 2016 ('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') Thereafter vide an Order dated 8th October, 2021 of the Hon'ble NCLT, the application filed by the RBI for initiating the CIRP in respect of SIFL was admitted and a Corporate Insolvency Resolution Process was initiated against SIFL and the appointment of Mr. Rajneesh Sharma as the Administrator of SIFL (as per the RBI press release dated 04th October, 2021) was also confirmed. Thereafter, a Committee of Creditors was constituted as per the provisions of the Insolvency and Bankruptcy Code, 2016.

Accordingly SIFL, the holding Company of your Company is undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator of SIFL is to perform the duties of the Resolution Professional under the Code. In accordance with the provisions of the Code and with the approval of the Committee of Creditors (CoC) of SIFL the Administrator on 25th February, 2022 had invited expressions of interest (EOI) from prospective resolution applicants (PRAs).

The revised final list of prospective PRAs was shared by SIFL on November 17, 2022. The resolution plans were duly presented by the Administrator of SIFL to CoC for voting on January 21, 2023. The E-voting on the resolution plans concluded on 14th February, 2023 and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by the requisite majority and was declared as the successful resolution plan under Section 30(4) of the Code. Further, your Holding Company had received no objection pursuant to change in control / ownership / management of SIFL from RBI on March 23, 2023.

The Administrator of SIFL had also filed an application under Section 30(6) of the Code for the submission of resolution plan of NARCL as approved by CoC with the Hon'ble National Company Law Tribunal (NCLT), Kolkata on February 18, 2023, the response of the same is still awaited.

DIVIDEND

The Board of Directors of your Company does not recommend any dividend for the financial year 2022-23

TRANSFER TO RESERVES

Your Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2022-23.

SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES

Your Company does not have any Subsidiary Company, Joint Ventures and Associate Company as required to be disclosed in terms of provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5 and 8(5) the Companies (Accounts) Rules, 2014

PUBLIC DEPOSITS

Your Company has not invited or accepted deposits from the public covered under Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilization, safety and environment.

During the year under review, the total foreign exchange outflow was NIL (Previous Year - Nil). Your Company has not earned any foreign exchange during the year under review (Previous Year - Nil).

DIRECTORS & KEY MANAGERIAL PERSONNEL

DIRECTORS

Presently, the Board of Directors of your Company comprises of Three (3) Directors (Category: Non-Executive), namely, Mr. Manoj Kumar (DIN: 06397089), Mr. Sudipta Kumar Mukherjee (DIN: 09022104) and Mr. Umakant Kashinath Bijapur (DIN: 07269181).

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Manoj Kumar (DIN: 06397089), Director of your Company, retires by rotation at the ensuing Annual General Meeting

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013 ("the Act") read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company and every other Public Company having a paid-up share capital of ten crore rupees or more shall have whole-time Key Managerial Personnel (KMPs), namely, (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director,

(ii) Company Secretary; and (iii) Chief Financial Officer. Further, every private Company having paid-up share capital of ten crores rupees or more shall have a whole-time Company Secretary.

Your Company is not required to appoint any whole-time KMPs as the paid-up share capital of the Company is less than the limit as prescribed above.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company's business operations and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed / noted in the subsequent Meeting of the Board of Directors of the Company.

During the Financial Year 2022-23, Four (4) Meetings of the Board of Directors of the Company were held on 27th April, 2022, 4th August, 2022, 7th November, 2022 and 1st February, 2023. The maximum time gap between any two consecutive meetings did not exceed 120 days. The presence of Directors at such Meetings is as follows:

Name of Directors	No. of Meetings entitled to attend	No. of Meeting attended
Mr. Manoj Kumar	4	4
Mr. Sudipta Kumar Mukherjee	4	4
Mr. Umakant Kashinath Bijapur	4	4

PARTICULARS OF EMPLOYEES

There was no employee in the Company during the financial year 2022-23, so the disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2022-23, your Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

Srei Asset Leasing Limited

(Formerly Srei Finance Limited)

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all the Related Party transactions entered into by your Company during the financial year 2022-23 were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company.

EXTRACT OF THE ANNUAL RETURN

The Ministry of Corporate Affairs (MCA) vide Notification no. G.S.R.159 (E) dated 5th March, 2021 has amended the Companies (Management and Administration) Rules, 2014. According to the amended provisions of Rule 12 of the said rule, the extract of Annual Return in Form No. MGT-9 is not applicable as on the financial year ended March 31, 2023.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 during the financial year ended March 31, 2023.

INTERNAL FINANCIAL CONTROL

Your Company has an internal financial control and system, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of internal financial control has been designed to provide a reasonable assurance with regard to system and process and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorised use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

RISK MANAGEMENT

There is no element of risks which may threaten the existence of your Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2022-23, no significant and material orders has been passed by Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Since there was no employee in the Company during the financial year 2022-23, so the disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, is not applicable to your Company.

SHARE CAPITAL

The Paid up Equity Share Capital as on March 31, 2023 was Rs. 1,00,00,000/- divided into 10,00,000 Equity Shares of Rs. 10/- each. There were no changes in the share capital of the Company during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 ("Act") read with relevant Rules made thereunder, your Directors confirm that:

(i) in the preparation of the annual accounts for the period ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the period and of the loss of your Company for that period;

Srei Asset Leasing Limited

(Formerly Srei Finance Limited)

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.

(iv) they have prepared the annual accounts for the period ended on March 31, 2023 on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that they were adequate and operating effectively; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

M/s. Mohit Arya & Associates, Chartered Accountants, having Registration No. 330192E allotted by the Institute of Chartered Accountants of India (ICAI), was appointed as the Statutory Auditors of the Company at the Eighth Annual General Meeting of the Company held on 27th June, 2022 for a term of five years, who shall hold the office from the conclusion of the Eighth Annual General Meeting of the Company until the conclusion of the Thirteenth Annual General Meeting of the Company to be held in the year 2027.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

ACKNOWLEDGEMENT

Your Directors express their gratitude for the continued cooperation and excellent support received from the Ministry of Corporate Affairs, Srei Infrastructure Finance Limited, the Holding Company, Bankers, Business Associates and various regulatory and Government authorities

On behalf of the Board of Directors

Place: KOLKATA
Date: 05.05.2023

sd/-
Director
DIN: 06397089
MANOJ KUMAR

sd/-
Director
DIN: 09022104
SUBRATA KUMAR MUKHERJEE

Corporate Identity Number: U65999WB2014PLC202501
Registered Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046
Phones: +91 33 2285 0112 - 15, +91 33 2285 0124 - 27 **Fax:** +91 33 2285 8501,
Email Id: secretarial.assetleasing@gmail.com

Independent Auditor's Report

To the Members of
Srei Asset Leasing Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying standalone Ind AS Financial Statements of **SREI ASSET LEASING LIMITED ("The Company")**, which comprise the **Balance Sheet** as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind As, of the state of affairs of the Company as at March 31, 2023, its Profit, including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

a) Note 14 to the Financial Statements which discloses that the Reserve Bank of India (RBI) had vide Press release dated 4th October 2021, superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL), being its Holding Company

Our opinion is not modified in respect of this matter.

To the members of
Srei Asset Leasing Limited

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

To the members of
Srei Asset Leasing Limited

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

• Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

To the members of
Srei Asset Leasing Limited

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.

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

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

Report on other legal and regulatory requirements.

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164 (2) of the Act.

To the members of
Srei Asset Leasing Limited

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the years ended 31st March 2023.

h. 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The management has represented to us 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

   (c) Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (2)(h)(iv)(a) and (b) contain any material misstatement.

To the members of
Sza! Asset Leasing Limited

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No. -330192E

Sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJBZ1811
Place : Kolkata
Dated: 5th Day of May 2023.

To the members of
Srei Asset Leasing Limited

"Annexure A" to the Independent Auditor's Report of Even Date on the Financial Statements of Srei Asset Leasing Limited

Statement referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Srei Asset Leasing Limited on the financial statements for the year ended 31st March, 2023:

(i) The Company has no Property, Plant & Equipment or intangible assets. Accordingly, provision of clause (i) of paragraph 3 of the said Order is not applicable to the Company and hence not commented upon.

(ii) The Company's nature of operation does not require it to hold inventories and it has not been sanctioned any working capital limit by any banks or financial institutions during the year. Accordingly, provision of clause (ii) (a) and (b) of paragraph 3 of the said order is not applicable to the Company and hence not commented upon.

(iii) The Company has neither made any investment nor granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (f) of paragraph 3 of the said order are not applicable to the Company.

(iv) According to the information and explanations given to us and as per records examined by us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments. The Company has not given any loan, guarantee or security.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanation given to us and as per records examined by us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Duty of Customs, Duty of Excise, Goods and Service Tax or Cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2023 for a period of more than six months from the date they became payable.

(viii) According to the information and explanation given to us and as per records examined by us, the Company has had no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

To the Members of
STCI Asset Leasing Limited

(ix) According to the information and explanation given to us and as per records examined by us, the Company has not defaulted in repayment of dues to a financial institution. The Company has not taken any loans or borrowing from bank or Government. The Company has not issued any debentures.

(x) According to the information and explanations given to us and as per records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The money raised by way of term loans have been applied for the purpose for which the loans were obtained.

(xi) (a) In our opinion and according to the information and explanations given by the management, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) In our opinion and according to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the provisions relating to an internal audit system is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Accordingly, clause (xv) of the paragraph 3 of the said order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

(xvii) The Company has not incurred any cash loss in the financial year or in the immediately preceding financial year.

To the members of
Srei Asset Leasing Limited

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing on the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xx) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of CSR are not applicable. Accordingly the provisions of Clause 3(xx) of the Order are not applicable to the Company.

(xxi) As this is an audit report on the standalone financial statements, the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No. 330192E

Sd/-

(CA. Mohit Arya)
Membership No 306054
Proprietor
UDIN: 23306054BGWJBZ1811
Place : Kolkata
Dated: 5th Day of May 2023.

To the members of
Sree Asset Leasing Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SREE ASSET LEASING LIMITED

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sree Asset Leasing Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

To the members of
Srei Asset Leasing Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinton

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No. -330192E

Sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJBZ1811
Place: Kolkata
Dated: 5th Day of May 2023.

AREL ASSET LEASING LIMITED

CIN: U65999WB2014PLC202301

Balance Sheet as at MARCH 31, 2023

(Rs. In lakhs)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I.	**ASSETS**			
	Non-Current Assets			
	(a) Other Non Current Tax Assets (Net)	2	0.04	0.20
	Current Assets			
	(a) Financial Assets			
	(i) Investments	3	96.91	94.40
	(ii) Cash and Cash Equivalents	4	1.25	1.02
	(iii) Other Bank Balance	5	8.72	8.32
	Total Assets		**106.93**	**103.94**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share capital	6	100.00	100.00
	(b) Other Equity	7	6.78	3.17
			106.78	**103.17**
	LIABILITIES			
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	8	0.15	0.23
	(b) Other Current Liabilities	9	-	0.64
	Total Equity and Liabilities		**106.93**	**103.94**

The accompanying notes 1 to 19 are an integral part of the Financial Statements.
As per our report of even date Annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330192E

sd/-
(CA. Mohit Arya)
Proprietorship
Membership No. 306054

Place : Kolkata
Date: 5th May, 2023

On behalf of the Board of Directors

sd/-
Manoj Kumar
Director
DIN No. 06397089

sd/-
Sudipta Kumar Mukherjee
Director
DIN No. 09022104

SREI ASSET LEASING LIMITED
CIN: L65999WB2014PLC202301
Statement of Profit and Loss for the year ended March 31, 2023

(Rs. In lakhs)

	Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
(I)	Revenue from operations		-	-
(II)	Other Income	10	5.57	4.02
(III)	**Total Income**		**5.57**	**4.02**
(IV)	Expenses			
	(a) Other Expenses	11	1.96	0.50
	Total Expenses		**1.96**	**0.50**
(V)	**Profit Before Exceptional Items and Tax (III-IV)**		3.61	3.52
(VI)	Exceptional items		-	-
(VII)	**Profit Before Tax (V-VI)**		3.61	3.52
(VIII)	**Tax Expense**	2		
	(a) Current Tax		-	-
	(b) Deferred Tax		-	-
	Total Tax Expense		-	-
(IX)	**Profit For The Year (VII-VIII)**		**3.61**	**3.52**
(X)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other Comprehensive Income (X)		-	-
(XI)	**Total Comprehensive Income for the period (IX+X)**		3.61	3.52
(XII)	**Earnings per equity share (Face value of Rs.10 each)**	15		
	Basic (Rs.)		0.36	0.35
	Diluted (Rs.)		0.36	0.35

The accompanying notes 1 to 19 are an integral part of the Financial Statements.
As per our report of even date Annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330152E

Sd/-
(CA. Mohit Arya)
Proprietorship
Membership No. 306054

On behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
DIN No. 06397089

Sd/-
Sudipta Kumar Mukherjee
Director
DIN No. 09022106

Place : Kolkata
Date : 5th May, 2023

SREI ASSET LEASING LIMITED
CIN: U65999WB2014PLC202301
Statement of Cash Flows for the year ended March 31, 2023

(Rs. In lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash Flows from Operating Activities		
Profit Before Tax	3.61	1.52
Adjustment for		
Interest Income	(0.44)	(0.44)
Profit on Scheme of Mutual Fund	[illegible]	(1.57)
Operating profit before working capital changes	**(1.95)**	**(0.49)**
Changes in working capital :		
Decrease in Trade Receivables, Advances and Other Assets	-	0.05
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	(0.62)	0.26
Cash generated/(used) in operations	**(2.57)**	**(0.10)**
Income Tax Paid (Net)	0.16	0.01
Net Cash used in Operating Activities	**(2.42)**	**(0.09)**
B. Cash flows from Investing Activities		
(Increase)/Decrease in Other Bank Balances	-	(0.40)
Investment in Mutual Fund	2.60	-
Interest Received	0.05	0.45
Net Cash used in Investing Activities	**2.65**	**0.05**
C. Cash Flows from Financing Activities		
Issue of Equity Share Capital	-	-
Net Cash generated from Financing Activities	-	-
Net Increase / (Decrease) in Cash and Cash Equivalents	0.23	(0.04)
Cash & Cash Equivalents at the beginning of the year	1.02	1.06
Cash and Cash Equivalents at the end of the year	1.25	1.02

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

2) Components of Cash and Cash Equivalents:

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
In Current Account	1.25	1.02
	1.25	**1.02**

The accompanying notes 1 to 19 are an integral part of the Financial Statements.
As per our report of even date Annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No. 330192E

On behalf of the Board of Directors

Sd/-
(CA. Mohit Arya)
Proprietorship

Sd/-
Manoj Kumar
Director
DIN No. 06397084

Sd/-
Sudipta Kumar Mukherjee
Director
DIN No. 09022104

Place : Kolkata
Date: 5th May, 2023

SREI ASSET LEASING LIMITED
CIN: U65999WB2014PLC202301
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

a. Equity Share Capital

(Rs. In lakhs)

Particulars	As at April 1, 2022	Changes during the year	As at March 31, 2023
Equity Share Capital	100.00	-	100.00

b. Other Equity

(Rs. In lakhs)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at the April 1, 2021	(0.35)	(0.35)
Profit for the year ended 31st March 2022	3.52	3.52
Balance as at March 31, 2022	3.17	3.17
Balance as at the April 1, 2022	3.17	3.17
Profit for the year ended 31st Mar 2023	3.61	3.61
Balance as at Mar 31, 2023	6.78	6.78

Retained Earnings:
This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013.

As per our report of even date Annexed

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No 330192E

On behalf of the Board of Directors

Sd/-
(CA. Mohit Arya)
Proprietorship
Membership No. 306054

Sd/-
Manoj Kumar
Director
DIN No. 06397089

Sd/-
Sudipta Kumar Mukherjee
Director
DIN No. 09022104

Place : Kolkata
Date: 5th May, 2023

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Asset Leasing Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata – 700 046.

The Company is engaged in rendering Consultancy Services.

(B) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(C) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.11 Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers.

Income from Consultancy is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.4. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.5. Foreign Currency Transactions

The financial statements are presented in Indian Rupee (INR) in lakhs, the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

Non-Financial Instruments - foreign currency translation policy:
Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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.

Financial Assets - foreign Exchange Gains and Losses:
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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:
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. Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in other comprehensive income

1.6. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

Financial Assets at Fair Value through Other Comprehensive Income (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 not held for trading 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 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 investments 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 Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are 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 as 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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

b) for financial assets measured at fair value through other comprehensive income, 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.

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new 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.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when 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 asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss
Expected credit loss (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.

1.7. Taxes on Income
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 by the end of the reporting period.

Deferred tax
The Company's deferred tax is calculated using tax rate that are substantially 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.

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 other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.8. Claims
Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.9. Provisions
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.

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 recognized 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 recognized

because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.10. Operating Segments
Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors based on such the Company operates in one operating segment, viz. Consultancy Services.

1.11. Use of Estimates and Judgements
The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of assets.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Fair value measurements and valuation processes:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

ii) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

iii **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.12. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.13. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2 Other Non Current Tax Assets (Net)

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax & TDS receivable	0.04	0.21
Less : Provision for income tax	0.01	0.01
Total	0.04	0.20

The reconciliation of estimated income tax to income tax expense is as below:

(Rs. In lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax	3.61	3.52
Statutory Income Tax Rate	25.17%	25.17%
Expected income tax expense at statutory income tax rate	0.91	0.89
(i) Tax effect on income exempt from tax/items not deductible	-	-
(ii) Net Deferred Tax Asset/Liability not recognised in statement of Profit & Loss	(0.91)	(0.89)
(iii) Items disallowed	-	-
(iv) Carry forward losses	-	-
Total Tax Expense recognised in profit and loss account	-	-

3 Investment-Current

Particulars	As at March 31, 2023	As at March 31, 2022
Investments (Measured at Fair Value through Profit and loss)		
ICICI Prudential Money Market Fund Investments in Scheme of Mutual Funds - Current Investments - 29928.177 units @ 323.8221 (previous year - 30759.415 units @ 306.8941)	96.91	94.40
Total	96.91	94.40

4 Cash and Cash Equivalents

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance in Banks - Current Accounts	1.25	1.02
Total	1.25	1.02

5 Other Bank Balance

(Rs. In lakhs)

Particulars	-	As at March 31, 2022
Balances with Banks - in Deposit Accounts	8.31	8.31
Interest Accrued but not due on Fixed Deposits	0.4	0.02
Total	8.72	8.32

6 Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	(Rs. In lakhs)	Number	(Rs. In lakhs)
Authorised				
Equity Shares of Rs. 10 each	30,00,000	300.00	30,00,000	300.00
	30,00,000	300.00	30,00,000	300.00
Issued, Subscribed & Paid up				
Equity Shares of Rs. 10 each fully paid up	10,00,000	100.00	10,00,000	100.00
Total	10,00,000	100.00	10,00,000	100.00

6.1 The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends
The Company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors 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 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.

6.2 **Equity shares issued/bought back during the year:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	(Rs. In lakhs)	Number	(Rs. In lakhs)
Shares outstanding at the beginning of the year	10,00,000	100.00	10,00,000	100.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	10,00,000	100.00	10,00,000	100.00

6.3 **Details of Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates :-**

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited	10,00,000	100%	10,00,000	100%

6.4 **Details of shareholder holding more than 5% shares :-**

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited	10,00,000	100%	10,00,000	100%

6.5 **Shareholding of promoters as at March 31, 2023 :**

Shares held by promoters at the end of the year				% Change during the year
Sl.No.	Promoter name	No. of shares	% of total shares	
(i)	SREI Infrastructure Finance Limited *	10,00,000	100.00	NA
	Total			

Shareholding of promoters as at March 31, 2022 :

Shares held by promoters at the end of the year				% Change during the year
Sl.No.	Promoter name	No. of shares	% of total shares	
(i)	SREI Infrastructure Finance Limited *	10,00,000	100.00	NA
	Total			

* Include Equity shares held by nominee of Srei Infrastructure Finance Limited.

7 **Other Equity** (Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained Earnings		
Balance as per last accounts	3.17	(0.35)
Net Profit/(Loss) for the year	3.61	3.52
Closing Balance	6.78	3.17

8 Other Financial Liabilities

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities For Expenses	0.15	0.73
Total	**0.15**	**0.73**

9 Other Current Liabilities

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	-	0.04
Total	-	**0.04**

10 Other Income

(Rs. In lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
- on Fixed Deposits	0.44	0.44
Other non-Operating income :		
Net gain on fair valuation of investments - measured at FVTPL	4.91	3.57
Profit/(Loss) on Investment in Mutual Fund	0.21	-
- Others (from statutory authorities etc.)	0.01	0.00
Total	5.57	4.01

11 Other Expenses

(Rs. In lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates & Taxes Others	-	0.03
Filing Fees	0.03	-
Maintenance - Others	0.19	-
Annual Custody Fee	0.10	-
Legal & Professional Fees	0.55	0.08
Director Sitting Fee	0.80	0.20
Auditor's fees and expenses		
-Audit Fee	0.15	0.15
Other Expenses	0.16	0.02
Total	1.96	0.50

11.1 Payment to Auditor (Including GST)

(Rs. In lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As Auditor - Statutory Audit & Limited Review	0.15	0.15
Total	0.15	0.15

12 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are presently met through cash generated from operations.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

13 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 1 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in Lakh)

	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
a) Measured at amortised cost				
i) Trade Receivables	-	-	-	-
ii) Cash and cash equivalents	1.25	1.25	1.02	1.02
iii) Other bank balances	8.72	8.72	8.32	8.32
Sub-Total	9.97	9.97	9.34	9.34
b) Measured at Fair Value through Profit or Loss				
i) Investments	96.91	96.91	94.40	94.40
Sub-Total	96.91	96.91	94.40	94.40
Total financial assets	106.88	106.88	103.74	103.74
Financial liabilities				
a) Measured at amortised cost				
i) Trade Payables	-	-	-	-
ii) Other financial liabilities	0.15	0.15	0.73	0.73
Total financial liabilities	0.15	0.15	0.73	0.73

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.

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 include: cash, cash equivalents, other bank balances, Trade and Other receivables.

Other financial liabilities measured at amortised cost
For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.
Such instruments include: Trade & Other payables.

13 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

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 such 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.

13 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

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, contingent consideration and investment in Alternate Investment Funds included in level 3.

(Rs. in lakh)

	As at 31.03.2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	96.91	-		96.91
	96.91	-	-	**96.91**

	As at 31.03.2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	94.40	-		94.40
	94.40	-	-	94.40

(B) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on policies and procedures issued by appropriate authorities, internal control systems, process of regular reviews / audits to set appropriate risk limits and controls, monitoring of such risks and compliance confirmation for the same.

i) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(Rs. In Lakh)

	As at 31.03.2023		As at 31.03.2022	
	Current	Non-Current	Current	Non-Current
A: Financial assets				
(i) Trade Receivables	-	-	-	-
(ii) Cash and Cash equivalents	1.25	-	1.40	-
(iii) Other Bank Balance	8.72	-	8.30	-
Total	**9.97**	-	**9.34**	-
B: Financial liabilities				
i) Other financial liabilities	0.15	-	0.73	-
Total	**0.15**	-	**0.75**	-

ii) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

SREI ASSET LEASING LIMITED (Formerly SREI FINANCE LIMITED)

Notes to the financial statement for the year ended March 31, 2022

14 Related Party Disclosures

a) Related Parties

Sl. No.	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
1	[illegible] Private Limited	India
2	[illegible] Private Limited	India
3	[illegible] Private Limited	India
C	**Holding Company**	
1	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries:**	
1	Srei Equipment Finance Limited	India
2	Srei Insurance Broking Private Limited	India
	Srei Capital Markets Limited	India
4	Srei Mutual Fund Asset Management Private Limited	India
5	Srei Mutual Fund Trust Private Limited	India
6	Controlla Electrotech Private Limited	India
7	Bengal Srei Infrastructure Development Limited	India
8	Trinity Alternative Investment Managers Limited	India
9	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment	India
10	Cyberabad Trustee Company Private Ltd. (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
E	**TRUSTS**	
1	Srei Mutual Fund Trust	India
F	**OTHERS**	
1	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
1	Vishnu Gopal Agarwal (Ceased w.e.f. 21.12.2021)	Director
2	Manoj Kumar Beriwala (Ceased w.e.f. 21.12.2021)	Director
3	Shashi Bhushan Tiwari (Ceased w.e.f. 24.12.2021)	Director
4	Manoj Kumar (w.e.f. 20.12.2021)	Director
5	Dhirakant Kashinath Bijapur (w.e.f. 20.12.2021)	Director
6	Sudipta Kumar Mukherjee (w.e.f. 20.12.2021)	Director
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
7	Mr. Hemant Kanoria *	Chairman
8	Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
9	Mr. Shyamalendu Chatterjee *	Independent Director
10	Mr. Malay Mukherjee *	Independent Director
11	Dr. Punita Kumar Sinha *	Independent Director
12	Dr. Tamali Sengupta *	Independent Director
13	Dr. [illegible] (Ceased w.e.f. [illegible]) *	Additional Director
14	Mr. Ram Krishna Agarwal (Ceased w.e.f. 17.09.2021)	Independent Director
15	Mr. Srinivasachari Rajagopal (Ceased w.e.f. 30.06.2021)	Independent Director
16	Mr. Rakesh Kumar Bhutoria (Ceased w.e.f. [illegible].09.2021)	Chief Executive Officer
17	Mr. Sanjeev Kumar Sultania (ceased to be a KMP w.e.f. 02.12.2021)	Chief Financial Officer
18	Mr. Rajneesh Sharma (w.e.f. 04.10.2021) **	Administrator
19	Mr. Sanjay Mukhopadhyay (from [illegible].08.2021 to 18.02.2022)	Deputy Chief Executive Officer
20	Mr. Manoj [illegible] (w.e.f. [illegible].04.2021)	Company Secretary & Chief Financial Officer
21	Mr. Vishnu Gopal Agarwal (w.e.f. [illegible].2022)	Chief Compliance Officer & Financial Controller

* These KMPs ceased consequent upon Section 45-IE(1) of the Reserve Bank of India Act, 1934, the Reserve Bank of India (RBI) through its Press Release dated 4th October 2021 superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL).

** The Reserve Bank of India has appointed Mr. Rajneesh Sharma as the Administrator of SIFL under Section 45-IE (2) of the RBI Act.

SREI ASSET LEASING LIMITED
CIN: L65999WB2014PLC202940
Notes to the financial statement for the year ended March 31, 2023

14 Related Party Transactions

(c) Transactions entered with related parties during the year ended March 31, 2023 and year ended March 31, 2022 are as under

(Rs.In Lakhs)

Particulars	Nature of Transactions	Year ended March 31, 2023	Year ended March 31, 2022
(A) Holding Company			
		-	-
(B) Key Management Personnel			
Vishnu Gopal Agarwal (Ceased to be Director w.e.f. 21.12.2021)	Director Sitting Fee	-	-
Manoj Kumar Beriwala (Ceased to be Director w.e.f. 21.12.2021)	Director Sitting Fee	-	-
Shashi Bhushan Tiwari (Ceased to be Director w.e.f. 21.12.2021)	Director Sitting Fee	-	-
Manoj Kumar (Director w.e.f. 20.12.2021)	Director Sitting Fee	-	-
Omkant Kashinath Bijapur (Director w.e.f. 20.12.2021)	Director Sitting Fee	0.40	0.10
Sudipta Kumar Mukherjee (Director w.e.f. 20.12.2021)	Director Sitting Fee	0.40	0.10

15 **Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:**

S.No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit (Loss) after tax attributable to Equity Shareholders (Rs. In lakhs)	3.61	3.52
2	Weighted average number of Equity Shares Basic (Nos.)	10,00,000	10,00,000
3	Weighted average number of Equity Shares Diluted (Nos.)	10,00,000	10,00,000
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	0.36	0.35
6	Diluted Earnings per share (Rs)	0.36	0.35

SREI ASSET LEASING LIMITED
CIN: U65999WB2014PLC202301
Notes to the financial statement for the year ended March 31, 2023

16 Segment Reporting
All the activities of the company revolved around the main business of Consultancy Services. As such there are no separate reportable segments as per Ind AS - 108 "Segment Reporting".

17 Contingent Liability and capital commitment - Rs. Nil (Previous Year Rs. Nil)

18 Ratios to be disclosed:

S.No	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Current Ratio	106.58	134.86
(b)	Debt Equity Ratio*	N.A	N.A
(c)	Debt Service Coverage Ratio*	N.A	N.A
(d)	Return on Equity Ratio (%)	1.38%	2.30%
(e)	Inventory Turnover Ratio	NIL	NIL
(f)	Trade Receivable Turnover Ratio	NIL	NIL
(g)	Trade Payable Turnover Ratio	NIL	NIL
(h)	Net Capital Turnover Ratio	0.16	0.04
(i)	Net Profit Ratio	0.65	0.88
(j)	Return on Capital Employed	NIL	NIL

* There is no debt in the company.
**The operations of the Company are insignificant therefore there is wide variation in ratio (more than 25%) compared to previous year.

19 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current reporting year.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330192E

Sd/-
(CA. Mohit
Proprietorship
Membership No. 306054

Place : Kolkata
Date: 5th May, 2023

On behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
DIN No. 06397089

Sd/-
Sudipta Kumar Mukherjee
Director
DIN No. 09022104

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty-Fourth Annual Report on the business and operations of the Company together with the audited annual accounts for the Financial Year ended March 31, 2023.

FINANCIAL RESULTS AND OPERATIONS

(Amount in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Total Income	28.93	32.48
Total Expenditure	73.52	118.67
Profit/Loss Before Depreciation/Bad debts/ Provision and Tax	**(44.60)**	**(86.18)**
Depreciation	-	0.07
Profit / Loss Before Bad Debts / Provision and Tax	**(44.60)**	**(86.25)**
Bad Debts / Provisions for Bad & Doubtful Debts, etc.	-	-
Profit / (Loss) Before Tax	**(44.60)**	**(86.25)**
Provision for Current Tax	-	-
Tax in respect of Earlier Years	-	(8.98)
Deferred Tax	(10.13)	(20.58)
Profit / (Loss) After Tax	**(34.47)**	**(56.69)**
Balance brought forward from previous year	133.73	190.42
Other Comprehensive Income	2.65	(242.31)
Balance carried to Balance Sheet	(165.08)	(133.25)
Paid up Equity Share Capital	505.00	505.00

During the year under review, your Company's Total Income stood at Rs. 28.93 lakhs as compared to Rs. 32.48 lakhs in the previous year and the Company's Profit/(Loss) after Tax was at Rs. (34.47) lakhs as compared to Profit/(Loss) after Tax of Rs. (56.69) lakhs in the previous financial year.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) OF HOLDING COMPANY

The Reserve Bank of India (**'RBI'**) had vide Press Release dated 4th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) (**'Press Release'**) superseded the Board of Directors of Srei Infrastructure Finance Limited (**'SIFL'**), the holding Company of your Company owing to governance concerns and defaults by SIFL in meeting various payment obligations. Mr. Rajneesh Sharma was appointed as the Administrator of SIFL under Section 45-IE (2) of the RBI Act with effect from 4th October, 2021 vide the said Press Release. On 8th October, 2021, the RBI filed application for initiation of Corporate Insolvency Resolution Process (**'CIRP'**) against SIFL before the Hon'ble National Company Law Tribunal, Kolkata Bench (**'Hon'ble NCLT'**) under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code, 2016 (**'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 Rules'). Thereafter vide an Order dated 8th October, 2021 of the Hon'ble NCLT the application filed by the RBI for initiating the CIRP in respect of SIFL was admitted by the Hon'ble NCLT and a Corporate Insolvency Resolution Process was initiated against SIFL and the appointment of Mr. Rajneesh Sharma as the Administrator for SIFL was confirmed. Thereafter, the Committee of Creditors of SIFL was formed as per the requirements of the Code consisting of their Bankers and other Creditors.

Accordingly SIFL, the holding Company of your Company is undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator of SIFL is to perform the duties of the Resolution Professional under the Code. In accordance with the provisions of the Code and with the approval of the Committee of Creditors of SIFL the Administrator on 25th February, 2022 has invited expressions of interest from Prospective Resolution Applicants ('**PRAs**'). Three PRAs had submitted financial proposals pursuant to the challenge mechanism approved by the Committee of Creditors.

The Consolidated Committee of Creditors had at their meeting held on February 15, 2023 approved the resolution plan submitted by National Asset Reconstruction Company Limited ('**NARCL**') by majority voting under the Code read with Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ('**CIRP Regulations**'), as the successful resolution plan.

An application has been filed with the Hon'ble NCLT for submission of the resolution plan of NARCL as approved by the Consolidated Committee of Creditors.

NARCL is a government entity registered with RBI with the entire holding being held by Public sector and private sector banks with Canara Bank being the Sponsor Bank.

REVIEW OF OPERATIONS & FUTURE PROSPECT

With Corporate Insolvency Resolution Process ('**CIRP**') as detailed above initiated against Srei Infrastructure Finance Limited, the Holding Company of your Company, the last years have been an exceptionally trying time for your Company and the Company is not in a position to gauge with certainty exact impact thereof at this stage as the situation is exceptional and changing dynamically. During our journey so far, we have experienced various growth phases and downturn cycles however FY23 has been a journey of resilience, determination and persistency for your Company.

Your Company being a Category I Merchant Banker registered with SEBI provides a full range of merchant banking services and other transaction advisory services and is supported by highly skilled and dedicated management team.

Your Company being a Category I Merchant Banker registered with SEBI has from time to time kept SEBI informed of the developments with respect to the CIRP against Srei Infrastructure Finance Limited ('**SIFL**'), the holding Company of your Company under the Code. SEBI has *inter alia* directed your Company not to undertake any fresh business till the completion of CIRP and thereafter only with the approval of SEBI.

As per the Economic Survey report of 2022-23 ('Report'), India is to witness GDP growth of 6.0 per cent to 6.8 per cent in 2023-24, depending on the trajectory of economic and political developments globally. The Report further states that growth is expected to be brisk in FY 24 as a vigorous credit disbursal and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors. Further support to economic growth is expected to come from the expansion of public digital platforms and path-breaking measures to boost manufacturing output.

The Company is hopeful of adapting to the changing business environment and responding suitably to fulfil the needs of its clients. The Company acknowledges that technology will drive the business model in the Capital Markets in coming years as digital becomes mainstream in all financial business function.

Your Company has also entered into a Sub-Consultancy Agreement with Mott MacDonald Limited, United Kingdom to assist in providing consultancy services in respect of Sustainable Cities for Shared Prosperity Programme to Secretary of State for Foreign and Commonwealth Affairs of the Foreign and Commonwealth Office, London.

Your Company expects that with a well-diversified range of services across the entire gamut of investment banking activities and having the required domain knowledge and experienced employees would be able to consolidate its position in the coming years

DIVIDEND

During the Financial year under review, the Board of Directors of your Company do not recommend any dividend for the financial year 2022-23.

TRANSFER TO RESERVES

The Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2022-23.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business carried out by the Company.

HOLDING COMPANY

The Company is a direct Subsidiary of Srei Infrastructure Finance Limited as on 31st March, 2023.

SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary Company, Joint Ventures and Associate Company in terms of provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 and hence disclosure is not required.

SREI

PUBLIC DEPOSITS

The Company has not invited or accepted any deposits from the public covered in terms of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. However, your Company uses information technology extensively in its operations and also continues its endeavour to improve energy conservation and utilization, safety and environment.

Your Company has not utilized or earned any foreign exchange during the year under review (Previous Year - Nil).

CORPORATE SOCIAL RESPONSIBILITY (CSR) (IF APPLICABLE) AND ITS TERMS OF REFERENCE

During the year under review, the provisions of the Companies Act, 2013 with regard to Corporate Social Responsibility were not applicable to your Company; therefore, your Company is not required to make the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

DIRECTORS

Presently, the Board of Directors of your Company comprises of Four (4) Directors as detailed below:

Sl. No.	Name	DIN	Designation
1	Mr. Mayank Kulinchandra Mehta	03554733	Non- Executive Independent Director & Chairman
2	Mr. Hari Shanker Sharma	09404713	Non- Executive Independent Director
3	Mr. Debasish Som	00392735	Non- Executive Independent Director
4	Ms. Nidhi Saharia	02157841	Non- Executive Director

The appointments of Mr. Mayank Kulinchandra Mehta (DIN: 03554733), Mr. Hari Shanker Sharma (DIN: 09404713), Mr. Debasish Som (DIN: 00392735) and Ms. Nidhi Saharia (DIN: 02157841), as Directors of your Company were regularised at the Annual General Meeting of the Company held on 27th June, 2022.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the relevant Rules made thereunder and the Articles of Association of your Company, Mr. Mayank Kulinchandra Mehta (DIN: 03554733), Director of your Company is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment. The said Director has have filed Form DIR-8 with your Company as required under Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014. The Board therefore recommends his re-appointment as Director of your Company.

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013, (the Act) read with rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company and every other Public Company, having a paid-up share capital of Ten Crore Rupees or more, shall have Whole-Time KMP's, namely: (i) Managing Director, or Chief Executive Officer, or Manager and in their absence, (i) Whole-time Director; (ii) Company Secretary and (iii) Chief Financial Officer.

Ms. Samita Lahiri (A-16091) continues to be the Company Secretary of your Company, during the year under review.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed/ noted in the subsequent Board meeting.

During the Financial Year 2022-23, Four (4) Meetings of the Board of Directors of the Company were held on 2nd May, 2022, 6th August, 2022, 9th November, 2022 and 3rd February, 2023. The maximum time gap between any two consecutive meetings did not exceed 120 days. The presence of Directors at such Meetings is as follows:

Name of Director	No. of Meetings entitled to Attend	No. of Meeting Attended
Mr. Mayank Kulinchandra Mehta	4	4
Mr. Hari Shanker Sharma	4	4
Mr. Debasish Som	4	4
Ms. Nidhi Saharia	4	3

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The provisions with regard to establishment of vigil mechanism for directors and employees are not applicable to your Company.

PARTICULARS OF EMPLOYEES

None of the employees of your Company is in receipt of Remuneration which requires Disclosure pursuant to the Provisions of Section 134(3)(q) of the Companies Act, 2013, read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the Financial Year 2022-23, the Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

However, the details of Investments made in other body corporates as on 31st March, 2023, are as follows

Sl. No.	Name of Person/ Body corporate	Whether investment made/loan given/ guarantee given/security provided in connection with loan/security acquired by way of subscription, purchase or otherwise	Purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security	Amount (Rs. in Lakhs)	Rate of interest
1	Bank of Baroda	Investment in 500 equity shares	N.A.	0.84	N.A
2	Bank of India	Investment in 100 equity shares	N.A.	0.07	N.A
3	HDFC Bank Ltd	Investment in 1000 equity shares	N.A.	16.10	N.A
4	ICICI Bank Ltd.	Investment in 550 equity shares (including 50 bonus shares)	N.A.	4.82	N.A
5	IDBI Bank Ltd.	Investment in 120 equity shares	N.A.	0.05	N.A.
6	State Bank of India	Investment in 1340 equity shares	N.A.	7.02	N.A.
7	Kotak Mahindra Bank Ltd	Investment in 600 equity shares (including 300 bonus shares)	N.A.	10.40	N.A.
8	Punjab National Bank	Investment in 115 equity shares	N.A.	0.05	N.A.
9	Union Bank of India	Investment in 197 equity shares	N.A	0.13	N.A.
10	Infrastructure Resurrection Fund	Investment in 400000 units of fund	N.A.	65.20	N.A

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all related party transactions entered into by your Company during the financial year ended 31st March, 2023, were in the ordinary course of business and on an arm's length basis, hence, Form AOC-2 is not applicable to your Company.

EXTRACT OF THE ANNUAL RETURN

The Ministry of Corporate Affairs (MCA) vide Notification no. G.S.R.159 (E) dated 5th March, 2021 has amended the Companies (Management and Administration) Rules, 2014. As per the amended provisions of Rule 12 of the said rule, the extract of Annual Return in Form No. MGT-9 is not applicable for financial year ended 31st March, 2023

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

SECRETARIAL AUDIT REPORT

The provisions with regard to Secretarial Audit Report are not applicable to your company.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control Policy and System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to policies and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorised use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

RISK MANAGEMENT

The Company has proper procedures in place for development and implementation of a risk management. Mitigation and follow up plans are discussed with the senior management from time to time.

MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 during the financial year ended on 31st March, 2023.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company is guided under the policy framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, in the Group as a whole. No complaint was received during the year ended 31st March, 2023.

SHARE CAPITAL

The paid up Equity Share Capital of the Company was Rs. 5,05,00,000/- divided into 50,50,000 Equity Share of Rs. 10/- each as on 31st March, 2023. There were no changes in the Share Capital of the Company during the period under review.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

During the Financial Year 2022-23, no significant and material orders has been passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

However, the Reserve Bank of India (RBI) in exercise of the powers conferred under Section 45-IE (1) of the RBI Act, 1934 had vide a Press Release 2021-2022/981 dated 4th October, 2021, superseded the Board of Directors of Srei Infrastructure Finance Limited, our Holding Company which holds 100% of our paid up share capital, with immediate effect.

Also, pursuant to the Order, dated 8th October, 2021, of the National Company Law Tribunal, Kolkata Bench ("NCLT"), Corporate Insolvency Resolution Process has been initiated against Srei Infrastructure Finance Limited, our Holding Company as per the provisions of the Insolvency and Bankruptcy Code, 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act), your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended 31st March, 2023 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

On the recommendation of the Board of Directors of your Company, M/s. Mohit Arya & Associates, Chartered Accountants, having Firm Registration No. 330192E allotted by the Institute of Chartered Accountants of India (ICAI) were appointed as Statutory Auditor of the Company at the Annual General Meeting of the Company held on 27th June, 2022, for a period of 5 (five) years, from the conclusion of the Twenty Third Annual General Meeting of the Company till the conclusion of the Twenty-Eight Annual General Meeting of the Company at such remuneration as may be mutually agreed upon between the Statutory Auditor and the Board of Directors of your Company.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the sustained support and co-operation received from the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Bankers, Investors, Clients, Business Associates and holding Company, Srei Infrastructure Finance Limited. Your Directors also wish to place on record their deep appreciation to all the employees for their whole hearted and dedicated services and look forward to their continued support in the future as well.

On behalf of the Board of Directors

Sd/-
Chairman

Place: Kolkata
Dated: 09.05.2023

Independent Auditor's Report

To the Members of
Srei Capital Markets Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **SREI CAPITAL MARKETS LIMITED** ("The Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2023, its Loss, including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

a) Note 25 to the Financial Statements which discloses that the Reserve Bank of India (RBI) had vide Press release dated 4th October 2021, superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL), being its Holding Company

Our opinion is not modified in respect of this matter.

To the members of
Srei Capital Markets Limited

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

To the members of
Srei Capital Markets Limited

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

• Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

To the members of
Srei Capital Markets Limited

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on other legal and regulatory requirements.

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

To the members of
Sri Capital Markets Limited

e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"

g. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the years ended 31st March 2023.

h. 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. (a) The management has represented to us 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

   (c) Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (2)(h)(iv)(a) and (b) contain any material misstatement.

To the members of
Srei Capital Markets Limited

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No. -330192E

Sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJCC2066
Place : Kolkata
Dated: 9th Day of May 2023.

To the members of
Srei Capital Markets Limited

"Annexure A" to the Independent Auditor's Report of Even Date on the Financial Statements of Srei Capital Markets Limited

Statement referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Srei Capital Markets Limited on the financial statements for the year ended 31st March, 2023.

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

b) The Property, Plant & Equipment have been physically verified by the management at regular intervals. Based on our review, no material discrepancies were noticed in respect of Property, Plant & Equipment physically verified during the year.

c) As the company has no immovable property, provisions of clause (i)(c) of para 3 of the said order is not applicable to the Company.

d) The Company has not revalued its Property, Plant & Equipment or intangible assets.

e) No proceedings have been initiated and/or are pending against the company for holding any Benami property.

(ii) The Company's nature of operation does not require it to hold inventories and it has not been sanctioned any working capital limit by any banks or financial institutions during the year. Accordingly, provision of clause (ii) (a) and (b) of paragraph 3 of the said order is not applicable to the Company and hence not commented upon.

(iii) The Company has neither made any investment nor granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (f) of paragraph 3 of the said order are not applicable to the Company.

(iv) According to the information and explanations given to us and as per records examined by us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments. The Company has not given any loan, guarantee or security.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the Order is not applicable to the Company.

To the members of
Srei Capital Markets Limited

(vii) a) According to the information and explanation given to us and as per records examined by us, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Duty of Customs, Duty of Excise, Goods and Service Tax or Cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2023 for a period of more than six months from the date they became payable

b) According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Period to which pertain	Amount Rs.	Forum where the dispute is pending
Finance Act, 1994	Service Tax	F.Y 2007-08	76,52,005	The Commissioner of Service Tax
Income Tax Act, 1961	Fringe Benefit Tax	(F.Y. 2005-06 to 2008-09)	*	*

*The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta which has been dismissed vide order dated 01.09.2017. The management of the Company has filed appeal before the Divisional bench of Hon'ble High Court, Calcutta. However, amount of FBT liability has not been determined by the department and hence could not be disclosed (Refer note 27 to the financial statement).

(viii) According to the information and explanation given to us and as per records examined by us, the Company has had no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) According to the information and explanation given to us and as per records examined by us, the Company has not defaulted in repayment of loans & borrowings to a financial institution, bank, government or dues to debenture holders. Hence provisions relating to clause (ix) (a) to (f) are not applicable.

(x) According to the information and explanation given to us and as per records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(xi) (a) In our opinion and according to the Information and explanations given by the management, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

To the members of
Srei Capital Markets Limited

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) In our opinion and according to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the provisions relating to an internal audit system is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Accordingly, clause (xv) of the paragraph 3 of the said order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

(xvii) The Company has incurred cash loss of Rs. 44.60 Lacs in the financial year and Rs. 86.18 Lacs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing on the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

To the members of
Srei Capital Markets Limited

(xx) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of CSR are not applicable. Accordingly the provisions of Clause 3(xx) of the Order are not applicable to the Company.

(xxi) As this is an audit report on the standalone financial statements, the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No. -330192E

sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJCC2066
Place : Kolkata
Dated: 9th Day of May 2023.

To the members of
Srei Capital Markets Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SREI CAPITAL MARKETS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Srei Capital Markets Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

To the members of
Srei Capital Markets Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No. -330192E

Sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJCC2066
Place : Kolkata
Dated: 9th Day of May 2023.

SREI CAPITAL MARKETS LIMITED
CIN: U67190WB1998PLC087155
BALANCE SHEET AS AT MARCH 31, 2023

(Rs. In lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	2	-	-
(b) Financial Assets			
(i) Investments	3	104.70	101.54
(c) Deferred Tax Assets (Net)	4	104.83	101.24
(d) Income Tax Assets (Net)	5	6.33	8.35
(e) Other Non Current Assets	6	7.63	8.36
Total Non - Current Assets (I)		**223.49**	**219.29**
Current Assets			
(a) Financial Assets			
(i) Investments	7	119.75	144.02
(ii) Cash and Cash Equivalents	8	0.43	12.11
(iii) Other Financial Assets	9	-	-
(b) Other Current Assets	10	10.94	9.22
Total Current Assets (II)		**131.12**	**165.35**
TOTAL ASSETS (I+II)		**354.60**	**384.74**
EQUITY AND LIABILITY			
EQUITY			
(a) Equity Share Capital	11	505.00	505.00
(b) Other Equity	12	(165.08)	(133.25)
Total Equity (III)		**339.92**	**371.75**
LIABILITIES			
Non Current Liabilities			
(a) Provisions	13	8.91	7.53
Total Non-Current Liabilities (IV)		**8.91**	**7.53**
Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	14	4.87	3.92
(b) Other Current Liabilities	15	0.88	1.14
(c) Provisions	13	0.02	0.40
Total Current Liabilities (V)		**5.77**	**5.46**
TOTAL EQUITY AND LIABILITIES (III+IV+V)		**354.60**	**384.74**

Company Overview, Significant accounting policies &
estimates - 1
Other disclosures - 22 to 32
The accompanying notes 1 - 32 form an integral part of the Financial Statements.
As per our report of even date Annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No 330192E

Sd/-
CA Mohit Arya
Partner
Membership No. 300054

For and on behalf of the Board of Directors

Sd/-
Debasish Som
Director
DIN No 00394735

Sd/-
Mayank Kulinchandra Mehta
Director
DIN No 03554733

Sd/-
Sweta Lahiri
Company Secretary
Kolkata

Place : Kolkata
Date: 8th May, 2023

SHREE CAPITAL MARKETS LIMITED
CIN: L67190WB1998PLC087155
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In lakhs)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I.	Revenue From Operations	16	19.71	24.34
II.	Other Income	17	9.21	8.14
III.	**Total income (I+II)**		**28.93**	**32.48**
IV.	Expenses:			
	Employee Benefits Expense	18	35.96	89.75
	Depreciation and Amortisation Expense	19	-	0.07
	Other Expenses	20	37.56	28.91
	Total Expenses (IV)		**73.52**	**118.74**
V.	**Profit/(Loss) Before Tax (III-IV)**		**(44.60)**	**(86.25)**
VI.	Tax Expense	21		
	Current Tax		-	-
	Earlier Year		-	(8.98)
	Deferred Tax		(10.13)	(20.58)
	Total Tax Expense		**(10.13)**	**(29.56)**
VII.	**Profit/(Loss) For The Year (V - VI)**		**(34.47)**	**(56.69)**
VIII.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss			
	- Remeasurement of the defined benefit plans		-	(3.43)
	- Equity instruments measured through OCI		3.19	(300.67)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(0.54)	61.75
	Total Other Comprehensive Income		**2.65**	**(242.31)**
IX.	**Total Comprehensive Income/(Loss) For The Year (VII + VIII)**		**(31.83)**	**(299.00)**
X.	**Earnings Per Equity Share**	28		
	(of Rs. 10/- each)			
	Basic (Rs.)		(0.68)	(1.12)
	Diluted (Rs.)		(0.68)	(1.12)

Company Overview, Significant accounting policies & estimates 1

Other disclosures 22 to 32

The accompanying notes 1 to 32 are an integral part of the Financial Statements

As per our report of even date.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No 330197E

sd/-

CA Mohit Arya
Partner
Membership No 306034

For and on behalf of the Board of Directors

sd/-
Debasish Som
Director
Din No 00392735

sd/-
Mayank Kulindendra Mehta
Director
Din No 03554733

sd/-
Smita Lahiri
Company Secretary
Kolkata

Place : Kolkata
Date: 9th May, 2023

SREE CAPITAL MARKETS LIMITED
CIN: L67190WB1998PLC087155
Cash Flow Statement for the year ended March 31, 2023

(Rs. In lakhs)

	Particulars	Year Ended 31 March, 2023	Year Ended 31 March, 2022
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	(44.60)	(86.23)
	Adjustments for:		
	Depreciation	-	0.07
	Net (gain)/loss on fair valuation of investments	(8.38)	(6.53)
	Dividend Received on Long Term Investments	(0.31)	(0.14)
	Interest on Income Tax Refund	(0.52)	(1.49)
	Operating Profit before Working Capital Changes	**(53.81)**	**(94.33)**
	(Increase) / Decrease in Trade Receivables, Loans, Advances and Other Assets	0.69	32.64
	Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	1.68	(64.96)
	Cash generated from Operating activities	**(51.44)**	**(126.65)**
	Tax Paid (Net of refund and interest)	7.95	8.96
	Net Cash from/(used in) Operating Activities	**(43.49)**	**(117.69)**
B.	**Cash Flow from Investing Activities**		
	Redemption/(Investment) in Mutual Fund		110.60
	Interest received on Inter Corporate Deposits	31.50	-
	Dividend received on Long Term Investments	0.31	0.14
	Net Cash from Investing activities	**31.81**	**110.74**
C.	**Cash Flow from Financing Activities**	-	-
	Net Cash Flow from Financing Activities	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(11.68)	(6.94)
	Opening Cash and Cash Equivalents	12.11	19.05
	Closing Cash and Cash Equivalents	**0.43**	**12.11**

Notes:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 'Cash Flow Statements'.
2. Cash and Cash equivalent at the end of the year consist of:

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash on hand	-	-
b) Balance with Banks in Current Account	0.43	12.11
	0.43	**12.11**

3. Cash and cash equivalents do not include any amount which is not available to the Companies for its use.

This is the Cash Flow statement referred to in our report of even date

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330192E

On behalf of the Board of Directors

sd/-
CA Mohit Arya
Partner
Membership No. 106054

sd/-
Debasish Som
Director
Din No 00392935

sd/-
Mayank Kalinchandra Mehta
Director
Din No 03554733

Place : Kolkata
Date: 08 May, 2023

sd/-
Sumita Lahiri
Company Secretary
Kolkata

SREI CAPITAL MARKETS LIMITED
CIN: U67190WB1998PLC087155
Statement of Changes in Equity for the year ended March 31, 2023

A. Equity Share Capital

(Rs. In lakhs)

Particulars	As at April 1, 2021	Changes during the year 2021-22	As at March 31, 2022	As at April 1, 2022	Changes during the period 2022-23	As at March 31, 2023
Equity Share Capital	505.00	-	505.00	505.00	-	505.00

B. Other equity

(Rs. In lakhs)

Particulars	Other Comprehensive Income		Reserves and Surplus	Total
	Equity instruments measured through OCI	Remeasurement of the defined benefit	Retained Earnings (Surplus in statement of P&L)	
Balance as at April 01, 2021	(24.68)		190.42	165.74
Profit/(Loss) for the year ended March 31, 2022	-		(56.69)	(56.69)
Equity instruments measured through OCI (net of taxes)	(242.31)			(242.31)
Balance as at March 31, 2022	**(266.99)**	-	133.73	**(133.26)**
Profit/(Loss) for the year ended March 31, 2023	-	-	(34.47)	(34.47)
Equity instruments measured through OCI (net of taxes)	2.65			2.65
Balance as at March 31, 2023	(264.34)	-	99.26	**(165.08)**

Retained Earnings:
This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act, 2013

Significant accounting policies estimates note no: 1

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No 330192E

sd/-
CA Mohit Arya
Partner
Membership No. 300054

For and on behalf of the Board of Directors

sd/-
Debasish Som
Director
Din No 00392735

sd/-
Mayank Kulinderdhe Mehta
Director
Din No 03554733

Place : Kolkata
Date: 9th May, 2023

sd/-
Somita Lahiri
Company Secretary
Kolkata

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Capital Markets Limited ("The Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

The Company is engaged in Merchant Banking Services. All the activity of the company revolves around the main business.

(B) Recent Accounting Developments

• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

(C) Significant Accounting Policies

a) **Statement of Compliance**
These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), guidelines issued by the Securities and Exchange Board of India (SEBI), other relevant provisions of the Act and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Ministry of Corporate Affairs (MCA) has issued certain amendments in existing Accounting Standards which are effective from July 24, 2020.

A. Ind AS 103 (Business Combinations): Defined "business" in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive

B. Ind AS 107 (Financial Instruments: Disclosures): Disclosures for uncertainty arising from interest rate benchmark reform

C. Ind AS 109 (Financial Instruments): Temporary exceptions from applying specific hedge accounting requirements.

D. Ind AS 116 (Leases): Due to the pandemic COVID- 19 – Related Rent concession, a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modification or not

E. Ind AS 1 and Ind AS 8 (Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors): Change/modification in the definition of "Material".

F. Ind AS 10 (Events after the Reporting Period): Definition for non – adjusting events and its effective date of application.

G. Ind AS 34 (Interim Financial Reporting): Consequential of the above amendments.

H. Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets): Consequential amendment and accounting of restructuring plan.

The amendments listed did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods.

(D) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.17 Critical accounting judgements and key sources of estimation uncertainty.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Income from Merchant Banking Services is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable. Management and placement fees, underwriting commission and financial advisory fees are accounted based on stage of completion of assignments. Brokerage on fixed income securities placement is accounted on completion of the transaction.

1.4. Foreign Currency Transactions

The financial statements are presented in Indian Rupee (INR) in lakhs, the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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.

Financial Assets - foreign Exchange Gains and Losses:
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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:
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. Foreign currency changes for non-monetary financial liabilities measured at FVTOCI are recognised in other comprehensive income.

1.5. Borrowing Cost
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, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 the statement of profit and loss in the period in which they are incurred.

1.6. Employee Benefits

Defined Contribution Plans
Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:
Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

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 in which related service is rendered. 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.

1.7. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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.

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 sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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 the period of the lease. Freehold Land is not depreciated.

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

1.8. Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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.

1.9. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.10. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Recognition of Financial Instruments:

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

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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets

Financial Assets carried at Amortised Cost (AC):

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.

Financial Assets at Fair Value through Other Comprehensive Income (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 not held for trading 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 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 investments 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 Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are 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 as 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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

b) For financial assets measured at fair value through other comprehensive income, 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.

(ii) **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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new 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.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when 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 asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 — unobservable inputs for the asset or liability.

Expected Credit Loss

Expected credit loss (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 if on a receivable was realised in full but later than when contractually due.

1.11 Taxes on Income

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 by the end of the reporting period.

MAT credit is recognized 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 recognized 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 substantially 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.

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 other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.12. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.13. Provisions

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.

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 recognized 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 recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.14. Operating Segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Merchant Banking Services.

1.15. Use of Estimates and Judgements
The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Useful lives of property, plant and equipment and intangible assets:
As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) **Fair value measurements and valuation processes:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.16. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.17. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

SREI CAPITAL MARKETS LIMITED
Notes to the financial statement for the year ended March 31, 2023

2 **Property, Plant and Equipment**

(Rs. In lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2022	Additions	Disposals and other adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation/ amortisation Charge	Disposals and other adjustments	As at March 31, 2023	As at March 31, 2023
Furniture & Fittings	0.05	-	-	0.05	0.05	-	-	0.05	-
Computer	0.93	-	-	0.93	0.93	-	-	0.93	-
Total Tangible assets	**0.98**	-	-	**0.98**	**0.98**	-	-	**0.98**	-

(Rs. In lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2021	Additions	Disposals and other adjustments	As at 31 March, 2022	As at April 01, 2021	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31 March, 2022	As at 31 March, 2022
Furniture & Fittings	0.05	-	-	0.05	0.05	-	-	0.05	-
Computer	0.93	-	-	0.93	0.86	0.07	-	0.93	-
Total Tangible assets	**0.98**	-	-	**0.98**	**0.91**	**0.07**	-	**0.98**	-

SREI CAPITAL MARKETS LIMITED
Notes to the financial statement for the year ended March 31 2023

3 Investments

a) Non-current

PARTICULARS	As at March 31, 2023			As at March 31, 2022		
	Face Value Rs.	Nos.	(Rs. In lakhs)	Face Value Rs.	Nos.	(Rs. In lakhs)
(Measured at FVTPL)						
In Quoted Equity Instruments (Fully paid up)						
Bank of Baroda	2	500	0.84	2	500	0.56
Bank of India	10	100	0.07	10	100	0.05
HDFC Bank Ltd	1	1000	16.10	1	1000	14.78
ICICI Bank Ltd (including 50 bonus shares)	2	550	4.82	2	550	4.02
IDBI Bank Ltd	10	120	0.05	10	120	0.05
State Bank of India	1	1340	7.02	1	1340	6.01
Kotak Mahindra Bank Ltd (including 300 bonus shares)	5	600	10.40	5	600	10.55
Punjab National Bank**	2	115	0.05	2	115	0.04
Union Bank of India*	10	197	0.13	10	197	0.08
Total (A)			**39.50**			**36.63**

b) In Units of Trust and Schemes

Particulars	As at March 31, 2023			As at March 31, 2022		
	Face Value Rs.	Nos.	(Rs. In lakhs)	Face Value Rs.	Nos.	(Rs. In lakhs)
Unquoted, fully paid (at fair value through OCI)						
Infrastructure Resurrection Fund	100	4,00,000	65.20	100.00	4,00,000	64.88
Total (B)			**65.20**			**64.88**
Total (A + B)			**104.70**			**101.51**
Aggregate amount of Quoted Investments			39.50			36.63
Aggregate amount of Unquoted Investments			65.20			64.88
Fair Value (gain)/loss			(1.19)			300.63

4 Deferred Tax Assets (Net)

(Rs. In lakhs)

Particulars	Balance as at 01.04.2022	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in OCI	As at March 31, 2023
Deferred Tax Assets				
Carry forward losses	34.54	10.86	-	45.40
Unabsorbed depreciation	0.54	0.22	-	0.76
Property , Plant and Equipment	1.97	(0.22)	-	1.75
Provision for Gratuity	1.71	0.41	-	2.12
Allowance for credit loss	0.76	-	-	0.76
Leave encashment	0.09	(0.01)	-	0.08
Other Comprehensive Income	69.70		-	69.70
Total	109.31	11.26	-	120.58
Deferred Tax Liabilities				
Fair value gain on investment in shares	6.43		0.54	6.97
Fair valuation gain - Mutual Fund	1.64	1.15	-	2.78
Total	8.07	1.15	0.54	9.75
Net deferred tax assets/(liabilities)	**101.24**	**10.13**	**(0.54)**	**110.83**

(Rs. In lakhs)

Particulars	Balance as at 01.04.2021	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in OCI	As at March 31, 2022
Deferred Tax Assets				
Carry forward losses	8.17	26.37	-	34.54
Unabsorbed depreciation	0.29	0.25	-	0.54
Property, Plant and Equipment	2.21	(0.24)	-	1.97
Provision for Gratuity	4.93	(4.59)	-	1.71
Allowance for credit loss	0.76	-	-	0.76
Leave encashment	0.42	(0.33)	-	0.09
Other Comprehensive Income	7.32 -		-	69.70
Total	24.10	21.46	-	109.31
Deferred Tax Liabilities				
Fair value gain on investment	5.97	0.46	-	6.43
Fair valuation gain - Mutual Fund	1.22	0.42	-	1.64
Total	7.19	0.88	-	8.07
Net deferred tax assets/(liabilities)	**16.91**	**20.58**	-	**101.24**

5 Income Tax Asset (Net)

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax & Tax Deducted At Source	0.33	8.28
Less: Provision for taxation	-	-
Total	0.33	8.28

6 **Other Non Current Assets**

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(Advances other than capital advances)		
Balances with Statutory Authorities	7.63	8.36
Total	7.63	8.36

7 Investment-Current

(Rs. In lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Investments		
Scheme of Mutual Funds - ICICI Prudential Money Market Scheme 36581.087 units @ Rs. 327.3521 (Previous year - 46927.412 units @ Rs. 306.8943)	119.75	144.02
Total	119.75	144.02

8 **Cash and Cash Equivalents:**

(Rs. In lakhs)

Particulars	As at March 31, 2023	**As at March 31, 2022**
Balances with Banks in current account	0.43	12.11
Total	**0.43**	12.11

9 **Other Financial Assets - Current**

(Rs. In lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Security Deposits	3.00	3.00
Less : Allowance for expected credit loss	(3.00)	(3.00)
Total	-	-

10 **Other Current Assets**

(Rs. In lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balances with Statutory Authorities	8.23	3.64
Prepaid Expenses	2.62	5.39
Advance to Creditors	0.03	-
Advance to Employee	0.03	0.20
Total	**10.94**	9.22

11 Equity Share Capital

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	(Rs. In lakhs)	Number of Shares	(Rs. In lakhs)
Authorised Share Capital				
Equity Shares of Rs. 10/- each	52,50,000	525.00	52,50,000	525.00
Issued, Subscribed and Paid up Capital				
Equity Shares of Rs. 10/- each fully paid up	50,50,000	505.00	50,50,000	505.00
		505.00		505.00

11.1 Reconciliation of equity shares

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	(Rs. In lakhs)	Number of Shares	(Rs. In lakhs)
Shares outstanding at the beginning	50,50,000	505.00	50,50,000	505.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,50,000	505.00	50,50,000	505.00

Terms and rights attached to equity shares :

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend proposed by the Board of Directors 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 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.

11.2 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**
Fully paid equity shares				
Srei Infrastructure Finance Limited *	50,50,000	100%	50,50,000	100%

* Includes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

11.3 Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates

	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**
Srei Infrastructure Finance Limited	50,50,000	100%	50,50,000	100%

11.4 The Company during the preceding 5 years:

- i. Has not allotted shares pursuant to contracts without payment received in cash
- ii. Has not issued shares by the way of bonus shares
- iii. Has not bought back any shares.

11.5 Shareholding of promoters as at March 31, 2023 :

Shares held by promoters at the end of the year				% Change during the year
Sl.No.	**Promoter name**	**No. of shares**	**% of total shares**	
(i)	SREI Infrastructure Finance Limited *	50,50,000	100%	NA
	Total			

Shareholding of promoters as at March 31, 2022 :

Shares held by promoters at the end of the year				% Change during the year
Sl.No.	**Promoter name**	**No. of shares**	**% of total shares**	
(i)	SREI Infrastructure Finance Limited *	50,50,000	100%	NA
	Total			

*Includes Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

12 **Other Equity**

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Retained Earnings		
Balance as per last accounts	133.73	190.42
Net Profit/(Loss) for the Year	(34.47)	(56.69)
Add: Remeasurement of the defined benefit plans transferred from Other Comprehensive Income	-	-
Closing Balance	**99.26**	**133.73**
b) Other comprehensive income		
Remeasurement of the defined benefit plans		
Balance as per last accounts	-	-
Less: Remeasurement of the defined benefit plans transferred from Other Comprehensive Income	-	-
Equity instruments measured through OCI		
Balance as per last accounts	(266.98)	(24.68)
Add:Addition during the year	2.65	(242.31)
Closing Balance	**(264.33)**	**(266.98)**
Total (a + b)	**(165.08)**	**(133.25)**

13 **Provisions**

A) Non current

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefits		
Gratuity	8.22	6.61
Provision for Compensated absence	0.69	0.92
Total	8.91	7.53

B) Current

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefits		
Gratuity	0.22	0.22
Provision for Compensated absence	0.11	0.19
Total	0.33	0.41

14 **Other Financial Liabilities - Current**

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for expenses	0.36	1.17
Salaries and other payroll dues	4.24	2.76
Total	4.61	3.93

15 **Other Current Liabilities**

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	0.84	1.14
Total	0.84	1.14

16 Revenue From Operations

(Rs. In lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale of Services		
-Consultancy Fee	19.71	24.34
Total	19.71	24.34

17 Other Income

(Rs. In lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Income carried at amortised cost :		
- Income Tax refund	0.52	1.49
Other non-Operating income :		
Net gain on fair valuation of investments - measured at FVTPL	5.66	5.45
Profit on Investment in Scheme of Mutual Fund	2.73	1.07
Dividend Received on Long Term Investment (other than trade)	0.31	0.14
Total	**9.21**	**8.14**

18 **Employee Benefits Expense**

(Rs. In lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, wages, bonus and allowances	33.16	81.67
Contribution to Provident & Other funds	1.70	6.27
Staff welfare expenses	1.09	1.81
Total	**35.96**	**89.75**

19 **Depreciation and Amortisation Expense**

(Rs. In lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation on property, plant and equipment	-	0.07
Total	-	**0.07**

20 Other Expenses

(Rs. In lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Rent	2.55	2.46
Legal & Professional Fees	20.83	13.37
Travelling and Conveyance	6.63	7.31
Rates & Taxes	4.72	3.42
Filing Fees	0.04	0.08
Communication Expenses	0.14	0.13
Payment to Auditors :		
-Fees for Statutory Audit	0.25	0.25
-Fees for Other Capacity-Certification	0.05	-
Director's Sitting Fees	2.25	1.75
Miscellaneous Expenses	0.10	0.13
Total	37.56	28.91

21 **Income Tax Expenses**

(Rs. In lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current Tax	-	-
Tax for earlier year	0.00	(8.98)
Total Current Tax	**0.00**	**(8.98)**
Deferred tax	(10.13)	(20.58)
Total Deferred Tax	**(10.13)**	**(20.58)**
Total	**(10.13)**	**(29.56)**

The reconciliation of estimated income tax to income tax expense is as below:

(Rs. In Lakh)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit before tax	(44.60)	(86.25)
Statutory Income Tax Rate	25.17%	25.17%
Total Current Tax Expense recognised in profit and loss	**(10.13)**	**(29.56)**

22 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that the Company [illegible] capital requirements [illegible] business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations and [illegible] of equity shares to the shareholders.
The capital structure of the Company consists of total equity. The Company does not have any borrowings.

23 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

This section gives an overview of the significance of financial instruments for the Company and provides additional information [illegible].

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 1 to the financial statements.

A] Categories of Financial Instruments
Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

(Rs. in lakh)

	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
a) Measured at amortised cost				
(i) Cash and Cash Equivalents	4.43	4.43	12.11	12.11
(ii) Other Financial Assets	-	-	-	-
Sub-total	4.43	4.43	12.11	12.11
b) Measured at Fair value through Profit or Loss				
Investments	155.25	155.25	180.65	180.65
Sub-total	155.25	155.25	180.65	180.65
c) Measured at Fair value through other Comprehensive Income				
Investments	65.20	65.20	64.88	64.88
Sub-total	65.20	65.20	64.88	64.88
Total financial assets	224.88	224.88	257.64	257.64
Financial liabilities				
a) Measured at amortised cost				
(i) Other Financial liabilities	4.61	4.61	3.92	3.92
Total financial liabilities	4.61	4.61	3.92	3.92

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.

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 include cash, cash equivalents.

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.

29 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

B) Fair value hierarchy (Contd.)

[illegible] Level 3 [illegible]

(Rs. in lakh)

	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	159.25	-	65.20	224.45
	159.25	-	65.20	224.45

(Rs. in lakh)

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments	180.75	-	64.88	245.63
	180.75	-	64.88	245.63

C) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. [illegible] Risk Management [illegible]

i) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due [illegible]

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(Rs. in Lakh)

	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
Financial assets				
a) Measured at amortised cost				
(i) Cash and cash equivalents	0.45	-	12.11	-
Total financial assets	0.45	-	12.11	-
Financial liabilities				
a) Measured at amortised cost				
i) Other financial liabilities	4.61	-	5.54	-
Total financial liabilities	4.61	-	5.54	-

ii) Credit risk

Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations. The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

34 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 3 of Companies (Accounts) Rules, 2014.

The Company has recognised, in Statement of Profit and Loss for the year ended 31.03.2023 an amount of Rs.1.49 Lakh (Previous year Rs.4.08 Lakh) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans. The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method

All employees who have rendered service for specified period as per the Payment of Gratuity Act, 1972 are entitled for gratuity. The gratuity amount is determined based on the last drawn salary and period of service with the company

The defined benefit obligations are unfunded and thus the disclosure requirements of plan assets have not been made.

Risk Management
The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary 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 increase 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 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 short career employee typically costs less per year as compared to 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 31.03.2023.

SREI CAPITAL MARKETS LIMITED
Notes to the financial statement for the year ended March 31, 2023

34.1 **Particulars in respect of post retirement defined benefit plans of the Company are as follows :-**

(Rs. In Lakh)

Description	Gratuity Fund		Leave	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
1. Change in the defined benefit obligation				
Present Value of Obligation at the Beginning of the Year	6.83	19.58	0.32	4.63
Current Service Cost	0.58	0.65	0.32	-
Interest Cost	0.48	0.66	0.01	0.01
Settlement (Credit)/cost	-	-	-	1.46
Past Service Cost - Plan Amendments	-	-	-	-
Acquisitions Cost/credit	-	-		
Actuarial (gain)/loss	0.55	5.43	0.10	0.37
Benefits paid	-	(19.49)	(0.44)	(6.17)
Present Value of Obligation at the end of the Year	**8.44**	**6.83**	**0.31**	**0.32**
2. Amount recognised in Balance Sheet consists of:				
Fair value of Plan Assets at the end of the Year	-	-	-	-
Present Value of Obligation at the end of the Year	8.44	6.83	0.31	0.32
(Asset)/Liabilities as per the actuarial valuation	8.44	6.83	0.31	0.32
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	**8.44**	**6.83**	**0.31**	**0.32**

(Rs. In Lakh)

3. Expenses recognised in the statement of profit and loss consists of:	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Employee benefits expenses:				
Current Service cost	0.58	0.65	0.12	-
Net Interest cost	0.48	0.66	0.01	0.03
Total (A)	1.06	1.31	0.33	0.03
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	0.55	5.45	0.10	0.37
Actuarial (Gain) / Loss from financial assumptions	-	-	-	-
Return on plan assets (excluding amounts included in net interest cost)	-	-	-	-
Total (B)	0.55	5.43	0.10	0.37
Expense recognised during the year (A+B)	1.61	6.74	0.43	0.40

SREI CAPITAL MARKETS LIMITED
Notes to the financial statement for the year ended March 31, 2023

24.2 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs in lakh)

Description	Gratuity Fund % Invested		Leave % Invested	
7. Assumptions	31-3-2023	31-3-2022	31-3-2023	31-3-2022
Discount rate per annum	7.00%	7.00%	7.20%	7.00%
Salary escalation rate per annum	5.00%	5.00%	2.50%	5.00%
Best Estimate of Employers' Expected Contribution for the	NA	NA	NA	NA
Method used	Projected Unit Credit Method		Projected Unit Credit Method	

24.3 The estimate of future salary increases take into account inflation, seniority, promotion and other relevant reasons.

24.4 Sensitivity Analysis
The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset values changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

	Year ended 31.03.2023				Year ended 31.03.2022			
	Gratuity Fund		Leave		Gratuity Fund		Leave	
	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)	%	(Rs. in Lakh)
Discount Rate + 100 Basis points	-6.7[illegible]%	(0.56)	[illegible]	(0.02)	-6.7[illegible]%	(0.46)	[illegible]	(0.05)
Discount Rate - 100 Basis points	7.4[illegible]%	0.63	7.2[illegible]%	0.03	7.4[illegible]%	0.51	[illegible]	0.05
Salary Increase Rate + 1%	7.3[illegible]%	0.62	[illegible]	0.02	7.5[illegible]%	0.51	[illegible]	0.05
Salary Increase Rate - 1%	-6.7[illegible]%	(0.57)	[illegible]	(0.02)	-6.9[illegible]%	(0.47)	[illegible]	(0.05)

24.5 Maturity Analysis Of The Benefit Payments

(Rs in lakh)

	Year ended 31.03.2023		Year ended 31.03.2022	
	Gratuity Fund	Leave	Gratuity Fund	Leave
Year 1	0.23	0.07	0.22	0.0[illegible]
Year 2	0.26	0.07	0.25	0.0[illegible]
Year 3	0.4[illegible]	0.07	0.25	0.0[illegible]
Year 4	0.44	0.07	0.29	0.0[illegible]
Year 5	0.45	0.0[illegible]	0.32	0.0[illegible]
Next 5 Years	14.87	0.36	13.23	0.34

24.6 Sick Leave Benefits

(Rs in lakh)

S.No	Particulars	Sick Leave Benefit (Unfunded)	
		As at 31 March, 2023	As at 31 March, 2022
	Assets/ Liabilities		
1	Projected Benefit Obligation	(0.4[illegible])	(0.38)
2	Fair Value of Plan Assets	-	-
3	Current Asset / (Liability)	(0.1[illegible])	(0.18)
4	Non Current Asset / (Liability)	(0.[illegible])	(0.[illegible])
	Actuarial Assumptions		
1	Discount Rate	7.20%	7.00%
2	Expected return on plan assets	NA	NA
3	Salary Escalation	[illegible]	5.00%

SREI CAPITAL MARKETS LIMITED
NOTES TO FINANCIAL STATEMENTS

25 Related Party Disclosures

a) Related Parties

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiaries of Ultimate Holding Company**	
1	[illegible] Private Limited	India
2	[illegible] Private Limited	India
3	[illegible] Private Limited	India
C	**Holding Company**	
1	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries**	
1	Srei Equipment Finance Limited	India
2	Srei Insurance Housing Private Limited	India
3	Srei Mutual Fund Asset Management Private Limited	India
4	Srei Mutual Fund Trust Private Limited	India
5	Srei Asset Finance Limited	India
6	Controlla Electrotech Private Limited	India
7	Bengal Srei Infrastructure Development Limited	India
8	Trinity Alternative Investment Managers Limited	India
9	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
10	Cyberabad Trustee Company Private Ltd (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
E	**TRUSTS**	
1	Srei Mutual Fund Trust	India
F	**OTHERS**	
1	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
1	[illegible] Chatterjee (Ceased to be Director w.e.f. [illegible].2021)	Director
2	Vinod Kumar Anand Jatiya (Ceased to be Director w.e.f. 29.10.2021)	Director
3	[illegible] (Director w.e.f. 22.10.2021)	Director
4	Mayank [illegible] Mehta (Director w.e.f. 11.12.2021)	Director
5	[illegible] Shankar Sharma (Director w.e.f. [illegible].12.2021)	Director
6	[illegible] Sen (Director w.e.f. 01.03.2022)	Director
7	Ashok Kumar Pareek (Ceased to be Director w.e.f. 31.01.2022)	Director
8	[illegible]	Company Secretary
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
9	Mr. Hemant Kanoria *	Chairman
10	Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
11	Mr. Shyamalendu Chatterjee *	Independent Director
12	Mr. Malay Mukherjee *	Independent Director
13	Dr. Punita Kumar Sinha *	Independent Director
14	Dr. Tamali Sengupta *	Independent Director
15	Dr. Deepali Pant Joshi (w.e.f. [illegible].2021) *	Additional Director
16	Mr. Ram Krishna Agarwal (ceased w.e.f. [illegible].2021)	Independent Director
17	Mr. [illegible] (ceased w.e.f. 20.[illegible].2021)	Independent Director
18	Mr. Rakesh Kumar Bhutoria (ceased w.e.f. [illegible].2021)	Chief Executive Officer
19	Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. [illegible].2021)	Chief Financial Officer
20	Mr. Rajneesh Sharma (w.e.f. 04.10.2021) **	Administrator
21	Mr. [illegible] Mukhopadhyay (from [illegible].2021 to [illegible].2021)	Deputy Chief Executive Officer
22	Mr. Manoj Kumar (w.e.f. [illegible].2021)	Company Secretary & Chief Financial Officer
23	Mr. [illegible] Gopal Agarwal (w.e.f. [illegible].2022)	Chief [illegible] Officer & Financial Controller

* In exercise of the powers conferred under Section 45-IE(1) of the Reserve Bank of India Act, 1934, the Reserve Bank of India (RBI) had vide Press Release dated 4th October, 2021 superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL).

** The Reserve Bank of India has appointed Mr. Rajneesh Sharma as the Administrator of SIFL under Section 45-IE (2) of the RBI Act.

35 Related Party Transactions

(c) Summary of Transactions with Related Parties

[illegible] related parties during the year ended March 31, 2023 and year ended March 31, 2022 [illegible]

(Rs. In Lakh)

Name of related party	Nature of Transactions & Outstanding Balances	Year ended March 31, 2023	Year ended March 31, 2022
Holding Company			
Srei Infrastructure Finance Limited	Transactions		
	Rent Expenses	-	1.56
(ii) Fellow Subsidiaries:			
Srei Equipment Finance Ltd	Transactions Rent Expenses	[illegible]	0.60
Key Management Personnel			
Shyamalendu Chatterjee (Ceased to be Director w.e.f. 01.10.2021)	Directors Sitting Fee	-	0.50
[illegible] (Ceased to be Director w.e.f. 29.10.2021)	Directors Sitting Fee	-	0.75
[illegible] (Director w.e.f. 29.10.2021)	Directors Sitting Fee	-	-
[illegible] (Director w.e.f. 14.12.2021)	Directors Sitting Fee	[illegible]	0.25
[illegible] (Director w.e.f. 14.12.2021)	Directors Sitting Fee	1.60	0.25
Debasish Sen (Director w.e.f. 14.12.2021)	Directors Sitting Fee	[illegible]	-
Debasish Sen	Consultancy Fees	[illegible]	12.00
[illegible] (Upto 31.01.2022)	Salary & Allowances	-	[illegible]
[illegible]	Salary & Allowances	[illegible]	[illegible]

(d) Balance due to/from related parties as at March 31, 2023 and March 31, 2022 are as under:

Name of related party	Outstanding Balances	As at March 31, 2023	As at March 31, 2022
Related Party & Key Management Personnel			
Fellow Subsidiaries:			
Srei Equipment Finance Ltd	Transactions: Rent Payable	-	0.61

36 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Merchant Banking services.

37 Contingent Liability

(Rs. In lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debt		
Service tax (FY [illegible])	[illegible]	[illegible]
[illegible]	-	[illegible]
Total	[illegible]	[illegible]

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

The Company has challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble court has dismissed the petition vide order dated [illegible]. The Company has filed Appeal before the Division Bench of Hon'ble Calcutta High Court. The Fringe Benefit Tax Liability is yet to be determined by the Income Tax Department. In view of this, the Company has not provided for any liability towards FBT till 31 March 2009. However, subsequent upon abolition of FBT from assessment year [illegible] no liability arises for the current year.

28 Earnings per Share
Basic and Diluted Earnings per Share

S.No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Net Profit/ (Loss) after tax attributable to Equity Shareholders (Amount in Rs. In Lakhs)	(34.47)	(56.69)
2	Weighted average number of Equity Shares Basic (Nos.)	50,50,200	50,50,200
3	Weighted average number of Equity Shares Diluted (Nos.)	50,50,200	50,50,200
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	(0.68)	(1.12)
6	Diluted Earnings per Share (Rs)	(0.68)	(1.12)

29 Capital Commitment - Rs. Nil (Previous Year Rs. NIL).

30 Details of Loan Given, investments made and guarantee given covered u/s 186(4) of the Companies Act, 2013 :
a) The particulars of investments made are given under Note No 3 & 7
b) The particulars of loan given are as under: (Rs. in lakh)

S.No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Loan Given	-	-

No Guarantee were Given by the company during the year ended 31.03.2023 and F.Y. 2021-2022

31 **Ratios to be disclosed:**

S.No	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Current Ratio	22.74	30.26
(b)	Debt Equity Ratio	-	-
(c)	Debt Service Coverage Ratio	-	-
(d)	Return on Equity Ratio	(0.10)	(0.15)
(e)	Inventory Turnover Ratio	-	-
(f)	Trade Receivable Turnover Ratio	-	-
(g)	Trade Payable Turnover Ratio	-	-
(h)	Net Capital Turnover Ratio	0.09	0.09
(i)	Net Profit Ratio	(1.19)	(1.75)
(j)	Return on Capital Employed	(0.10)	(0.15)
(k)	Return on Investment	-	-

32 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable.

As per our report of even date annexed.

For Minal Arya & associates
Chartered Accountants
Firm Registration No 330192E

Sd/-
CA Minal Arya
Partner
Membership No 306054

For and on behalf of the Board of Directors

Sd/-
Debasish Sen
Director
Dir No 09392435

Sd/-
Mayank Kulinchandra Mehta
Director
Din No 03554733

Sd/-
Samita Lahiri
Company Secretary
Kolkata

Place : Kolkata
Date: 9th May, 2023

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED
(A Joint Venture Company of WBIDC and SREI)

SREI

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company have pleasure in presenting the Eighteenth Annual Report, together with the Audited Financial Statements of your Company, for the financial year ended March 31, 2023.

FINANCIAL RESULTS AND OPERATIONS

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Total Income	2.91	1.72
Total Expenditure	1.47	14.75
Profit / (Loss) Before Tax	**1.44**	**(13.03)**
Provision for Taxation:		
Current Tax	-	-
Income Tax for earlier years	0.02	(0.35)
Profit / (Loss) After Tax (PAT)	**1.42**	**(12.68)**

During the year under review, your Company's total Income aggregated to Rs. 2.91 Lacs as compared to the previous year's total Income of Rs. 1.72 Lacs and Company's PAT stands at Rs. 1.42 Lacs, as compared to PAT of Rs. (12.68) Lacs, in the previous financial year.

REVIEW OF OPERATIONS DURING THE FINANCIAL YEAR 2022-23 & FUTURE PROSPECTS

On-going projects: There are 2 (two) on-going projects as below:

1. Preparation of DPR for establishment of Common Effluent Treatment Plant (CETP) at Santoshpur Industrial Park (MIRGC), Kalinagar, P.O. Bidhannagar, P.S. Rabindranagar, Dist. South 24 Parganas

2. Preparation of DPR (including Detailed Drawing, BOQ etc. for setting up of proposed "Tanter Haat" in the available space of Rajabazar Tram Depot, Kolkata

Vetting of both these above projects from respective Government Departments have been undertaken and major approvals have been obtained in principle. Accordingly, WBSIDCL (hereinafter "Client") has agreed to release maximum of associated milestone payments.

FUTURE OUTLOOK AND BUSINESS STRATEGY

Local presence of your Company, familiarity with the local Infrastructure Development need and our knowledge & experience in the Infrastructure Advisory domain, coupled with various Central Government Schemes, is expected to trigger and generate business opportunities, in the present challenging economic scenario.

In respect to possible future prospects, empanelment renewal has been submitted on 20th April, 2023 to WBSIDCL.

Also BSIDL has been L1 in another new project "Preparation of Project DPR excluding supervision, QC, measurement checking, certification of bills, etc., for setting up of multi-storied commercial estate over a land measuring area of 15K 09Ch at Plot No. 3808/3830, Mouza Kasba, JL No. 13, Dist - South 24 Parganas" under WBSIDCL. The Work Order is yet to be issued

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) OF SREI INFRASTRUCTURE FINANCE LIMITED, HOLDING COMPANY OF BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED (BSIDL)

The Reserve Bank of India ('**RBI**') had vide Press Release dated 4th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) ('Press Release') superseded the Board of Directors of Srei Infrastructure Finance Limited ('**SIFL**'), the holding Company of your Company owing to governance concerns and defaults by SIFL in meeting various payment obligations. Mr. Rajneesh Sharma was appointed as the Administrator of SIFL under Section 45-IE (2) of the RBI Act with effect from 4th October, 2021 vide the said Press Release.

On 8th October, 2021, the RBI filed application for initiation of Corporate Insolvency Resolution Process ('**CIRP**') against SIFL before the Hon'ble National Company Law Tribunal, Kolkata Bench ('**Hon'ble NCLT**') under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code, 2016 ('**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**') Thereafter vide an Order dated 8th October, 2021 of the Hon'ble NCLT, the application filed by the RBI for initiating the CIRP in respect of SIFL was admitted and a Corporate Insolvency Resolution Process was initiated against SIFL and the appointment of Mr. Rajneesh Sharma as the Administrator of SIFL (as per the RBI press release dated 04th October, 2021) was also confirmed. Thereafter, a Committee of Creditors was constituted as per the provisions of the Insolvency and Bankruptcy Code, 2016.

Accordingly, SIFL, the holding Company of your Company, is undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator of SIFL is to perform the duties of the Resolution Professional under the Code. In accordance with the provisions of the Code and with the approval of the Committee of Creditors (CoC) of SIFL the Administrator on 25th February, 2022 had invited expressions of interest (EOI) from prospective resolution applicants (PRAs).

The revised final list of prospective PRAs was shared by SIFL on November 17, 2022. The resolution plans were duly presented by the Administrator of SIFL to CoC for voting on

January 31, 2023. The E-voting on the resolution plans concluded on 15th February, 2023 and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by the requisite majority and was declared as the successful resolution plan under Section 30(4) of the Code. Further, your Holding Company had received no objection pursuant to change in control / ownership / management of SIFL from RBI vide its letter dated March 23, 2023.

The Administrator of SIFL had also filed an application under Section 30(6) of the Code for the submission of resolution plan of NARCL as approved by CoC with the Hon'ble National Company Law Tribunal (NCLT), Kolkata on February 18, 2023, the response of the same is still awaited.

DIVIDEND

The Board of Directors of your Company does not recommend any Dividend for the financial year 2022-23.

TRANSFER TO RESERVES

Your Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2022-23.

SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES

Your Company was formed as a Special Purpose Vehicle (SPV) Company by way of a Joint Venture Agreement entered with West Bengal Industrial Development Corporation Limited (WBIDC) w.e.f. 10th March, 2005.

HOLDING COMPANY

Your Company is a direct Subsidiary of Srei Infrastructure Finance Limited (SIFL), w.e.f. 12th March, 2018.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business carried out by your Company.

PUBLIC DEPOSITS

Your Company has not invited or accepted, any deposits from the public, covered under Section 73 of the Companies Act, 2013, and the Companies (Acceptance of Deposits) Rules, 2014.

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

Your Company is not engaged in any activities, which warrants requirements of disclosure regarding to conservation of energy, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014.

However, your Company uses information technology extensively, in its operations and also continues its endeavor, to improve energy conservation and utilization, safety and environment.

Your Company has not utilized any foreign exchange during the year under review and has also not earned any foreign exchange, during the year under review. (Previous Year: Nil).

DIRECTORS & KEY MANAGERIAL PERSONNEL

DIRECTORS

Presently, the Board of Directors of your Company comprises of Three (3) Directors (Category: Non-Executive), namely, Mr. Sudipta Kumar Mukherjee (DIN: 09022104), Mr. Manoj Kumar (DIN: 06397089) and Mr. Harish (DIN: 09764442).

During the year under review, Mr. Sourendranath Mukhopadhyay (DIN: 00960942) resigned as Director of your Company w.e.f. 5th July, 2022. The Board wishes to place on record its sincere appreciation for the valuable contribution, advice and guidance extended by Mr. Sourendranath Mukhopadhyay during his tenure as a Director of your Company.

Further, West Bengal Industrial Development Corporation Limited (WBIDC) has withdrawn the nomination of Mr. Kamalakanth Pothkonda (DIN: 07297777) as Nominee Director in the Board of your Company w.e.f. 5th April, 2023 and has nominated Mr. Harish (DIN: 09764442) as Nominee Director of your Company vide letter no. PI/294/2008/31 dated 5th April, 2023. Mr. Harish (DIN: 09764442) was therefore appointed as Nominee Director of your Company w.e.f. 5th April, 2023 vide resolution passed by Circulation (No. 01/2023-24) by the Board of Directors of your Company on 27th April, 2023.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Manoj Kumar (DIN: 06397089), Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013 ("the Act") read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company and every other Public Company having a paid-up share capital of ten crore rupees or more shall have whole-time Key Managerial Personnel (KMPs), namely, (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director; (ii) Company Secretary, and (iii) Chief Financial Officer.

Your Company is not required to appoint any whole-time KMPs as the paid-up share capital of the Company is less than the limit as prescribed above.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company's business operations and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed / noted in the subsequent Meeting of the Board of Directors of the Company.

During the Financial Year 2022-23, 5 (Five) Meetings of the Board of Directors of the Company were held on 27th April, 2022, 9th May, 2022, 4th August, 2022, 7th November, 2022 and 1st February, 2023. The maximum time gap between any two consecutive meetings did not exceed 120 days. The presence of Directors at such Meetings is as follows:

Name of Directors	No. of Meetings entitled to attend	No. of Meeting attended
Mr. Somendranath Mukhopadhyay*	2	2
Mr. Manoj Kumar	5	5
Mr. Sudipta Kumar Mukherjee	5	5
Mr. Kamalakanth Polukonda**	5	2
Mr. Harish***	-	-

**Mr. Somendranath Mukhopadhyay ceased to be a Director of the Company w.e.f. 5th July, 2022*
***Mr. Kamalakanth Polukonda ceased to be Nominee Director of the Company w.e.f. 5th April, 2023*
****Mr. Harish was appointed as Nominee Director w.e.f. 5th April, 2022*

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

PARTICULARS OF EMPLOYEES

There was no employee in the Company during the financial year 2022-23, so the disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2022-23, your Company has not given any loan, guarantees or provided any security, or made any investments, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account, or one hundred percent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors of your Company reviews all related party transactions on quarterly basis. The particulars of contract or arrangements, if any, entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 read with relevant Rules made there under, were in the ordinary course of business and were on an arm's length basis, hence, Form AOC-2 is not applicable to your Company.

EXTRACT OF THE ANNUAL RETURN

The Ministry of Corporate Affairs (MCA) vide Notification no. G.S.R.159 (E) dated 5th March 2021 has amended the Companies (Management and Administration) Rules, 2014. According to the amended provisions of Rule 12 of the said rule, the extract of Annual Return in Form No. MGT-9 is not applicable as on the financial year ended 31st March, 2023.

RISK MANAGEMENT

There is no element of risks which may threaten the existence of your Company.

MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records, as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 during the financial year ended on 31st March, 2023.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company to which the financial statements relate to and the date of the report.

SHARE CAPITAL

The Paid up Equity Share Capital as on 31st March, 2023 was Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each. There were no changes in the Share Capital of the Company during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the financial year 2022-23, no significant and material orders has been passed by Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide an environment which is free of discrimination, intimidation and abuse. The Company is guided under the policy framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, in the Group as a whole. No complaint was received during the year ended 31st March, 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 (Act), read with relevant Rules made thereunder, your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed, along with proper explanation relating to material departures;

(ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company, at the end of the financial year, and of the profit of your Company, for that period;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) the Annual Accounts for the financial year ended 31st March, 2023, have been prepared, on a going concern basis; and

(v) the Directors have devised proper systems, to ensure compliance with the provisions of all applicable laws and that, such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL

Your Company has an internal financial control and system, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of internal financial control has been designed to provide a reasonable assurance with regard to system and process and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorised use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

AUDITORS AND AUDITORS' REPORT

M/s. Mohit Arya & Associates, Chartered Accountants, having Registration No. 330192E allotted by the Institute of Chartered Accountants of India (ICAI), was appointed as the Statutory Auditors of the Company at the Seventeenth Annual General Meeting of the Company held on 27th June, 2022 for a term of five years, who shall hold the office until the conclusion of the Twenty Second Annual General Meeting to be held in the year 2027.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

ACKNOWLEDGEMENT

Your Directors wish to place on record, their appreciation for the excellent support and co-operation received from its Bankers, Investors, Clients and WBIDC. Your Directors also express their gratitude for the continued cooperation and excellent support received from the Ministry of Corporate Affairs, Srei Infrastructure Finance Limited, the Holding Company, Business Associates and various regulatory and Government authorities.

On behalf of the Board of Directors
For **Bengal Srei Infrastructure Development Limited**

	Sd/-	Sd/-
Date: 08.05.2023	**Manoj Kumar**	**Sudipta Kumar Mukherjee**
Place: Kolkata	**Director**	**Director**
	DIN: 06397089	**DIN: 09022104**

Mohit Arya & Associates
Chartered Accountants

Poddar Court, Gate No. 3, Room No.2,
6th Floor, 18, Rabindra Sarani, Kol-700001
Contact No. - 9831750629, 033-46032122
E-mail ID-mohitarya011@gmail.com

Independent Auditor's Report
Bengal Srei Infrastructure Development Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED** ("The Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2023, its Loss, including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

a) Note 11 to the Financial Statements which discloses that the Company has defaulted in repayment of loan and interest falling due for payment on 30.06.2022 on account of unavailability of fund. The Company has not made provision for Interest after the due date of repayment.

b) Note 21 to the Financial Statements which discloses that the Reserve Bank of India (RBI) had vide Press release dated 4th October 2021, superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL), being its Holding Company.

c) Note 24 of the Financial Statements which indicate that the Company has accumulated losses and its Net Worth is fully eroded. However, the financial statements have been prepared on the going concern basis for the reason stated in said note.

Our opinion is not modified in respect of these matters.

To the members of
Bengal Srei Infrastructure Development Limited

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

To the members of
Bengal Srei Infrastructure Development Limited

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

• Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

To the members of
Bengal Srei Infrastructure Development Limited

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.

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

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

Report on other legal and regulatory requirements.

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

To the members of
Bengal Srei Infrastructure Development Limited

d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the years ended 31st March 2023.

h. 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

   iv. (a) The management has represented to us 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

(c) Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (2)(h)(iv)(a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Mohit Arya & Associates,
Chartered Accountants
Firm Registration No.-330192E

Sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJCA2896
Place : Kolkata
Dated: 8th Day of May 2023.

To the members of
Bengal Srei Infrastructure Development Limited

"Annexure A" to the Independent Auditor's Report of Even Date on the Financial Statements of Bengal Srei Infrastructure Development Limited

Statement referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Bengal Srei Infrastructure Development Limited on the financial statements for the year ended 31st March, 2023:

(i) The Company has no Property, Plant & Equipment or intangible assets. Accordingly, provision of clause (i) (a) to (e) of paragraph 3 of the said Order is not applicable to the Company and hence not commented upon.

(ii) The Company's nature of operation does not require it to hold inventories and it has not been sanctioned any working capital limit by any banks or financial institutions during the year. Accordingly, provision of clause (ii) (a) and (b) of paragraph 3 of the said order is not applicable to the Company and hence not commented upon.

(iii) The Company has neither made any investment nor granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (f) of paragraph 3 of the said order are not applicable to the Company.

(iv) According to the information and explanations given to us and as per records examined by us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments. The Company has not given any loan, guarantee or security.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) a) According to the information and explanation given to us and as per records examined by us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Duty of Excise, Goods and Service Tax or Cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2023 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes

Name of the Statute	Nature of dues	Period to which pertain	Amount Rs.	Forum where the dispute is pending
Income Tax Act, 1961				
	Fringe Benefit Tax	(F.Y. 2005-06 to 2008-09)	*	*

*The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta which has been dismissed vide order dated 01.09.2017. The management of the Company has filed appeal before the Divisional bench of Hon'ble High Court, Calcutta. However, amount of FBT liability has not been determined by the department and hence could not be disclosed (Refer note 23 to the financial statement).

(viii) According to the information and explanation given to us and as per records examined by us, the Company has had no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) According to the information and explanation given to us and as per records examined by us, the Company *has defaulted in repayment of loan* as follows:-

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether Principal or Interest	No. of days delay or unpaid	Remarks, if any
Term Loan secured way of entire moveable assets including book-debts	SREI Equipment Finance Limited	96.50 Lakhs	Principal	274	Due date was 30.06.2022
Term Loan secured way of entire moveable assets including book-debts	SREI Equipment Finance Limited	25.79 Lakhs	Interest	274	Due date was 30.06.2022

- Refer Note 11 to the financial statement

(x) According to the information and explanation given to us and as per records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The money raised by way of term loans have been applied for the purpose for which the loans were obtained.

(xi) (a) In our opinion and according to the information and explanations given by the management, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

To the members of
Bengal Srei Infrastructure Development Limited

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) In our opinion and according to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the provisions relating to an internal audit system is not applicable to the Company

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Accordingly, clause (xv) of the paragraph 3 of the said order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

(xvii) The Company has not incurred any cash loss in the current financial year but has incurred a cash loss of Rs. 13.03 Lacs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, we are of the opinion that *material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing on the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.*

(xx) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of CSR are not applicable. Accordingly the provisions of Clause 3(xx) of the Order are not applicable to the Company.

To the members of
Bengal Srei Infrastructure Development Limited

(xxi) As this is an audit report on the Standalone Ind AS Financial Statements, the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No.-330192E

sd/-

(CA. Mohit Arya)
Membership No.306054
Proprietor
UDIN: 23306054BGWJCA2886
Place: Kolkata
Dated: 8th Day of May 2023.

To the members of
Bengal Srei Infrastructure Development Limited

ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BENGAL SREI INFRASTRUCTURE LIMITED

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bengal Srei Infrastructure Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

To the members of
Bengal Srei Infrastructure Development Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Meaning of Internal Financial Controls Over Financial Reporting
A company's internal financial control over financial reporting 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 over financial reporting 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No. 350192E

Sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJCA2986
Place : Kolkata
Dated: 8th Day of May 2023.

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

CIN: U70109WB2004PLC100517

BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lakhs)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I.	**ASSETS**			
	Non Current Assets			
	(a) Other Non Current Tax Assets (Net)	2	2.49	2.62
	Total Non - Current Assets		**2.49**	**2.62**
	Current Assets			
	(a) Financial Assets			
	(i) Investments	3	4.32	0.59
	(ii) Trade Receivables	4	3.18	-
	(iii) Cash and Cash Equivalents	5	1.99	0.95
	(iv) Other Financial Assets	6	0.55	-
	(b) Other Current Assets	7	0.14	3.59
	Total Current Assets		**10.18**	**5.13**
	Total Assets		**12.67**	**7.75**
II.	**EQUITY AND LIABILITY**			
	EQUITY			
	(a) Equity Share Capital	8	5.00	5.00
	(b) Other Equity	9	(114.82)	(116.24)
	Total Equity		**(109.82)**	**(111.24)**
	LIABILITIES			
	Non Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	10	-	-
	Total Non - Current Liabilities		-	-
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Other Financial Liabilities	11	122.44	118.61
	(b) Other Current Liabilities	12	0.05	0.38
	Total Current Liabilities		**122.49**	**118.99**
	TOTAL EQUITY AND LIABILITIES		**12.67**	**7.75**

The Accompanying Notes 1 to 29 are an Integral part of the Financial Statements
As per our report of even date Annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No 330192E

Sd/-
C.A. Mohit Arya
Proprietor
Membership No. 066054

Place : Kolkata
Date : 8th May, 2023

For and on behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
DIN No 06397089

Sd/-
Sudipta Kumar Mukherjee
Director
DIN No 09022104

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

CIN: U70100WB2006PLC100517

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I.	Revenue From Operations	13	2.69	1.02
II.	Other Income	14	0.22	0.70
III.	**Total income (I+II)**		**2.91**	**1.72**
IV	**Expenses:**			
	Finance Cost	15	3.86	14.52
	Provision for Bad & Doubtful Debts	16	(4.82)	(0.49)
	Other Expenses	17	2.42	0.71
	Total Expenses (IV)		**1.47**	**14.75**
V.	**Profit Before Tax (III - IV)**		**1.44**	**(13.03)**
VI.	**Tax Expense**	18		
	Current Tax		-	-
	Income Tax for earlier years		0.02	(0.35)
VII.	**Profit For The Period (V - VI)**		**1.42**	**(12.68)**
VIII.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss: - Remeasurements of the defined benefit plans		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		-	-
IX.	**Total Comprehensive Income For The Period (VII + IX)**		**1.42**	**(12.68)**
X.	**Earnings Per Equity Share (of Rs. 10/- each)**	22		
	Basic (Rs.)		2.84	(25.36)
	Diluted (Rs.)		2.84	(25.36)

The Accompanying Notes 1 to 29 are an Integral part of the Financial Statements.
As per our report of even date Annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330402E

Sd/-
C.A. Mohit Arya
Proprietor
Membership No.306054

Place : Kolkata
Date : 9th May, 2023

For and on behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
DIN No 06397089

Sd/-
Sudipta Kumar Mukherjee
Director
DIN No 09022106

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

CIN: U70100WB2004PLC100517

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A.	Cash Flow from Operating Activities		
	Profit/(Loss) before tax	1.44	(13.05)
	Adjustments for:		
	Finance Cost	3.86	14.52
	Interest Income on Income Tax Refund	-	(0.67)
	Provision for Bad & Doubtful Debts	(4.82)	(0.49)
	Operating Loss before Working Capital Changes	**0.48**	**0.32**
	Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	1.05	(0.36)
	(Increase) / Decrease in Trade Receivables, Loans, Advances and Other Assets	2.90	(2.92)
	Cash generated from Operating activities	**4.43**	**(2.96)**
	Income Tax Paid (Net)	0.11	3.45
	Net Cash from Operating Activities	**4.54**	**0.49**
B.	Cash Flow from Investing Activities		
	Investment in Schemes of Mutual Fund	(3.50)	1.45
	Net Cash used in Investing activities	**(3.50)**	**1.45**
C.	**Cash Flow from Financing Activities**		
	Long Term Loan repaid	-	-
	Interest Paid	-	(1.22)
	Net Cash Flow used in Financing Activities	-	(1.22)
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	1.04	0.72
	Opening Cash and Cash Equivalents	0.95	0.23
	Closing Cash and Cash Equivalents	1.99	0.95

Notes:

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 "Statement of Cash Flow Statements'

2 Components of Cash and Cash equivalents.

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Cash on hand	-	0.02
b) Balance with Banks in Current Account	1.99	0.93
	1.99	**0.95**

This is the cash flow statement referred to in our report of even date.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330192E

sd/-
C.A. Mohit Arya
Proprietor
Membership No.066054

For and on behalf of the Board of Directors

sd/-
Manoj Kumar
Director
DIN No 06397089

sd/-
Sudipta Kumar Mukherjee
Director
DIN No 09022104

Place : Kolkata
Date : 30th May, 2023

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED

CIN: [illegible]

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

(₹ in Lakhs)

Particulars	As at April 1, 2021	Changes during the year	As at April 1, 2022	Changes during the year	As at March 31, 2023
Equity Share Capital	5.00	-	5.00	-	5.00

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
Balance as at April 1, 2021	5.85	(109.41)	(103.56)
Profit for the year	-	(12.68)	(12.68)
Other Comprehensive Income (net of tax)	-	-	-
Balance as at March 31, 2022	**5.85**	**(122.09)**	**(116.24)**
Profit for the year	-	1.42	1.42
Other Comprehensive Income (net of tax)	-	-	-
Balance as at March 31, 2023	**5.85**	**(120.67)**	**(114.82)**

General Reserve

The reserve has been created out of profit of the Company. This reserve can be utilised in accordance with the provisions of the Companies Act,

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330192E

Sd/-

C.A. Mohit Arya
Proprietor
Membership No.306054

Place : Kolkata
Date : 8th May, 2023

For and on behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
DIN No 06397089

Sd/-
Sudipta Kumar Mukherjee
Director
DIN No 09022104

Bengal Srei Infrastructure Development Limited

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Bengal Srei Infrastructure Development Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

The Company is engaged in Infrastructure Project Advisory and related Services.

(B) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(C) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.16 Critical accounting judgements and key sources of estimation uncertainty.

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

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to customers.

Income from Consultancy is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.4. Borrowing Cost

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, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 the statement of profit and loss in the period in which they are incurred.

1.5. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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.

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 sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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 the period of the lease. Freehold Land is not depreciated.

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

1.6. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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.

1.7. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.8. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Recognition of Financial Instruments:

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

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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets

Financial Assets carried at Amortised Cost (AC):

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.

Financial Assets at Fair Value through Other Comprehensive Income (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 not held for trading 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 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 investments 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 Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are 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 as 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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

b) For financial assets measured at fair value through other comprehensive income, 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.

(ii) **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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method

For trade and other payables maturing within one year from the Balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new 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.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when 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 asset and settle the liability simultaneously backed by past practice

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss

Expected credit loss (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

1.9. Taxes on Income

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 by the end of the reporting period.

Deferred tax

The Company's deferred tax is calculated using tax rate that are substantially 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.

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 other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.10. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.11. Provisions

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.

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 recognized 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 recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets

Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.12. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Useful lives of property, plant and equipment and intangible assets:**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) Fair value measurements and valuation processes:
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) Actuarial Valuation:
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) Claims, Provisions and Contingent Liabilities:
Any litigation where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.13. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.14. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED
NOTES TO FINANCIAL STATEMENTS

Bengal Srei Infrastructure Development Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046. The Company is engaged in Infrastructure Project Advisory and related Services.

2 Other Non Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax & Tax Deducted At Source	14.15	14.30
Less: Provision for Taxation	(11.68)	(11.68)
Total	**2.47**	**2.62**

3 Investments - Current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments Investments in Scheme of Mutual Funds - Current investments - 1343.425 units @ Rs 321.8721 (previous year - 193.784 units @ Rs 306.6941)	4.32	0.59
Total	**4.32**	**0.59**

4 **Trade Receivables**

Trade Receivables ageing schedule as at March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) Undisputed Trade receivables - considered good	3.18	-	-	-	-	3.18
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Disputed 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	3.18	-	-	-	-	3.18

Trade Receivables ageing schedule as at March 31, 2022 (₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	Total
(i) Undisputed Trade receivables - considered good	-	-	-	-	-	-
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(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	-	-	-	-	-	-

4 Trade Receivables:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Considered good - Secured,	5.18	-
Less: Allowance for impairment loss allowance	-	-
	5.18	-
(b) Considered good - Unsecured,	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(c) Significant Increase in Credit risk	-	-
Less: Allowance for impairment loss allowance	-	-
	-	-
(d) Credit Impaired	43.69	48.51
Less: Allowance for impairment loss allowance	(43.69)	(48.51)
Total (a+b+c+d)	-	-

i. In determining the allowances for credit losses, 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 Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI computed on individual bucket basis.

ii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. In these notes the 'directors' represent the directors of the Board of the Company superseded by the RBI vide its letter and press release dated 4th October 2021.

iii. Movements in Expected Credit Losses Allowance is as below:

(₹ In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	48.51	48.63
Charge in Statement of Profit and Loss	(4.82)	(0.12)
Utilised during the year	-	-
Balance at the end of the year	43.69	48.51

iv. Ageing of Trade Receivables and Credit Risk arising therefrom is as below:

(₹ In Lakhs)

Particulars	As at March 31, 2023 Gross carrying amount	Allowance for credit loss	Net carrying amount
Due 0-3 three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
Due between one year to two year	-	-	-
More than 2 year due	43.69	43.69	-
	43.69	**43.69**	-

(₹ In Lakhs)

Particulars	As at March 31, 2022 Gross carrying amount	Allowance for credit loss	Net carrying amount
Due 0-3 three months	-	-	-
Due between three to six months	-	-	-
Due between six months to one year	-	-	-
Due between one year to two year	-	-	-
More than 2 year due	48.51	48.51	-
	48.51	**48.51**	-

5 **Cash and Cash Equivalents-**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0.02
Balances with Banks in current account	1.99	0.93
Total	**1.99**	**0.95**

6 **Other Financial assets - current**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposit	3.71	3.71
Less: Allowance for expected credit loss	(3.71)	(3.71)
Other Advances	0.56	-
Total	**0.56**	-

7 **Other Current Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Input GST	0.13	0.09
Advance for Investment in Mutual Fund	-	3.50
Total	**0.13**	**3.59**

8 Equity Share Capital (₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00
Issued, Subscribed and Paid up				
Equity Shares of Rs. 10/- each fully paid	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00

8.1 The reconciliation of the number of shares outstanding at the beginning and at the end of year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Rs. in Lakh	No. of Shares	Rs. in Lakh
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares outstanding at the end of the year	50,000	5.00	50,000	5.00

Terms and rights attached to equity shares:
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company, is paid in Indian Rupees. The dividend, if proposed by the Board of Directors 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 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.

8.2 Details of shares held by each shareholder holding more than 5%

Name of the Company	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Fully paid equity shares				
Srei Infrastructure Finance Limited *	25,500	51%	25,500	51%
West Bengal Industrial Development Corporation Limited	24,500	49%	24,500	49%

* Includes 500 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

8.3 Shares held by Holding / Ultimate Holding and/or their Subsidiaries/ Associates

Name of the Company (Relationship)	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Srei Infrastructure Finance Limited- holding company	25,500	51%	25,500	51%

8.4 The Company during the preceding 5 years
i Has not allotted shares pursuant to contract(s) without payment received in cash
ii Has not issued shares by the way of bonus shares
iii Has not bought back any shares.

8.5 Shareholding of promoters as at March 31, 2023 :

Shares held by promoters at the end of the year				% Change during the year
Sl.No.	Promoter name	No. of shares	% of total shares	
1)	SREI Infrastructure Finance Limited *	25,500	51%	NA
	Total			

*Includes 500 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

Shareholding of promoters as at March 31, 2022 :

Shares held by promoters at the end of the year				% Change during the year
Sl.No.	Promoter name	No. of shares	% of total shares	
1)	SREI Infrastructure Finance Limited *	25,500	51%	NA
	Total			

*Includes 500 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

9 Other Equity (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) General Reserve	5.85	5.85
b) Retained Earnings		
Balance as per last account	(121.88)	(109.33)
Net Profit/(Loss) for the Period	1.42	(12.55)
Closing Balance	(120.46)	(121.88)
c) Other comprehensive income		
Balance as per last account	(0.21)	(0.21)
Add: Other comprehensive income for the Period	-	-
Closing Balance	(0.21)	(0.21)
Total	(114.82)	(116.24)

10 Borrowings - non current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Borrowings (Measured at Amortized Cost)		
Term Loan	-	96.50
Less : Current maturity of Long Term Borrowings	-	(96.50)
Total	-	-

11 **Other Financial Liabilities - Current**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Maturities of Long Term Borrowings	96.50	96.50
Interest Accrued and Due on Borrowings*	25.79	-
Interest Accrued but not Due on Borrowings	-	21.96
Liability for expenses	0.15	0.14
Total	**122.44**	**118.60**

Terms of repayment for Secured Borrowing:
Rupee Term Loan is secured by way of charge on entire moveable assets including book-debts, ranking pari passu with existing facilities & Demand Promissory Note covering the Principal and Interest Repayment. The Loan would be governed by some additional terms and conditions as per letter SREI/2020-21/SRE 440/02 dated 29.09.2020 from the Lender. The additional terms and conditions are - 1) Interest rate w.e.f. 1st July, 2020 shall be fixed rate @ 2% p.a. payable quarterly in arrear with yield on exit @ 13% at the time of exit, 2) Entire principal outstanding has become due for repayment on 30th June, 2022 . The Company is unable to repay the amount due to unavailability of fund. The Company has not made interest provision after June 30, 2022, i.e. after due date for repayment.

12 **Other Current Liabilities**

(₹ in Lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Statutory Liabilities	0.05	0.38
Total	**0.05**	**0.38**

13 Revenue From Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Services		
-Consultancy Fees	2.69	1.02
Total	2.69	1.02

14 **Other Income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income comprises interest from:		
-On refund of income tax	-	0.67
Profit on Investment in Schemes of Mutual Fund	0.22	0.03
Total	**0.22**	**0.70**

15 **Finance Cost**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
-On financial liabilities measured at amortised cost	3.86	14.52
Total	3.86	14.52

16 **Provision for Bad & Doubtful Debts**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provision/(Reversal) for Bad & Doubtful Debts	(4.82)	(0.49)
Total	(4.82)	(0.49)

17 **Other Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Legal & Professional Fees	0.78	0.32
Travelling and Conveyance	0.22	-
Rates & Taxes	0.09	0.08
Director Sitting Fee	0.39	0.10
Payment to Auditors		
-Statutory Audit Fees	0.15	0.15
-Other Services (Certification etc.)	-	-
Printing & Stationery	0.47	-
Miscellaneous Expenses	0.04	0.06
Total	2.42	0.71

18 Income Tax Expenses

(₹ In Lakhs)

Particulars	Year ended March 31, 2023	Year Ended March 31, 2022
Current tax		
-Tax for earlier period	0.02	(0.35)
-Current Tax	-	-
Total Current Tax	**0.02**	**(0.35)**
Deferred tax	-	-
Total Deferred Tax	-	-
Total	**0.02**	**(0.35)**

The reconciliation of estimated income tax to income tax expense is as below:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year Ended March 31, 2022
Profit before tax	1.44	(13.03)
Statutory Income Tax Rate	25.17%	25.17%
Expected income tax expense at statutory Income tax rate	-	(3.28)
(i) Income exempt from tax/Items not deductible	0.36	-
(ii) Carry Forward Loss	(0.36)	3.28
Current Tax Expense recognised in profit and loss account	-	-

19 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by the company shareholders, vendors safeguarding to the community and improving its external perception within the current use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 17 offset by cash and cash equivalents in note 5) and total equity of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (excluding non-current earmarked balances).

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(Rs. in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity Share Capital	5.00	5.00
Other Equity	(14.82)	(16.25)
Total Equity (A)	(9.82)	(11.25)
Non Current Borrowings	-	-
Current Maturities of Long Term Borrowings	96.50	96.50
Gross Debts (B)	96.50	96.50
Total Capital (A+B)	(13.32)	(14.74)
Gross Debt as above	96.50	96.50
Less: Cash and Cash Equivalents	1.99	0.95
Net Debt (C)	94.51	95.55
Net Debt to Equity	(9.36)	(8.91)

Net debt to equity as at 31.03.2023 and 31.03.2022 has been computed based on average equity.

20 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 1 to the Financial Statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. In Lakh)

	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
a) Measured at amortised cost				
i) Trade Receivables	3.18	3.18	-	-
ii) Cash and cash equivalents	1.99	1.99	0.95	0.95
iii) Other financial assets	0.56	0.56	-	-
Sub-total	5.73	5.73	0.95	0.95
b) Measured at Fair value through Profit and loss account				
i) Investment	4.32	4.32	-	-
Sub-total	4.32	4.32	-	-
Total financial assets	10.05	10.05	0.95	0.95
Financial liabilities				
a) Measured at amortised cost				
i) Borrowings	-	-	96.50	96.50
ii) Other financial liabilities	122.44	122.44	118.61	118.61
Total financial liabilities	122.44	122.44	215.11	215.11

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.

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 include: cash, cash equivalents, other bank balances, Trade and Other receivables and Security Deposits.

20 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at a rate that reflects market risks.

Other financial liabilities measured at amortised cost

For other financial liabilities that have a short term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.

(b) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk. The Company is not exposed to market risk as it borrows funds on fixed rate of interest and it does not indulge in transaction involving foreign currencies. The current Risk Management System rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls, monitoring of such risks and compliance confirmation for the same.

a) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(Rs. In Lakh)

	As at March 31, 2023		As at March 31, 2022	
	Current	**Non-Current**	**Current**	**Non-Current**
A: Financial assets				
i) Trade receivables	3.18	-	-	-
ii) Cash and cash equivalents	1.99	-	0.95	-
iii) Other financial assets	0.56	-	-	-
iv) Investment	4.32	-	0.59	
Total	10.05	-	**1.54**	-
B: Financial liabilities				
i) Borrowings	-	-	-	-
ii) Other financial liabilities	122.44	-	118.61	-
Total	**122.44**	-	**118.61**	-

Currently the company does not have sufficient liquidity to meet its short term payment obligations.

b) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

21 Related Party Disclosures

a) Related Parties list

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
1	Srei [illegible] Private Limited	India
2	Adisri Strategic Advisors Private Limited	India
3	Adisri Leasing Private Limited	India
C	**Holding Company**	
1	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries**	
1	Srei Equipment Finance Limited	India
2	Srei Insurance Broking Private Limited	India
3	Srei Capital Markets Limited	India
4	Srei Mutual Fund Asset Management Private Limited	India
5	Srei Mutual Fund Trust Private Limited	India
6	Srei Asset Leasing Limited	India
7	Controlla Electrotech Private Limited	India
8	Trinity Alternative Investment Managers Limited	India
9	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of	India
10	Cyberabad Trustee Company Private Ltd. (Subsidiary of Trinity Alternative	India
E	**TRUSTS**	
1	Srei Mutual Fund Trust	India
F	**OTHERS**	
1	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
1	Mr. Sudipta Mukherjee (Director w.e.f 20th December 2021)	Director
2	Mr. Kamalakanta Polukonda (Nominee of WBIDCL)	Director
3	Mr. Manoj Kumar (Director w.e.f 20th December 2021)	Director
4	Mr. Saurendranath Mukhopadhyay (Ceased to be Director w.e.f 5th July 2022))	Director
H	**Holding Company – Key Management Personnel (KMP)/Directors:**	**Designation**
5	Mr. Hemant Kanoria *	Chairman
6	Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
7	Mr. Shyamalendu Chatterjee *	Independent Director
8	Mr. Malay Mukherjee *	Independent Director
9	Dr. Punita Kumar Sinha *	Independent Director
10	Dr. Tamali Sengupta *	Independent Director
11	Dr. Deepali Pant Joshi (w.e.f. 29.06.2021) *	Additional Director (Category: Independent Director)
12	Mr. Ram Krishna Agarwal (ceased w.e.f. 12.09.2021)	Independent Director
13	Mr. Srinivasachari Rajagopal (ceased w.e.f. 30.06.2021)	Independent Director
14	Mr. Rakesh Kumar Bhutoria (upto w.e.f. 15.08.2021)	Chief Executive Officer
15	Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. 07.12.2021)	Chief Financial Officer
16	Mr. Rajneesh Sharma (w.e.f. 04.10.2021) **	Administrator
17	Mr. Sourav Mukhopadhyay (from 30.06.2021 to 18.02.2022)	Deputy Chief Executive Officer
18	Mr. Manoj Kumar (w.e.f. 01.04.2021)	Company Secretary & Chief Financial Officer
19	Mr.Vishnu Gopal Agarwal (w.e.f. 31.05.2022)	Chief Compliance Officer & Financial Controller

* In exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, the Reserve Bank of India (RBI) has vide Press Release dated 4th October, 2021 superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL).

** The Reserve Bank of India has appointed Mr. Rajneesh Sharma as the Administrator of SIFL under Section 45-IE (2) of the RBI Act.

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED
NOTES TO FINANCIAL STATEMENTS

21 Related Party Transaction

b) Summary of Transactions with Related Parties

Disclosure pursuant to Indian Accounting Standard 24 - "Related Party Disclosures"
Transactions entered with related parties during the year ended 31st March 2023 and for the year ended 31st March 2022 and outstanding balances are as under:

(₹ in Lakhs)

Name of related party	Nature of Transactions & Outstanding Balances	March 31, 2023	March 31, 2022
Fellow Subsidiary			
Srei Equipment Finance Limited	**Transactions during the period / year ended:**		
	Long Term Loan Taken	-	-
	Long Term Loan Refunded	-	-
	Interest on Loan Taken	5.56	14.52
	Advance Paid/ (Adjusted)	-	-
Srei Equipment Finance Limited	**Outstanding Balances as at:**		
	Balance Loan Payable	96.50	96.50
	Interest accrued but not due - Outstanding - capitalised with loan balance	-	21.96
	Interest Accrued and Due on Borrowings (net of TDS)	25.79	-
	Outstanding Advance receivable	-	-

No amount has been written back / written off during the period/year in respect of due to / from related parties.

c) **Related Party Transaction**

(Rs.In lakhs)

(B) Key Management Personnel (KMP)/Directors		March 31, 2023	March 31, 2022
Mr. Sudipta Mukherjee (Director w.e.f 20th December 2021)	Director's Sitting Fee	0.30	0.10
Mr. Kamalakanth Palukonda (Nominee of WBIDCL)	Director's Sitting Fee	0.20	-
Mr. Manoj Kumar (Director w.e.f 20th December 2021)	Director's Sitting Fee	-	-
Mr. Soumendranath Mukhopadhyay (Ceased to be Director w.e.f. 5th July 2022)	Director's Sitting Fee	-	-

22 **Earnings per Share**

Basic and Diluted Earnings per Share

S.No	Particulars	March 31, 2023	March 31, 2022
1	Net Profit/(Loss) after tax attributable to Equity Shareholders (Rs. In Lakhs)	1.42	(12.68)
2	Weighted average number of Equity Shares-Basic (Nos.)	50,000	50,000
3	Weighted average number of Equity Shares-Diluted (Nos.)	50,000	50,000
4	Nominal Value of Equity per Share (Rs.)	10.00	10.00
5	Basic Earnings per share (Rs)	2.84	(25.36)
6	Diluted Earnings per share (Rs)	2.84	(25.36)

BENGAL SREI INFRASTRUCTURE DEVELOPMENT LIMITED
NOTES TO FINANCIAL STATEMENTS

23 Contingent Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the company not acknowledged as debt	-	-
Total	-	-

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble court has dismissed the petition vide order dated [illegible].09.2017. However amount of FBT liability has not been determined by the department. Also management of the Company is in the process of filing appeal before the Divisional Bench of Hon'ble High Court, Calcutta. In view of this, the Company has not provided for any liability towards FBT till 31 March 2009. However, consequent upon abolition of FBT from accounting year 2009-10, no liability arises for the year.

24 **Micro, Small and Medium Enterprises Development Act, 2006**

The Company has not received any Memorandum (as required to be filed by the Suppliers with the notified Authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March 2023 as Micro, Small or Medium Enterprises. Consequently , the Amount due to Micro and Small Enterprises as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (Previous year Nil).

25 Capital Commitments - Rs. Nil (Previous Year Rs. Nil).

26 Details of Loan Given, investments made and guarantee given covered u/s 186(4) of the Companies Act, 2013 :

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Loan Given	Nil	Nil
Investment	Nil	Nil

No Guarantee were Given by the company during the FY 2022-2023 and FY 2021-2022

27 **Ratios to be disclosed:**

S.No	**Particulars**	**As at March 31, 2023**	**As at March 31, 2022**
(a)	Current Ratio	0.08	0.04
(b)	Debt Equity Ratio	(0.88)	(2.90)
(c)	Debt Service Coverage Ratio	NA	0.07
(d)	Return on Equity Ratio*	NA	NA
(e)	Inventory Turnover Ratio	NA	NA
(f)	Trade Receivable Turnover Ratio	NA	NA
(g)	Trade Payable Turnover Ratio	NA	NA
(h)	Net Capital Turnover Ratio*	NA	NA
(i)	Net Profit Ratio	0.45	(7.07)
(j)	Return on Capital Employed*	NA	(1.81)
(k)	Return on Investment	NA	NA

* As the Net worth / Net Capital is negative, Hence the ratios are not applicable

** Since, the Net worth of the Company is negative and the operations are insignificant there is wide variation in ratio more than 25% compared to previous year

28 The Company's Accumulated Losses aggregate to Rs 109.82 lakhs as at 31st March, 2023 (Previous Year Rs. [illegible] lakhs) and the net worth is fully eroded. However, the Company is exploring new avenues in the Advisory sector and is in negotiation with its Parent Company so that in future the Advisory Business can be done on sharing basis with its Parent Company. The Management has assessed that considering the above factor, the use of going concern assumption is appropriate in the circumstances and no material uncertainty exists in this regard. Hence, the Financial statement have been prepared on going concern.

29 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current year.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.134193F

Sd/-
C.A. Mohit Arya
Proprietor
Membership No.306054

Place : Kolkata
Date : 8th May, 2023

On behalf of the Board of Directors

Sd/-
Manoj Kumar
Director
DIN No 06997089

Sd/-
Sudipta Kumar Mukherjee
Director
DIN No 09022104

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report on the business and operations of Srei Mutual Fund Asset Management Private Limited ("SMFAMPL" / "the Company") together with the Audited Financial Statements of your Company for the financial year ended March 31, 2023.

FINANCIAL RESULTS AND OPERATIONS

(Rs. in Lakhs)

Particulars	**Year ended 31st March, 2023**	**Year ended 31st March, 2022**
Total Income	1.65	86.10
Total Expenditure	5.94	7.20
Profit/Loss Before Depreciation	(4.92)	78.90
Depreciation	-	0.02
Profit / (Loss) Before Bad Debts / Provision and Tax	-	78.88
Bad Debts / Provisions etc.	-	-
Profit / (Loss) Before Tax	(4.29)	78.88
Current Tax Deferred Tax	-	- -
Profit / (Loss) After Tax	**(4.29)**	**78.88**
Other Comprehensive Income	-	-
Total Comprehensive Income for the Year	**(4.29)**	**78.88**
Balance brought forward from previous year	(591.60)	(670.25)
Balance carried to Balance Sheet	**(595.89)**	**(591.60)**
Paid up Equity Share Capital	1850.00	1850.00
Amount transferred to Reserves	-	-

During the Financial Year 2022-23, your Company's Total Income stands at Rs. 1.65 Lakhs as against Rs. 86.10 Lakhs earned in the previous year and Company has earned Profit (after Tax) of Rs. (4.29) Lakhs as compared to the Profit (after Tax) of Rs. 78.88 Lakhs in the previous financial year.

REVIEW OF OPERATIONS & FUTURE PROSPECTS

Your Company had surrendered the SREI Mutual Fund (IDF) registration certificate bearing no. MF/070/12/02 on January 28, 2021 which was duly taken on record by Securities and Exchange Board of India (SEBI) vide their letter no. IMD/DF3/OW/P/2021/29486/1 dated October 22, 2021. Therefore, your Company is no longer associated with the mutual fund activities.

Further, SEBI had asked to submit a status report within a period of one month after change of name of the Company, alteration of memorandum of association and articles of association, as the case may be.

During the year under review, the Shareholders at the Twelfth Annual General Meeting held on June 25, 2022 approved the alteration of the Object Clause of Memorandum of Association of the Company consequent to surrender of the Mutual Fund licence and the object of the Company was changed to Advisory services. The Shareholders further approved the alteration of Articles of Association of the Company pursuant to the adoption of new Articles of Association of the Company.

Your Company is considering its name change so as to be in line with the objects of the Company. Further, during the year under review no business was undertaken by the Company.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) OF SREI INFRASTRUCTURE FINANCE LIMITED (SIFL), HOLDING COMPANY

The Reserve Bank of India ('**RBI**') had vide Press Release dated 4th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) ('**Press Release**') superseded the Board of Directors of Srei Infrastructure Finance Limited ("**SIFL**"), the holding Company of your Company owing to governance concerns and defaults by SIFL in meeting various payment obligations. Mr. Rajneesh Sharma was appointed as the Administrator of SIFL under Section 45-IE (2) of the RBI Act with effect from 4th October, 2021 vide the said Press Release.

On 8th October, 2021, the RBI filed application for initiation of Corporate Insolvency Resolution Process ("**CIRP**") against SIFL before the Hon'ble National Company Law Tribunal, Kolkata Bench ('**Hon'ble NCLT**') under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code, 2016 ('**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**'). Thereafter vide an Order dated 8th October, 2021 of the Hon'ble NCLT, the application filed by the RBI for initiating the CIRP in respect of SIFL was admitted and a Corporate Insolvency Resolution Process was initiated against SIFL and the appointment of Mr. Rajneesh Sharma as the Administrator of SIFL (as per the RBI press release dated 04th October, 2021) was also confirmed. Thereafter, a Committee of Creditors was constituted as per the provisions of the Insolvency and Bankruptcy Code, 2016.

Accordingly SIFL, the holding Company of your Company is undergoing CIRP under the provisions of the Code as per the Regulations and Rules thereunder and the Administrator of SIFL is to perform the duties of the Resolution Professional under the Code. In accordance with the provisions of the Code and with the approval of the Committee of Creditors (CoC) of SIFL the Administrator on 25th February, 2022 had invited expressions of interest (EOI) from prospective resolution applicants (PRAs).

The revised final list of prospective PRAs was shared by SIFL on November 17, 2022. The resolution plans were duly presented by the Administrator of SIFL to CoC for voting on January 21, 2023. The E-voting on the resolution plans concluded on 14th February, 2023 and the resolution plan submitted by National Asset Reconstruction Company Limited

(NARCL) was duly approved by the requisite majority and was declared as the successful resolution plan under Section 30(4) of the Code. Further, your Holding Company has received no objection pursuant to change in control / ownership / management of SIFL from RBI vide its letter dated March 23, 2023.

The Administrator of SIFL also filed an application under Section 30(6) of the Code for the submission of resolution plan of NARCL as approved by CoC with the Hon'ble National Company Law Tribunal (NCLT), Kolkata on February 18, 2023, the response of the same is still awaited.

DIVIDEND

The Board of Directors of your Company does not recommend any dividend for the financial year 2022-23.

TRANSFER TO RESERVES

Your Company is not statutorily required to transfer any amount to the General Reserve, as no Dividend has been recommended for the financial year 2022-23.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

Your Company had surrendered the mutual fund license to Securities and Exchange Board of India (SEBI) on January 28, 2021 and the same was taken on record by SEBI vide it's letter dated October 22, 2021.

In pursuance of the above, the Board of Directors of your Company at their meeting held on April 29, 2022 resolved to change the object of the Company from "managing mutual fund business" to "advisory business", subject to approval from the members of the Company.

The Members of the Company vide Special Resolution passed at the 12th Annual General Meeting of the Company held on June 25, 2022 approved the object of the Company to be changed to "Advisory business". Pursuant to the same, the Company thereafter, received the certificate of registration of the special resolution confirming alteration of object clause(s) from the Ministry of Corporate Affairs dated December 30, 2022.

Consequently, the Corporate Identification Number (CIN) of your Company was changed to be line with the new business activity of the Company.

SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES

Your Company does not have any Subsidiary Company, Joint Ventures and Associate Company. Hence, disclosure as required under the provisions of Section 134(3)(q) of the Companies Act, 2013, read with Rule 8(5) (iv) of the Companies (Accounts) Rules, 2014 is not applicable to your Company.

PUBLIC DEPOSITS

Your Company has not invited or accepted any Deposits from Public in terms of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014, therefore, no disclosure was required to be made.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the provisions of the Companies Act, 2013 with regard to Corporate Social Responsibility were not applicable to your Company, therefore, your Company is not required to make the disclosures as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Directors

Presently, the Board of Directors of your Company comprises of Three (3) Directors (Category: Non-Executive), namely, Mr. Manoj Kumar (DIN: 06397089), Mr. Venkateswarlu Kakkera (DIN: 06931804) and Mr. Hari Shanker Sharma (DIN: 09404713).

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Manoj Kumar (DIN: 06397089), Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Key Managerial Personnel

As per the provisions of Section 203 of the Companies Act, 2013 ("the Act") read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company and every other Public Company having a paid-up share capital of ten crore rupees or more shall have whole-time KMPs, namely, (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director, (ii) Company Secretary; and (iii) Chief Financial Officer. Further, every private Company having paid-up share capital of ten crores rupees or more shall have a whole-time Company Secretary.

During the year under review, Mr. Apratim Roy, was appointed as Chief Financial Officer of your Company w.e.f. August 05, 2022. Further, the Board of Directors of your Company also recommended the appointment of Mr. Apratim Roy as Manager of the Company, subject to shareholder's approval. Thereafter, Mr. Apratim Roy, Chief Financial Officer, was appointed as Manager of your Company on deputation basis from Srei Equipment Finance Limited (SEFL) vide Ordinary Resolution passed at the (01/2022-23) Extra-ordinary General Meeting of the Company held on September 29, 2022 to hold office for a period of 1 (One) year from August 05, 2022 to August 04, 2023.

SREI

Further, Ms. Romca Singh (ACS-55517) was appointed as Company Secretary of your Company on deputation basis from Srei Infrastructure Finance Limited (SIFL), Holding Company, with effect from August 05, 2022, in accordance with the provisions of the Companies Act, 2013.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed / noted in the subsequent Meeting of the Board of Directors of the Company.

During the Financial Year 2022-23, Four (4) Meetings of the Board of Directors of the Company were held on 29th April, 2022, 5th August, 2022, 8th November, 2022 and 2nd February, 2023. The maximum time gap between any two consecutive meetings did not exceed 120 days. The presence of Directors at such Meetings is as follows:

Name of Directors	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Manoj Kumar	4	4
Mr. Hari Shanker Sharma	4	4
Mr. Venkateswarlu Kakkera	4	4

AUDIT COMMITTEE

In terms of the provisions of Section 177 of the Companies Act, 2013, read with Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 made thereunder, your Company is not required to constitute an Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

In terms of the provisions of Section 178 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 made thereunder, your Company is not required to constitute a Nomination and Remuneration Committee.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company is not required to establish vigil mechanism for Directors and Employees pursuant to the provisions of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company is not required to constitute Corporate Social Responsibility Committee pursuant to the provisions of the Companies Act, 2013.

SREI

EXTRACT OF THE ANNUAL RETURN

The Ministry of Corporate Affairs (MCA) vide Notification no. G.S.R 159 (E) dated 5th March, 2021 has amended the Companies (Management and Administration) Rules, 2014. According to the amended provisions of Rule 12 of the said rule, the extract of Annual Return in Form No. MGT-9 is not applicable as on the financial year ended 31st March, 2023.

RISK MANAGEMENT

Since your Company is not carrying out its business and operation post surrender of IDF Licence, the management has not been able to determine the element of risks threatening the existence of your Company.

PARTICULARS OF EMPLOYEES

Since, there were no employees in your Company during the financial year 2022-23, so the disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company.

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. Hence, the disclosure with regard to conservation of energy and technology absorption, as required under the provisions of the Companies Act, 2013, is not applicable to your Company. However, your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and its utilization, safety and environment.

Your Company has not utilized or earned any foreign exchange during the year ended March 31, 2023 (Previous Year - Nil).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2022-23, your Company has not given any loan or guarantees or made any investment in securities of other body corporates, except Inter Corporate Deposit of Rs. 1100 Lakhs (outstanding as on 31.03.2023), placed with Trinity Alternative Investment Managers Limited (TAIML) and of Rs. 0.75 Lakhs (outstanding as on 31.03.2023), placed with Srei Mutual Fund Trust Private Limited and Rs. 21.82 Lakhs (Fair Market Value as on 31.03.2023) placed with ICICI Prudential Mutual Fund in the scheme - Money Market Fund (Direct Growth).

Srei Mutual Fund Asset Management Private Limited
CIN: U74110WB2009PTC139801
Regd. Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata - 700 046, West Bengal
Tel: +91 33 2285 0112/0115, Fax No. +91 33 2285 8501/7542
Email Id: mfcompliance@srei.com

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all related party transactions entered into by your Company during the financial year 2022-23 were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

During the Financial Year 2022-23, no significant and material orders has been passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Since there were no employees in the Company during the financial year 2022-23, so the disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, is not applicable to your Company.

MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 during the financial year ended March 31, 2023.

SHARE CAPITAL

The Paid up Equity Share Capital as on March 31, 2023 was Rs. 18,50,00,000/- divided into 1,85,00,000 Equity Shares of Rs. 10/- each. There were no changes in the share capital of your Company during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 ("Act"), your Directors confirm that:

(i) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended March 31, 2023 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Further, your Directors confirm that your Company has adequate internal systems and controls in place to ensure compliance of laws applicable to your Company.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control and System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to system and process and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorised use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

AUDITORS AND AUDITORS' REPORT

M/s. H. K. Agrawal & Co., Chartered Accountants, having Registration No. 308090E allotted by the Institute of Chartered Accountants of India (ICAI), was appointed as the Statutory Auditors of the Company at the Tenth (10th) Annual General Meeting held on 28th August, 2020 for a term of five years, who shall hold office from the conclusion of Tenth Annual General Meeting till the conclusion of the Fifteenth Annual General Meeting of the Company.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

SECRETARIAL AUDIT REPORT

The provisions with regard to Secretarial Audit Report is not applicable to your Company.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the sustained support and co-operation received from the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Bankers and Holding Company viz. Srei Infrastructure Finance Limited. Your Directors also wish to place on record their appreciation to the employee(s) for their dedicated services and look forward to their continued support in the future as well.

On behalf of the Board of Directors
For Srei Mutual Fund Asset Management Private Limited

	Sd/-	**Sd/-**
Place: Kolkata	**Manoj Kumar**	**Hari Shanker Sharma**
Date: 08.05.2023	**Director**	**Director**
	DIN: 06397089	**DIN: 09404713**

H. K. AGRAWAL & CO.
Chartered Accountants

125, Netaji Subhas Road,
5th Floor, Kolkata – 700001
Ph: 9830067278, 9830110667
E-mail: niraj@execonservices.com
cahkagrawal@gmail.com

INDEPENDENT AUDITOR'S REPORT

To the Members of SREI Mutual Fund Asset Management Private Limited

Report on the Audit of the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **SREI Mutual Fund Asset Management Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Loss, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note No. 7 and the related Note No. 26 of the financial statements in respect of unsecured Inter Corporate Deposits (ICD) of Rs.1220.13 lacs (including interest accrued upto 31.03.2022 Rs.120.13 lacs) made to fellow subsidiary, M/s Trinity Alternative Investment Managers Limited (Trinity), which became overdue for re-payment on 30.09.2021 but remained unrealized. Company made full provision against the outstanding amount in the current year. Attention is also drawn to Note No. 27 relating to requirement of change of name of the Company and alteration of its Memorandum and Articles of Association as directed by SEBI on surrendering the SREI Mutual Fund (IDF) registration certificate by the company.

Our opinion is not modified in respect of the same.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone Ind AS financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The company did not pay any managerial remuneration to its Directors during the year; and

   (g) 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, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, other than as disclosed in notes to the accounts, 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 persons or entities, 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;

(b) The Management has represented that, to the best of it's knowledge and belief, as disclosed in notes to the accounts, no funds have been received by the Company from any persons or entities, 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on our audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of Rule 11(e) as provided under above paragraphs contain any material mis-statement.

v. The company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1,2023 to the Company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31,2023

For H. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. 306090E

Sd/-
Niraj Agrawal
Partner
Membership No. 060313
UDIN : 23060313BGZTLC6112

Place : Kolkata
Date : 5th May, 2023

H. K. AGRAWAL & CO.
Chartered Accountants

[illegible]
[illegible] Floor, Kolkata – [illegible]
Ph: [illegible]
email: [illegible]
[illegible]

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED

"Annexure A" to the Independent Auditor's Report (CARO, 2020 Report)

With reference to the Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements "section of our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2023, we report the following

i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

(B) The Company does not have any intangible assets; hence, relevant clause is not applicable

(b) According to the information and explanation given to us, all the Property, Plant and Equipment have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the Company and nature of assets. As informed to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not own any immovable properties and hence the provisions of clause 3(i)(c) of the Order are not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not re-valued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii (a) As explained to us, the Company does not have any physical inventory and consequently the provisions of clause 3(ii)(a)of the Order are not applicable

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided any guarantee or security to companies, firms, limited liability partnerships or any other parties during the year. The Company has, granted further loans and advances in the nature of loans during the year to a fellow subsidiary company details of which are stated below. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.

(a) (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has granted during the year loans (ICD) to a fellow subsidiary company, Srei Mutual Fund Trust Private Limited, as below:

Particulars	ICD (Rs. in Lacs)
Aggregate amount of ICD given during the year	1.25
Balance outstanding as at the balance sheet date (including interest accrued Rs. 0.14 lac)	2.14*

* Repayment of principal and interest is due on 01.11.2025

(B) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not provided any guarantee and granted advances in the nature of loans to other parties.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans (ICD) given earlier to another fellow subsidiary company, Trinity Alternative Investment Managers Ltd., repayment of principal and payment of interest has been stipulated but there are no repayments of principal or interest amount till date.

(d) According to the information and explanations given to us and on the basis of our examination of the records, the following amount of ICD mentioned in (c) above is overdue since 13.08.2021 i.e for more than 90 days:

Particulars	Amount of ICD (Rs. in Lacs)
Principal amount and interest due from a fellow subsidiary company is overdue for more than 90 days during the year*	(i) Principal Amount - 1100.00 (ii) Interest upto 31.03.2022 - 120.13

*During last year request of the borrower company to convert the loan amount into Convertible Preference shares was rejected by the Company. Now since no repayment of due amount is received, the company made impairment provision for the full outstanding amount of Rs. 1220.13 lacs in the current year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Inter Corporate Deposit (ICD) mentioned above, which remained unrealised on due date has been treated as under in the financial statements:

Particulars	ICD (Rs. in Lacs)
Aggregate amount of ICD (including accrued interest Rs. 120.13 lacs (Net of TDS) upto 31.03.2022 (No interest accrued considered for current year)	1220.13
Less : Impairment provision	1220.13
Net outstanding	Nil

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. According to information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable to Company.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities of the Company. Accordingly, clause 3(vi) of the Order is not applicable.

vii. a) According to the information and explanations given to us and on the basis of our examination of the books of account and the records, the Company has been generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities and there are no arrears of outstanding statutory dues at the year end, which are outstanding for more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute with the appropriate authorities.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or any lender.

(c) In our opinion and according to the information and explanations given to us by the management, the Company has not taken any term loans during the year.

xvi. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

xvii. The Company has incurred cash losses in the current year but not in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order not applicable.

xix. According to the information and explanations given to us and 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 standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section(5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For H. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. 308090E

Sd/-

Niraj Agrawal
Partner
Membership No. 060313
UDIN: 23060313BGZTLC6112

Place : Kolkata
Date : 8th May, 2023

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD
CIN : U74110WB2009PTC139801

BALANCE SHEET AS AT MARCH 31, 2023

(Rs.in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current Assets			
(a) Property, Plant and Equipment	2	-	0.01
(b) Other Non Current Tax Assets (Net)	3	0.01	4.36
(c) Loans	4	2.14	0.78
Total Non - Current Assets		2.15	5.15
Current Assets			
(a) Financial Assets			
(i) Investments	5	20.82	24.98
(ii) Cash and Cash Equivalents	6	1.99	0.77
(iii) Loans	7	-	1,220.13
(b) Other Current Assets	8	8.43	7.63
Total Current Assets		31.24	1,253.51
TOTAL ASSETS (I+II)		34.39	1,258.66
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	9	1,850.00	1,850.00
(b) Other Equity	10	(1,816.02)	(591.60)
Total Equity		33.98	1,258.40
LIABILITIES			
Current Liabilities			
(a) Financial Liabilities		-	-
(i) Trade Payables	11		
1. Due to Micro and Small Enterprises		-	-
2. Due to Others		-	-
(ii) Other Financial Liabilities	12	0.23	0.23
(b) Other Current Liabilities	13	0.18	0.03
Total Current Liabilities		0.41	0.26
TOTAL EQUITY AND LIABILITIES		34.39	1,258.66

The Accompanying Notes are an integral part of the Financial Statements
As per our report of even date Annexed

For H K Agrawal & Co.
Chartered Accountants
Firm Registration No. 308099E

For and on behalf of the Board of Directors

Sd/-
Niraj Agrawal
Partner
Membership No. 060313

Sd/-
Hari Shanker Sharma
Director
Din No. 09404713

Sd/-
Manoj Kumar
Director
Din No. 06397084

Place : Kolkata
Date : 8th May, 2023

Sd/-
Apratim Roy
Chief Financial Officer

Sd/-
Romita Singh
Company Secretary

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD

CIN: U74140WB2009PTC139801

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2023

(Rs.in Lakhs)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I.	Revenue From Operations		-	-
II.	Other Income	14	1.65	86.10
III.	**Total income (I+II)**		**1.65**	**86.10**
IV.	**Expenses:**			
	Employee Benefits Expense	15	1.18	4.28
	Impairment on Financial Assets	7	1,220.14	-
	Depreciation and Amortisation Expense	16	-	0.02
	Other Expenses	17	4.75	3.15
V	**Total Expenses (IV)**		1,226.07	**7.45**
VI	**Profit/(Loss) Before Exceptional Items and Tax (III-V)**		(1,224.42)	**78.65**
VII	Exceptional Items		-	-
VIII	**Profit/(Loss) Before Tax (VI-VII)**		(1,224.42)	**78.65**
IX	**Tax Expense**	18		
	Current Tax		-	-
	Deferred Tax		-	-
X	**Profit/(Loss) For The Period/Year (VIII-IX)**		(1,224.42)	**78.65**
XI	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss			
	- Remeasurement of the defined benefit plans			-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		-	-
XII	**Total Comprehensive Income/(Loss) For The Period/Year (X + XI)**		(1,224.42)	78.65
XIII	**Earnings Per Equity Share (of Rs. 10/- each)**	24		
	Basic (Rs.)		(5.67)	0.43
	Diluted (Rs.)		(5.67)	0.43

The Accompanying Notes are an integral part of the Financial Statements

As per our report of even date Annexed

For H K Agrawal & Co.
Chartered Accountants
Firm Registration No. 308090E

Sd/-
Niraj Agrawal
Partner
Membership No. 060313

For and on behalf of the Board of Directors

Sd/-
Hari Shanker Sharma
Director
Din No. 09404713

Sd/-
Manoj Kumar
Director
Din No. 06397089

Place : Kolkata
Date : 8th May, 2023

Sd/-
Apratim Roy
Chief Financial Officer

Sd/-
Romita Singh
Company Secretary

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD

CIN: U74110WB2009PTC[illegible]

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2023

(Rs in Lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	Cash Flow from Operating Activities		
	Net Profit before Tax	(1,224.42)	[illegible]
	Adjustments for:		
	Depreciation and Amortisation Expense	-	[illegible]
	Interest on Inter Corporate Deposit	(0.11)	[illegible]
	Profit on Investment in Mutual Fund Scheme	(1.23)	[illegible]
	Interest on Income tax refund	(0.50)	-
	Liabilities no longer required written back	-	[illegible]
	Operating Profit before Working Capital Changes	**(1,226.07)**	**(6.78)**
	Increase/(Decrease) in Trade Payables, other liabilities and provisions	0.15	[illegible]
	Decrease/(Increase) in trade receivables, loans, advances and other assets	(0.80)	0.02
	Cash generated from/(used in) Operating activities	(1,226.72)	(5.64)
	Direct Taxes paid (Net of refunds)	5.21	[illegible]
	Net Cash flow from/(used in) Operating Activities	**(1,221.51)**	**(8.41)**
B	Cash Flow from Investing Activities		
	Inter Corporate Deposits refunded/(given) (net)	(1.25)	(0.75)
	Impairment on financial assets	1,220.14	-
	Investment in Scheme of Mutual Fund	5.15	5.66
	Net Cash flow from/(used in) Investing activities	**1,224.04**	**4.91**
C	**Cash Flow from Financing Activities**		
	Net Cash Flow from/(used in) Financing Activities	-	-
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	1.77	(3.50)
	Opening Cash and Cash Equivalents	0.22	4.27
	Closing Cash and Cash Equivalents	**1.99**	**0.22**

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

2) Components of Cash and Cash Equivalents

	Particulars	As at March 31, 2023	As at March 31, 2022
	Cash in Hand	-	0.02
	In Current Account	1.99	0.20
		1.99	0.22

The Accompanying Notes are an integral part of the Financial Statements

As per our report of even date Annexed

For H K Agrawal & Co
Chartered Accountants
Firm Registration No. 328809E

On behalf of the Board of Directors

Sd/-
Nitin Agrawal
Partner
Membership No. 060313

Sd/-
Hari Shankar Sharma
Director
Din No. 09404713

Sd/-
Manoj Kumar
Director
Din No. 06397029

Place : Kolkata
Date : [illegible] May, 2023

Sd/-
Aparajita Roy
Chief Financial Officer

Sd/-
Rumela Singh
Company Secretary

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD
CIN: U74140WB2009PTC139801

Statement of Changes in Equity as on March 31, 2023

A. Equity Share Capital

(Rs in Lakhs)

Particulars	As at March 31, 2021	Issue/ (reduction) during the year	As at March 31, 2022	Issue/ (reduction) during the period	As at March 31, 2023
Equity Share Capital	1,850.00	-	1,850.00	-	1,850.00

B. Other equity

(Rs in Lakhs)

Particulars	Reserves and Surplus		Total
	Other Comprehensive Income	Retained Earnings	
Balance as at April 1, 2021	9.38	(679.63)	(670.25)
Profit for the year ended March 31, 2022	-	78.65	78.65
Balance as at March 31, 2022	9.38	(600.98)	(591.60)
Profit for the year ended March 31, 2023	-	(1,224.42)	(1,224.42)
Balance as at March 31, 2023	9.38	(1,825.40)	(1,816.02)

Retained Earnings:

This reserve represents the cumulative profits of the Company. This can be utilised in accordance with the provisions of the Companies Act,2013

The Accompanying Notes are an integral part of the Financial Statements.
As per our report of even date Annexed

For H K Agrawal & Co.
Chartered Accountants
Firm Registration No. 308090E

For and on behalf of the Board of Directors

Sd/-
Niraj Agrawal
Partner
Membership No. 300111

Sd/-
Hari Shanker Sharma
Director
Din No. 09404743

Sd/-
Manoj Kumar
Director
Din No. 06397089

Sd/-
Apratim Roy
Chief Financial Officer

Sd/-
Romita Singh
Company Secretary

Place : Kolkata
Date : 8th May, 2023

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Mutual Fund Asset Management Private Limited (the"Company") is domiciled and incorporated in India. The Registered Office of the Company is at "Vishwakarma Building", 86C, Topsia Road (South), Kolkata - 700 046.

The Company was set up to do asset management business of mutual fund. However could not commence the operations. The Company had made an application dated 29th January 2021 for surrender of Srei Mutual Fund (IDF) registration certificate to SEBI. The Company has received concurrence from SEBI vide letter dated 22nd October, 2021. As directed by SEBI, the Company is in process of changing the name of the Company. However, the company has changed the objects in its Memorandum and Article of Association as per direction of SEBI.

(B)Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(C) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.16- Critical accounting judgements and key sources of estimation uncertainty

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Income from asset management services is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.4. Leasing

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.5. Foreign Currency Transactions

The financial statements are presented in Indian Rupee (INR) in lakhs, the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. Foreign currency monetary items are restated using the exchange rate prevailing at the reporting date. On-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

Financial Assets - foreign Exchange Gains and Losses:

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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:

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

1.6. Borrowing Cost

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, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 the statement of profit and loss in the period in which they are incurred

1.7. Employee Benefits

Defined Contribution Plans

Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss

Defined Benefit Plans:

Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded

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 in which related service is rendered. 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.

1.8. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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.

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 sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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 residual value of the assets at the end of their useful life is considered as nil. 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.

Estimated useful life of the assets determined is as under:

- Plant and machinery- 15 years
- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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 the period of the lease. Freehold Land is not depreciated.

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

1.9. Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years

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, and are recognised in the statement of profit and loss when the asset is de-recognised.

1.10. Impairment of Assets
Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years

1.11. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

Financial Assets at Fair Value through Other Comprehensive Income (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 not held for trading 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 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 investments 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 Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are 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 as 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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses are 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:
The Company derecognizes 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 recognized in the statement of profit and loss.

b) for financial assets measured at fair value through other comprehensive income, 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.

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new 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.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when 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 asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss
Expected credit loss (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.

1.12. Taxes on Income
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 by the end of the reporting period.

Deferred tax
The Company's deferred tax is calculated using tax rate that are substantially 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.

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 other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.13. Claims
Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.14. Provisions
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.

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 recognized 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 recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets
Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.15. Operating Segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Composite Insurance Broking Services

1.16. Use of Estimates and Judgements
The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies
The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets.

B. Key sources of estimation uncertainty
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Useful lives of property, plant and equipment and intangible assets:**
As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) **Fair value measurements and valuation processes:**
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where amount flow of funds is believed to be probable and are liable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, the historically observed default rates are updated.

1.17. Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.18. Cash Flow Statement
Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

SREI MUTUAL FUND ASSET MANAGEMENT PVT LTD
Notes to the financial statement for the year ended 31st March 2023

2 **Property, Plant and Equipment**

(Rs.in Lakhs)

Particulars	Gross block				Depreciation/amortisation/ impairment				Net book value
	As at April 01, 2022	Additions	Disposals and other adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation/ amortisation Charge	Disposals and other adjustments	As at March 31, 2023	As at March 31, 2023
Office Equipment	0.29	-	-	0.29	0.29	-	-	0.29	-
Computer	0.43	-	-	0.43	0.42	-	-	0.42	-
Total Tangible assets	0.72	-	-	**0.72**	**0.71**	-	-	0.71	-

(Rs.in Lakhs)

Particulars	Gross block				Depreciation/amortisation/ impairment				Net book value
	As at April 01, 2021	Additions	Disposals and other adjustments	As at March 31, 2022	As at April 01, 2021	Depreciation/ amortisation Charge	Disposals and other adjustments	As at March 31, 2022	As at March 31, 2022
Office Equipment	0.29	-	-	0.29	0.29	-	-	0.29	-
Computer	0.43	-	-	0.43	0.40	0.02	-	0.42	0.01
Total Tangible assets	0.72	-	-	0.72	**0.69**	**0.02**	-	0.71	0.01

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED
Notes to the financial statement for the year ended 31st March 2023

3 Other Non Current Tax Assets (Net)

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax & Tax Deducted At Source	0.91	4.56
Less: Provision for taxation	-	-
Total	**0.91**	**4.56**

4 Loans-Non Current

(Rs.in Lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Inter corporate deposits - Others (at amortised cost)	2.00	0.75
Interest accrued on ICD*	0.14	0.03
Total	**2.14**	**0.78**

*This include interest accrued on ICD given to Srei Mutual Fund Trust Pvt Ltd (SMFTPL) amounting to Rs 200.00 lacs till 31st March 2023. Repayment (Interest + Principal) of ICD is after three years from the date of last disbursement. Last disbursement on 3rd Nov 2022. So repayment is due on 3rd Nov 2025.

5 **Investment-Current**

(Rs.in Lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Investments Investments in Scheme of Mutual Funds - Current Investments (Money Market Fund) - 6739.792 units @ 323.3221 (previous year - 8141.215 units @ 306.8940)	21.92	24.98
Total	**21.82**	**24.98**

6 **Cash and Cash Equivalents**

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0.03
Balances with Banks - In Current Account	1.99	0.75
Total	**1.99**	**0.77**

7 **Loans-Current**

(Rs.in Lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(Unsecured unless otherwise stated)		
Inter corporate deposits - Fellow Subsidiary (at amortised cost)	1,100.00	1,100.00
Interest accrued on ICD	120.13	120.13
Total Outstanding#	1,220.13	1,220.13
Less: Impairment Provision	(1,220.13)	-
Net Outstanding	-	1,220.13

#This include ICD amounting to Rs.1,100 lacs given to fellow subsidiary, Trinity Alternative Investment Managers Ltd (TAIML) along with accrued interest amounting to Rs.120.13 lacs till 31st March 2022. The ICD was due for repayment on 13th August 2021. TAIML has not paid any interest or principle amount till date which has become overdue for repayment on 13th August, 2021. The above ICD is unsecured in nature. The company has received balance confirmation from TAIML wherein they have accrued interest upto March 31, 2023 and deposited TDS thereon. However, the Company has not accrued any interest on the ICD in the current year. The holding company, Srei Infrastructure Finance Ltd. is undergoing IBC Process. The realisability of aforesaid ICD will depend upon the final outcome of resolution plan. As a matter of prudence, the company has made impairment provision of full amount of principle along with accrued interest amounting to Rs.1220.13 lacs in the books during the current financial year 2022-23.

8 Other Current Assets

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance to Vendors	0.18	-
Balances with Statutory Authorities	8.25	3.63
Total	**8.43**	**3.63**

9 Equity Share Capital

(Rs.in Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity Shares of Rs. 10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Preference Shares of Rs. 10 each	4,50,00,000	4,500.00	4,50,00,000	4,500.00
Issued, Subscribed and Paid up Capital				
Equity Shares of Rs 10 each fully paid up	1,85,00,000	1,850.00	1,85,00,000	1,850.00
		1,850.00		1,850.00

9.1 The reconciliation of the number of shares outstanding at the beginning and at the end of year has been shown in the table below:

(Rs.in Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of year	1,85,00,000	1,850.00	1,85,00,000	1,850.00
Shares issued during the period	-	-	-	-
Shares outstanding at the end of period	1,85,00,000	1,850.00	1,85,00,000	1,850.00

Terms and rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs 10/-. Each holder of equity shares is entitled to one vote per share. 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 in proportion to the number of equity shares held by the shareholders.

9.2 **Details of shares held by each shareholder holding more than 5%**

	As at March 31, 2023		As at March 31, 2022	
	Shares	% holding	Shares	% holding
Fully paid equity shares				
Srei Infrastructure Finance Limited *	1,85,00,000	100.00	1,85,00,000	100.00

* Includes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

9.3 **Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates**

(Rs.in Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Shares	Amount	Shares	Amount
Srei Infrastructure Finance Limited	1,85,00,000	1,850.00	1,85,00,000	1,850.00

9.4 The Company during the preceding 5 years:
- i. Has not allotted shares pursuant to contracts without payment received in cash
- ii. Has not issued shares by the way of bonus shares
- iii. Has not bought back any shares.

9.5 Shareholding of promoters as at March 31, 2023 :

Shares held by promoters at the end of the year				% Change during the year
Sl.No.	Promoter name	No. of shares	% of total shares	
(i)	SREI Infrastructure Finance Limited *	1,85,00,000	100%	NA
	Total			

Shareholding of promoters as at March 31, 2022 :

Shares held by promoters at the end of the year				% Change during the year
Sl.No.	Promoter name	No. of shares	% of total shares	
(i)	SREI Infrastructure Finance Limited *	1,85,00,000	100%	NA
	Total			

*Includes Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

10 Other Equity

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Retained Earnings		
Balance as per last accounts	(8,600.95)	[illegible]
Net Profit/(Loss) for the period/year	(3,224.45)	[illegible]
Closing Balance (a)	(11,825.40)	(8,600.95)
b) Other comprehensive income		
Balance as per last accounts	9.38	9.38
Add: Other comprehensive income for the period/year	-	-
Closing Balance (b)	9.38	9.38
Total (a+b)	(11,816.02)	(8,591.57)

11 Trade Payables

(A) Due to Micro and Small Enterprises (Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
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	-	-

(B) Due to Others

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables - other than Acceptances	-	-
Total	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

12 **Other Financial Liabilities**

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for expenses	0.23	0.23
Total	**0.23**	**0.23**

13 **Other Current Liabilities**

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	0.18	0.03
Total	**0.18**	**0.03**

14 **Other Income** (Rs.in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Inter Corporate Deposit	[illegible]	77.03
Profit on Redemption of Mutual Fund scheme	0.06	0.20
Net gain on fair valuation of investments - measured at FVTPL	0.59	1.34
Interest on Income Tax refund	0.30	-
Miscellaneous Income	-	0.65
Liability no longer required written back	-	6.88
Total	1.65	**86.10**

15 **Employee Benefits Expense** (Rs.in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries & allowances	1.18	4.13
Contribution to Provident & Other funds	-	0.09
Staff welfare expenses	-	0.06
Total	**1.18**	**4.28**

16 **Depreciation and Amortisation Expense** (Rs.in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Tangible Assets	-	0.02
Total	-	**0.02**

17 **Other Expenses** (Rs.in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Legal & Professional Fees	2.24	0.32
Travelling and Conveyance	-	0.01
Rates & Taxes	0.05	0.05
Filing Fees	0.05	0.18
Repairs & Maintenance- Others	0.14	-
Communication Expenses	-	0.08
Advertisement & Publicity	-	0.23
Payment to Auditors		
-Fees for Statutory Audit	0.25	0.25
Director's Sitting Fees	2.00	2.00
Miscellaneous Expenses	0.03	0.03
Total	**4.76**	3.15

18 **Income Tax Expenses** (Rs.in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Tax for earlier year	-	-
Total	-	-

The income tax expenses for the year can be reconciled to the accounting profits as follows:

(Rs.in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	(1,224.42)	78.67
Applicable Tax Rate	25.17%	25.17%
Expected income tax expense at statutory income tax rate	(308.19)	19.80
Tax effect of :		
Exempted income	-	-
Carry Forward Losses	-	(19.80)
Other timing difference	308.19	-
Current tax provision	-	-

19 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use to fund working capital that arise from time to time as well as requirements for future business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations and money raised through issue of equity share to the shareholders.

The capital structure of the Company consists of total equity. The Company does not have any borrowing.

20 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 to the financial statements.

20.1 Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(Rs. in lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
a) Measured at amortised cost				
i) Cash and cash equivalents	1.99	1.99	0.77	0.77
ii) Loan*	-	-	1,220.91	1,220.91
Total financial assets	**1.99**	**1.99**	**1,221.68**	**1,221.68**
Financial liabilities				
a) Measured at amortised cost				
i) Other financial liabilities	0.23	0.23	0.23	0.23
Total financial liabilities	**0.23**	**0.23**	**0.23**	**0.23**

*Refer Note No.25

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.

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 include cash, cash equivalents, Loans, Trade and other receivables.

20.2 Financial risk management objectives

The Company's activities expose it to financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The Company's Risk Management System relies on a process of regular risk assessment to set appropriate risk limits and controls, monitoring of such risks and compliance confirmation for the same.

a) **Market risk**

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risks:

Interest rate risk
The Company is exposed to interest rate risk as the Company deploys surplus cash in interest earning assets. The Company manages the risk by investing funds in Inter Corporate Deposit, fixed deposits with banks earning fixed rate of interest. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows.

Interest Rate Exposure **(Rs. in lakhs)**

Particulars	31-03-2023	31-03-2022
Financial Assets		
Inter corporate deposits given to Fellow Subsidiary (including accrued interest)	-	1,220.9
Total	-	**1,220.91**

The Company is not exposed to interest rate risk in respect of ICD carries fixed rate of return.

b) **Liquidity risk**
Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events. The objectives of the Company's liquidity risk management processes are to lessen the impact of liquidity risk by minimizing mismatch in timing of cash flow.

The company has adequate liquidity as its networth is primarily invested in interest earning short term ICDs which is repayable on demand. The table below provides details regarding financial assets and financial liabilities at the reporting date.

(Rs. in lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
a) Measured at amortised cost				
i) Cash and cash equivalents	1.99	1.99	0.77	0.77
ii) Loan*	-	-	1,220.91	1,220.91
Total financial assets	**1.99**	**1.99**	**1,221.68**	**1,221.68**
Financial liabilities				
a) Measured at amortised cost				
i) Other financial liabilities	0.23	0.23	0.23	0.23
Total financial liabilities	**0.23**	**0.23**	**0.23**	**0.23**

*Refer Note No 36

c) **Credit risk**
Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations. The Company manages the risk by investing funds in ICD with fellow subsidiaries.

21 **Employee Benefits**

The Company has recognised, in Statement of Profit and Loss for the year ended 31.03.2023 an amount of Rs Nil (Previous Year: Rs [illegible] Lakhs) as expenses under defined contribution plans.

Defined benefit plans

The Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans.The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method.

All employees who have rendered service for specified period as per the Payment of Gratuity Act, 1972 are entitled for gratuity. The gratuity amount is determined based on the last drawn salary and period of service with the company.

The defined benefit obligations are unfunded and thus the disclosure requirements of plan assets have not been made.

Risk Management

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary 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 increase 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 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 short career employee typically costs less per year as compared to long service employee.

The actuarial valuation of plan assets and the present value of the defined benefit obligation was not carried out as at 31st March 2023 since there is no full time employee of the Company as on 31st March 2023.

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2022

32 Related Party Disclosures

(i) Related Parties

Sl No.	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
1	[illegible] Private Limited	India
2	Adisri [illegible] Advisors Private Limited	India
3	Adisri [illegible] Private Limited	India
C	**Holding Company**	
1	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries:**	
1	Srei Equipment Finance Limited	India
2	Srei Insurance Broking Private Limited	India
3	Srei Capital Markets Limited	India
4	Srei Mutual Fund Trust Private Limited	India
5	Srei Asset Leasing Limited	India
6	Controlla Electrotech Private Limited	India
7	Bengal Srei Infrastructure Development Limited	India
8	Trinity Alternative Investment Managers Limited	India
9	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
10	Cyberabad Trustee Company Private Ltd. (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
E	**TRUSTS**	
1	Srei Mutual Fund Trust	India
F	**OTHERS**	
1	[illegible] Trust	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
1	Mr. Tapan Kumar Mukhopadhyay (ceased w.e.f. [illegible])	Director
2	Mr. Man Mohan Agarwal (ceased w.e.f. [illegible])	Director
3	Mr. [illegible] Bhattacharya (ceased w.e.f. [illegible])	Director
4	Mr. Hari Shanker Mundra (w.e.f. [illegible])	Director
5	Mr. Manoj Kumar (w.e.f. [illegible])	Director
6	Mr. Venkateswarlu [illegible] (w.e.f. [illegible])	Director
7	Mr. [illegible] (CEO) (upto [illegible])	Chief Executive Officer
8	Mr. [illegible] (Company Secretary) (w.e.f. [illegible])	Company Secretary
9	Ms. [illegible] (Company Secretary) (w.e.f. [illegible])	Company Secretary
10	Mr. [illegible] (CFO) (w.e.f. [illegible])	Chief Financial Officer
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
1	Mr. Hemant Kanoria *	Chairman
2	Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
13	Mr. Shyamalendu Chatterjee *	Independent Director
14	Ms. Malini Mukherjee *	Independent Director
15	Dr. Punita Kumar Sinha *	Independent Director
16	Dr. Tamali Sengupta *	Independent Director
17	[illegible] (w.e.f. [illegible]) *	Additional Director
18	Mr. Ram Krishna Agarwal (ceased w.e.f. [illegible])	Independent Director
19	Mr. [illegible] Rajagopal (ceased w.e.f. [illegible])	Independent Director
20	Mr. Rakesh Kumar Bhutoria (ceased w.e.f. [illegible])	Chief Executive Officer
21	Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. [illegible])	Chief Financial Officer
22	Mr. Rajneesh Sharma (w.e.f. [illegible]) **	Administrator
23	Mr. [illegible] (w.e.f. [illegible])	Deputy Chief Executive Officer
24	Mr. Manoj Kumar (w.e.f. [illegible])	Company Secretary & Chief Investor [illegible]
25	Mr. [illegible] Agarwal (w.e.f. [illegible])	Chief Compliance Officer & Financial Controller

* Pursuant to the powers conferred under Section 45-IE(1) of the Reserve Bank of India Act, 1934, the Reserve Bank of India (RBI) vide its Press Release dated October [illegible], 2021 superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL).

** The Reserve Bank of India has appointed Mr. Rajneesh Sharma as the Administrator of SIFL under Section 45-IE(2) of the RBI Act.

SREI MUTUAL FUND ASSET MANAGEMENT PRIVATE LIMITED

33 Related Party Disclosures

b) Related Parties transaction

Transaction entered with related parties during the year ended March 31, 2023 and year ended March 31, 2022 are as under

(Rs.in Lakhs)

Name of related party	Nature of Transactions	Year ended March 31, 2023	Year ended March 31, 2022
(A) Fellow Subsidiary			
Trinity Alternative Investment Managers Limited	Transactions:		
	ICD Given during the period	-	-
	Interest Income on ICD	-	22.00
(B) Fellow Subsidiary			
Srei Mutual Fund Trust Pvt Ltd	Transactions:		
	ICD Given during the period	1.25	0.95
	Interest Income on ICD	0.11	0.03
(C) Directors/ Key Management Personnel			
Mr. Tapan Kumar Mukhopadhyay (Ceased to be Director w.e.f. 09.08.2021)	Director's Sitting Fee	-	0.55
Mr. Man Mohan Agrawal (Ceased to be Director w.e.f. 02.08.2021)	Director's Sitting Fee	-	0.55
Mr. Jaideep Bhattacharya (Ceased to be Director w.e.f. 11.08.2021)	Director's Sitting Fee	-	0.40
Mr. Hari Shanker Sharma (Director w.e.f. 20.12.2021)	Director's Sitting Fee	1.00	0.25
Mr. Manoj Kumar (Director w.e.f. 20.12.2021)	Director's Sitting Fee	-	-
Mr. Venkateswarlu Kakkera (Director w.e.f. 20.12.2021)	Director's Sitting Fee	1.00	0.25
Mr. Rupesh Poddar (CFO - upto 15.08.2021)	Salary and Allowances	-	2.99
Ms. Shimpa Vyas (Company Secretary - upto 30.04.2021)	Salary and Allowances	-	0.80
Ms. Romita Singh (Company Secretary - w.e.f. 05.08.2022)	Salary and Allowances	0.79	-
Mr. Apratim Roy (CFO - w.e.f. 05.08.2022)	Salary and Allowances	0.39	-

e) Balance due with related parties as on March 31, 2023 and March 31, 2022 are as under:

(Rs.in Lakhs)

Name of related party	Outstanding balances	As at March 31, 2023	As at March 31, 2022
(A) Fellow Subsidiary			
Trinity Alternative Investment Managers Limited	**Balance Outstanding :**		
	ICD Receivable (Net of impairment provision of Rs.1,100.00 Lacs)	-	1,100.00
	Interest accrued on ICD (Net of impairment provision of Rs.120.14 Lacs)	-	120.14
(B) Fellow Subsidiary			
Srei Mutual Fund Trust Pvt Ltd	**Balance Outstanding :**		
	ICD Receivable	2.00	0.75
	Interest Receivable on ICD - accrued but not due	0.14	0.03

23 Deferred Tax Assets (net)

The Deferred Tax Asset arising out of timing difference is on account of the following:

(Rs.in Lakhs)

S. No	Particulars	As at March 31, 2023	As at March 31, 2022
	Components of Deferred Tax Asset/(Liability) :		
1	Carry forward Losses	88.55	87.37
2	Unabsorbed Depreciation	0.85	3.93
3	Impairment Provision (timing difference)	310.96	-
4	Provision for Gratuity	0.55	0.99
5	Provision for Leave	-	-
6	Fair Valuation Gain	0.94	0.94
7	Depreciation	0.31	0.37
	Deferred Tax Asset	**402.16**	**93.80**

Note: On the basis of prudence, deferred tax asset has not been recognised in the books of Accounts

24 Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:

S.No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit/ (Loss) after tax attributable to Equity Shareholders (in Rs. Lakhs)	(1,224.42)	76.65
2	Weighted average number of Equity Shares Basic (Nos.)	1,85,00,000	1,85,00,000
3	Weighted average number of Equity Shares Diluted (Nos.)	1,85,00,000	1,85,00,000
4	Nominal Value of Equity per share (Rs)	10	10
5	Basic Earnings per share (Rs)	(6.62)	0.41
6	Diluted Earnings per share (Rs)	(6.62)	0.41

25 Contingencies & Commitments:

Contingent Liabilities & Capital Commitments as on March 31, 2023 - Rs Nil (March 31, 2022 - Rs Nil)

26 Inter Corporate Deposit to Trinity Alternative Investment Managers Limited

Inter Corporate deposit of Rs 1100 Lakh was given to Trinity Alternative Investment Managers Ltd (TAIML) on 13.08.2020 which was repayable within 365 days from date of deposit. TAIML requested the company to convert the same to Convertible Preference Shares, which was refused by the Board of the company.

TAIML has not paid any interest or principal amount till date which has become overdue for repayment on 13th August, 2021. The above ICD is presently Unsecured. The company has received balance confirmation from TAIML wherein they have accrued interest upto March 31, 2023 and deducted TDS thereon. However, the Company has not accrued any interest on the ICD in the current year. The holding company, Srei Infrastructure Finance Ltd. is undergoing CIRP Process. The realisability of aforesaid ICD will depend upon the final outcome of resolution plan. As a matter of prudence, the company has made impairment provision of full amount of principle along with accrued interest amounting to Rs 1320.11 lacs in the books during the current financial year 2022-23.

27 **Surrender of Srei Mutual Fund (IDF) registration certificate**

The Company had made an application dated 29th January 2021 for surrender of Srei Mutual Fund (IDF) registration certificate to SEBI. The Company has received concurrence from SEBI vide letter dated 22nd October, 2021. As directed by SEBI, the Company is in process of changing the name of the Company. However, the company has changed the objects in its Memorandum and Article of Association as per direction of SEBI.

28 Ratios to be disclosed:

S.No	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Current Ratio*	79.61	4,515.34
(b)	Debt Equity Ratio**	NA	NA
(c)	Debt Service Coverage Ratio**	NA	NA
(d)	Return on Equity Ratio	(36.05)	0.06
(e)	Inventory Turnover Ratio**	NA	NA
(f)	Trade Receivable Turnover Ratio**	NA	NA
(g)	Trade Payable Turnover Ratio**	NA	NA
(h)	Net Capital Turnover Ratio**	NA	NA
(i)	Net Profit Ratio***	NA	0.91
(j)	Return on Capital Employed	(36.05)	0.06
(k)	Return on Investment	-	-

* There is no operations in the Company. Hence there is No turnover

** There is no debt in the company

*** The company is having losses

29 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated wherever necessary, to make them comparable with those of current reporting period.

The Accompanying Notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For B K Agrawal & Co.
Chartered Accountants
Firm Registration No. 328090E

On behalf of the Board of Directors

Sd/-
Niraj Agrawal
Partner
Membership No. [illegible]

Sd/-
Hari Shankar Sharma
Director
Din No. 09504943

Sd/-
Manoj Kumar
Director
Din No. 06397029

Place : Kolkata
Date : 05 May, 2023

Sd/-
Aparajita Roy
Chief Financial Officer

Sd/-
Ronita Singh
Company Secretary

SREI

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report on the business and operations of Srei Mutual Fund Trust Private Limited ("SMFTPL" / "the Company") together with the Audited Financial Statement for the financial year ended March 31, 2023.

FINANCIAL RESULTS AND OPERATIONS

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2023	Year Ended 31st March, 2022
Total Income	-	0.01
Total Expenditure	0.98	2.89
Profit / Loss Before Depreciation	(0.98)	(2.88)
Depreciation	-	-
Bad Debts / Provisions etc.	-	-
Profit / (Loss) Before Tax	**(0.98)**	**(2.88)**
Current / Deferred Tax	-	-
Profit / (Loss) After Tax	**(0.98)**	**(2.88)**
Balance brought forward from previous year	(9.10)	(6.22)
Balance carried to Balance Sheet	(10.08)	(9.10)
Paid-up equity share capital (Face Value Rs. 10/- each)	15.00	15.00
Amount transferred to Reserves	-	-

Your Company has made expenses of Rs. 0.98 Lakhs for the financial year ended March 31, 2023 as against the income of Rs. 0.01 Lakh for the previous financial year ended March 31, 2022. The Company's Loss stands at Rs. 0.98 Lakhs as compared to a Loss of Rs. 2.88 Lakhs incurred in the previous financial year ended March 31, 2022.

REVIEW OF OPERATIONS & FUTURE PROSPECTS

Srei Mutual Fund Asset Management Private Limited (SMFAMPL) had surrendered the SREI Mutual Fund (IDF) Licence with Securities and Exchange Board of India (SEBI).

Further, during the year under review, Srei Mutual Fund had no Schemes in operation, therefore, your Company had not rendered the services of Trusteeship.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) OF SREI INFRASTRUCTURE FINANCE LIMITED (SIFL), HOLDING COMPANY

The Reserve Bank of India ("RBI") had vide Press Release dated 4th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) ("Press Release") superseded the Board of Directors of Srei Infrastructure Finance Limited ("SIFL"), the holding Company of your Company owing to governance concerns and defaults by SIFL in meeting various payment obligations. Mr. Rajneesh Sharma was appointed as the Administrator of SIFL under Section 45-IE (2) of the RBI Act with effect from 4th October, 2021 vide the said Press Release.

On 8th October, 2021, the RBI filed application for initiation of Corporate Insolvency Resolution Process ("**CIRP**") against SIFL before the Hon'ble National Company Law Tribunal, Kolkata Bench ("**Hon'ble NCLT**") under Section 227 read with clause (zk) of sub-section (2) of Section 239 of the Insolvency and Bankruptcy Code, 2016 ("**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**"). Thereafter vide an Order dated 8th October, 2021 of the Hon'ble NCLT, the application filed by the RBI for initiating the CIRP in respect of SIFL was admitted and a Corporate Insolvency Resolution Process was initiated against SIFL and the appointment of Mr. Rajneesh Sharma as the Administrator of SIFL (as per the RBI press release dated 04th October, 2021) was also confirmed. Thereafter, a Committee of Creditors was constituted as per the provisions of the Insolvency and Bankruptcy Code, 2016.

Accordingly SIFL, the holding Company of your Company is undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator of SIFL is to perform the duties of the Resolution Professional under the Code. In accordance with the provisions of the Code and with the approval of the Committee of Creditors (CoC) of SIFL the Administrator on 25th February, 2022 had invited expressions of interest (EOI) from prospective resolution applicants (PRAs).

The revised final list of prospective PRAs was shared by SIFL on November 17, 2022. The resolution plans were duly presented by the Administrator of SIFL to CoC for voting on January 21, 2023. The E-voting on the resolution plans concluded on 14th February, 2023 and the resolution plan submitted by National Asset Reconstruction Company Limited (NARCL) was duly approved by the requisite majority and was declared as the successful resolution plan under Section 30(4) of the Code. Further, your Holding Company had received no objection pursuant to change in control / ownership / management of SIFL from RBI on March 23, 2023.

The Administrator of SIFL had also filed an application under Section 30(6) of the Code for the submission of resolution plan of NARCL as approved by CoC with the Hon'ble National Company Law Tribunal (NCLT), Kolkata on February 18, 2023, the response of the same is still awaited.

DIVIDEND

The Board of Directors of your Company does not recommend any dividend for the financial year 2022-23.

Srei Mutual Fund Trust Private Limited
CIN: U65990WB2008PTC139790
Regd. Office: "Vishwakarma", 86C, Topsia Road (South), Kolkata-700046,
Tel: +91 33 2285 0112/0115, Fax No. +91 33 2285 8501/7542,
Email ID: mfcompliance@srei.com

SREI

TRANSFER TO RESERVES

Your Company is not statutorily required to transfer any amount to the General Reserve as no Dividend has been recommended for the financial year 2022-23.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, no change took place in the nature of business of the Company.

SUBSIDIARY COMPANIES / JOINT VENTURES / ASSOCIATE COMPANIES

Your Company does not have any Subsidiary Company, Joint Ventures and Associate Company. Hence, disclosure as required under the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5) (iv) of the Companies (Accounts) Rules, 2014 is not applicable to your Company.

PUBLIC DEPOSITS

Your Company has not invited or accepted any Deposits from Public in terms of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014, therefore, no disclosure was required to be made.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, the provisions of the Companies Act, 2013 with regard to Corporate Social Responsibility were not applicable to your Company, therefore, your Company is not required to make the disclosures as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Directors

Presently, the Board of Directors of your Company comprises of Two (2) Directors (Category: Non-Executive), namely, Mr. Gajendra Kumar Singh (DIN: 09277024) and Ms. Samita Lahiri (DIN: 09804791).

During the year under review, Mr. Sourendranath Mukhopadhyay (DIN: 00960942) and Mr. Shashi Bhushan Tiwari (DIN: 00190997) resigned as Directors of your Company w.e.f. 5th July, 2022 and 29th July, 2022, respectively. The Board wishes to place on record its sincere appreciation for the valuable contribution, advice and guidance extended by Mr. Sourendranath Mukhopadhyay and Mr. Shashi Bhushan Tiwari during their tenure as Directors of your Company.

Further, during the year under review, Mr. Arunabha Acharya (DIN: 05906978) was appointed as an Additional Director (Category: Non-Executive) of your Company w.e.f. 27th July, 2022. However, he resigned as an Additional Director of your Company w.e.f. 30th November, 2022. The Board wishes to place on record its sincere appreciation for the valuable contribution, advice and guidance extended by Mr. Arunabha Acharya during his tenure as Director of your Company.

Further, during the year under review, Ms. Samita Lahiri (DIN: 0980479) was appointed as an Additional Director (Category: Non-Executive) of your Company w.e.f. 28th November, 2022 and hold office as an Additional Director upto the date of the ensuing Annual General Meeting or the last date on which Annual General Meeting should have been held, whichever is earlier.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Gajendra Kumar Singh (DIN: 09277024), Director of your Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board, therefore, recommends re-appointment of Mr. Gajendra Kumar Singh (DIN: 09277024), as a Director of your Company.

Key Managerial Personnel

As per the provisions of Section 203 of the Companies Act, 2013 ("the Act") read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company and every other Public Company having a paid-up share capital of ten crore rupees or more shall have whole-time Key Managerial Personnel (KMPs), namely, (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director, (ii) Company Secretary; and (iii) Chief Financial Officer. Further, every private Company having paid-up share capital of ten crores rupees or more shall have a whole-time Company Secretary.

Your Company is not required to appoint any whole-time KMPs as the paid-up share capital of the Company is less than the limit as prescribed above.

MEETINGS OF BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed / noted in the subsequent Meeting of the Board of Directors of the Company.

During the Financial Year 2022-23, Four (4) Meetings of the Board of Directors of the Company were held on 29th April, 2022, 4th August, 2022, 7th November, 2022 and 1st February, 2023. The maximum time gap between any two consecutive meetings did not exceed 120 days. The presence of Directors at such Meetings is as follows:

Srei Mutual Fund Trust Private Limited
CIN: U65990WB2009PTC139790
Regd. Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata-700046,
Tel: +91 33 2285 0112/0115, Fax No. +91 33 2285 8501/7542,
Email ID: mfcompliance@srei.com

SREI

Name of Directors	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Somendranath Mukhopadhyay*	1	1
Mr. Shashi Bhushan Tiwari*	1	1
Mr. Gajendra Kumar Singh	4	4
Mr. Arunabha Acharya**	2	2
Ms. Samita Lahiri***	1	1

*Mr. Somendranath Mukhopadhyay and Mr. Shashi Bhushan Tiwari ceased to be Directors of your Company w.e.f. 5th July, 2022 and 20th July, 2022 respectively.

**Mr. Arunabha Acharya was appointed as an Additional Director (Category: Non-Executive) of your Company w.e.f. 22nd July, 2022 and ceased to be a Director w.e.f. 30th November, 2022.

***Ms. Samita Lahiri was appointed as an Additional Director (Category: Non-Executive) of your Company w.e.f. 30th November, 2022.

AUDIT COMMITTEE

In terms of the provisions of the Companies Act, 2013, read with relevant Rules framed thereunder, your Company is not required to constitute an Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

In terms of the provisions of the Companies Act, 2013 read with relevant Rules framed thereunder, your Company is not required to constitute a Nomination and Remuneration Committee.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company is not required to establish vigil mechanism for Directors and Employees pursuant to provisions of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Company is not required to constitute Corporate Social Responsibility Committee pursuant to provisions of the Companies Act, 2013.

EXTRACT OF THE ANNUAL RETURN

The Ministry of Corporate Affairs (MCA) vide Notification no. G.S.R.159 (E) dated 5th March, 2021 has amended the Companies (Management and Administration) Rules, 2014. According to the amended provisions of Rule 12 of the said rule, the extract of Annual Return in Form No. MGT-9 is not applicable as on the financial year ended March 31, 2023.

PARTICULARS OF EMPLOYEES

There was no employee in the Company during the financial year 2022-23, so the disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company.

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

Your Company has no activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014. Hence, the disclosure with regard to conservation of energy and technology absorption, as required under the provisions of the Companies Act, 2013, is not applicable to your Company.

Your Company has not utilized or earned any foreign exchange during the year under review (Previous Year - Nil).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the Financial Year 2022-23, your Company has not given any loan or guarantees or made any investments, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013, hence disclosure, as prescribed in Section 186 of the Companies Act, 2013 is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all related party transactions entered into by your Company during the financial year 2022-23 were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to your Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the Financial Year 2022-23, no significant and material orders has been passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

SREI

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Since there was no employee in the Company during the financial year 2022-23, so the disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, is not applicable to your Company.

MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 during the financial year ended on 31st March, 2023.

SHARE CAPITAL

During the year under review, the issued and paid up share capital of your Company remain unchanged, therefore, your Company is not required to disclose the particulars with regard to issue of equity shares with differential rights, issue of sweat equity shares, issue of employees stock options, provision of money by company for purchase of its own shares by employees or by trustees for the benefits of employees, as required under the provisions of the Companies Act, 2013 read with relevant Rules framed thereunder.

RISK MANAGEMENT POLICY

In the opinion of the Board, there is no element of risk which may threaten the existence of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013 ("Act"), your Directors confirm that

(i) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts for the financial year ended March 31, 2023 on a going concern basis; and

(v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Further, your Directors confirm that your Company has adequate internal systems and controls in place to ensure compliance of laws applicable to your Company.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

INTERNAL FINANCIAL CONTROL

The Company has an Internal Financial Control and System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide a reasonable assurance with regard to system and process and internal procedures for ensuring the orderly and efficient conduct of business, maintaining of proper accounting controls, protecting and safeguarding assets from unauthorised use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

AUDITORS & AUDITORS' REPORT

M/s. Singhi & Co., Chartered Accountants, Kolkata, having Registration No. 302049E allotted by The Institute of Chartered Accountants of India (ICAI), the Statutory Auditors of the Company has resigned as the Auditor of the Company w.e.f. April 07, 2023, expressing their inability to continue as Statutory Auditors of the Company.

In terms of Section 139(8) of the Companies Act, 2013, any casual vacancy in the office of the Auditor shall be filled by the Board of Directors within 30 Days and if such vacancy is a result of resignation of an auditor, such appointment shall also be approved by the Members at a General Meeting convened within 3 months of the recommendation of the Board of Directors.

On the recommendation of the Board of Directors of your Company, at its Meeting held on April 12, 2023 and in accordance with the applicable provisions of the Companies Act, 2013, the Members at their (01/2023-24) Extra-Ordinary General Meeting held on April 17, 2023, appointed M/s. Mohit Arya & Associates, Chartered Accountants, Kolkata, having Registration No. 330192E, allotted by the Institute of Chartered Accountants of India (ICAI), as the Statutory Auditors of the Company, from the conclusion of the (01/2023-24) Extraordinary General Meeting held on April 17, 2023 until the conclusion of the Thirteenth Annual General Meeting of the Company to conduct the Statutory Audit of the Company for the financial year ending March 31, 2023.

The Board of Directors, at their meeting held on May 05, 2023 have recommended the re-appointment of M/s. Mohit Arya & Associates, Chartered Accountants, having Firm Registration No. 330192E allotted by ICAI as Statutory Auditor of the Company to hold office for a period of 5 (five) years, from the conclusion of the Thirteenth Annual General Meeting of the Company till the conclusion of the Eighteenth Annual General Meeting of the Company at such remuneration as may be mutually agreed upon between the Statutory Auditor and the Board of Directors of your Company.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

SECRETARIAL AUDIT REPORT

The provisions with regard to Secretarial Audit Report is not applicable to your Company

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the sustained support and co-operation received from the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Bankers, Business Associates and Holding Company viz. Srei Infrastructure Finance Limited.

On behalf of the Board of Directors
For **Srei Mutual Fund Trust Private Limited**

	Sd/-	Sd/-
Date: 05.05.2023	**Gajendra Kumar Singh**	**Samita Lahiri**
Place: Kolkata	**Director**	**Director**
	DIN: 09277024	**DIN: 09804791**

Srei Mutual Fund Trust Private Limited
CIN: U65990WB2009PTC139790
Regd. Office: 'Vishwakarma', 86C, Topsia Road (South), Kolkata-700046,
Tel: +91 33 2285 0112/0115, Fax No. +91 33 2285 8501/7542,
Email ID: infocompliance@srei.com

Mohit Arya & Associates
Chartered Accountants

Poddar Court, Gate No. 3, Room No 2,
6th Floor, 18, Rabindra Sarani, Kol-700001
Contact No. - 9831750629, 033-46032127
E-mail ID-mohitarya011@gmail.com

Independent Auditor's Report

To the Members of
SREI Mutual Fund Trust Private Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying standalone Ind AS Financial Statements of **SREI MUTUAL FUND TRUST PRIVATE LIMITED** ("The Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind As, of the state of affairs of the Company as at March 31, 2023, its Loss, including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

a) Note 15 to the Financial Statements which discloses that the Reserve Bank of India (RBI) had vide Press release dated 4th October 2021, superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL), being its Holding Company.

Our opinion is not modified in respect of this matter.

To the members of
Srei Mutual Fund Trust Private Limited

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
Those Board of Directors are also responsible for overseeing the company's financial reporting process.

To the members of
Sri Mutual Fund Trust Private Limited

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

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

• Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

To the members of
Sree Mutual Fund Trust Private Limited

Materiality is the magnitude of misstatements in the Standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS Financial Statements.

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

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

Report on other legal and regulatory requirements.

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164 (2) of the Act.

To the members of
Sevi Mutual Fund Trust Private Limited

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the years ended 31st March 2023

h. 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, in our opinion and to the best of our information and according to the explanations given to us:

i The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented to us 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall: directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

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

(c) Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (2)(h)(iv)(a) and (b) contain any material misstatement.

To the members of
Srei Mutual Fund Trust Private Limited

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No.-330192E

Sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJBY1417
Place : Kolkata
Dated: 5th Day of May 2023.

To the members of
Srei Mutual Fund Trust Private Limited

"Annexure A" to the Independent Auditor's Report of Even Date on the Financial Statements of SREI Mutual Fund Trust Private Limited

Statement referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of SREI Mutual Fund Trust Private Limited on the financial statements for the year ended 31st March, 2023:

(i) The Company has no Property, Plant & Equipment or intangible assets. Accordingly, provision of clause (i) of paragraph 3 of the said Order is not applicable to the Company and hence not commented upon.

(ii) The Company's nature of operation does not require it to hold inventories and it has not been sanctioned any working capital limit by any banks or financial institutions during the year. Accordingly, provision of clause (ii) (a) and (b) of paragraph 3 of the said order is not applicable to the Company and hence not commented upon.

(iii) The Company has neither made any investment nor granted any loan, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) to (iii) (f) of paragraph 3 of the said order are not applicable to the Company.

(iv) According to the information and explanations given to us and as per records examined by us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments. The Company has not given any loan, guarantee or security.

(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) According to the information and explanation given to us and as per records examined by us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Duty of Excise, Goods and Service Tax or Cess and any other statutory dues, to the extent applicable, have been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues, as on 31st of March, 2023 for a period of more than six months from the date they became payable.

(viii) According to the information and explanation given to us and as per records examined by us, the Company has had no unrecorded transactions in the books of accounts which have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961

To the members of
Srei Mutual Fund Trust Private Limited

(ix) According to the information and explanation given to us and as per records examined by us, the Company has not defaulted in repayment of dues to a financial institution. The Company has not taken any loans or borrowing from bank or Government. The Company has not issued any debentures.

(x) According to the information and explanation given to us and as per records examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The money raised by way of term loans have been applied for the purpose for which the loans were obtained.

(xi) (a) In our opinion and according to the information and explanations given by the management, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the financial statements materially misstated.

(b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.

(c) In our opinion and according to the information and explanations given to us, no whistle-blower complaints have been received during the year by the Company.

(xii) The Company is not a nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the provisions relating to an internal audit system is not applicable to the Company

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not has entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Accordingly, clause (xv) of the paragraph 3 of the said order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

(xvii) The Company has incurred cash loss of Rs. 0.98 Lakhs in the current financial year and Rs. 2.88 Lakhs or in the immediately preceding financial year.

To the members of
Sre**i** Mutual Fund Trust Private Limited

(xvii) There has been resignation by the statutory auditors during the year & according to the information and explanations given to us no issues, objections or concerns were raised by the outgoing auditor.

(xviii) According to the information and explanations given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing on the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

(xix) According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of CSR are not applicable. Accordingly the provisions of Clause 3(xx) of the Order are not applicable to the Company.

(xx) As this is an audit report on the standalone financial statements, the provisions of Clause 3(xxi) of the Order are not applicable to the Company.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No.-330192E

sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJBY1417
Place : Kolkata
Dated: 5th Day of May 2023.

To the members of
Srei Mutual Fund Trust Private Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SREI MUTUAL FUND TRUST PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SREI Mutual Fund Trust Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013

Auditors' Responsibility
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. These Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

To the members of
Srei Mutual Fund Trust Private Limited

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For Mohit Arya & Associates.
Chartered Accountants
Firm Registration No. -330192E

Sd/-

(CA. Mohit Arya)
Membership No. 306054
Proprietor
UDIN: 23306054BGWJBY1417
Place: Kolkata
Dated: 5th Day of May 2023.

SHRI MUTUAL FUND TRUST PRIVATE LIMITED
CIN: U65990WB2009PTC139790
BALANCE SHEET AS AT MARCH 31, 2023

(Rs. In Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non Current Assets			
(a) Other Non Current Assets	2	7.13	6.98
Total Non - Current Assets		7.13	6.98
(b) Other Financial Assets		-	-
Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	3	0.03	0.04
Total Current Assets		0.03	0.04
TOTAL ASSETS		**7.16**	**7.02**
EQUITY AND LIABILITY			
EQUITY			
(a) Equity Share Capital	4	15.00	15.00
(b) Other Equity	5	(10.08)	(9.10)
Total Equity		4.92	5.90
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	6	2.13	0.78
Total Non - Current Liabilities		2.13	0.78
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payable	7		
-Due to Micro and Small Enterprises		-	-
-Due to Others		-	0.31
(ii) Other Financial Liabilities	8	0.10	-
(b) Other Current Liabilities	9	0.01	0.03
Total Current Liabilities		0.11	0.34
TOTAL EQUITY AND LIABILITIES		**7.16**	**7.02**

Summary of Significant Accounting Policies 1

The Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date Annexed,

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No 330192E

For and on behalf of the Board of Directors

sd/-
CA Mohit Arya
Partner
Membership No. 309854

sd/-
Somita Lahiri
Director
Din No. 09804791
Place: Kolkata

sd/-
Gajendra Kr. Singh
Director
Din No. 09877024
Place: Kolkata

Place : Kolkata
Date : 5th May, 2023

SREI MUTUAL FUND TRUST PRIVATE LIMITED

CIN: [illegible]

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. In Lakhs)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I.	Revenue From Operations		-	-
II.	Other Income	10	-	0.01
III.	**Total income (I+II)**		-	**0.01**
IV.	**Expenses:**			
	Interest Expenses	11	0.11	0.03
	Other Expenses	12	0.87	2.86
	Total Expenses (IV)		**0.98**	**2.89**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**(0.98)**	**(2.88)**
VI.	Exceptional Items		-	-
VII.	**Profit Before Tax (V-VI)**		**(0.98)**	**(2.88)**
VIII.	**Tax Expense**			
	Current Tax		-	-
	Deferred Tax		-	-
IX.	**Profit For The Period/Year (VII-VIII)**		**(0.98)**	**(2.88)**
X.	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to Profit or Loss		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
	Total Other Comprehensive Income		-	-
XI.	**Total Comprehensive Income For The Year (IX + X)**		**(0.98)**	**(2.88)**
XII.	**Earnings Per Equity Share (of Rs. 10/- each)**	17		
	Basic (Rs.)		(0.65)	(1.92)
	Diluted (Rs.)		(0.16)	(0.48)

Summary of Significant Accounting Policies 1

The Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date Annexed

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330192E

Sd/-
CA Mohit Arya
Partner
Membership No. 306034

For and on behalf of the Board of Directors

Sd/-
Samip Lahiri
Director
Din No. 09804791
Place: Kolkata

Sd/-
Gajendra Kr. Singh
Director
Din No. 09277026
Place: Kolkata

Place: Kolkata
Date: 5th May, 2023

SREI MUTUAL FUND TRUST PRIVATE LIMITED
CIN : U65990WB2009PTC139252
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

	Particulars	Year Ended March 31, 2023	Year ended March 31, 2022
		(Rs. In Lakhs)	(Rs. In Lakhs)
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Tax	(0.98)	(2.88)
	Adjustments for:		
	Interest Income on FD	-	(0.01)
	Interest on Short Term Borrowing (ICD)	0.11	0.03
	Operating Profit before Working Capital Changes	(0.87)	(2.86)
	Increase/(Decrease) in Trade Payables, other liabilities and provisions	(0.30)	(0.11)
	Decrease/(Increase) in trade receivables, loans, advances and other assets	(0.08)	(0.49)
	Cash generated from/(used in) Operating activities	(1.25)	(3.46)
	Direct Taxes paid (Net of refunds)	-	-
	Net Cash flow from/(used in) Operating Activities	**(1.25)**	**(3.46)**
B.	**Cash Flow from Investing Activities**		
	(Investment in)/Redemption of Fixed Deposit	-	1.00
	Interest received	-	0.03
	Net Cash flow from/(used in) Investing activities	-	**1.03**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Short Term Borrowings (ICD)	1.25	0.75
	Interest paid on Short Term Borrowings (ICD)	(0.01)	-
	Net Cash Flow from/(used in) Financing Activities	**1.24**	**0.75**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(0.01)	(1.68)
	Opening Cash and Cash Equivalents	0.04	1.72
	Closing Cash and Cash Equivalents	**0.03**	**0.04**

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".

2) Components of Cash and Cash Equivalents: **(Rs. In Lakhs)**

	Particulars	As at March 31, 2023	As at March 31, 2022
	Cash on hand	-	0.01
	In Current Account	0.03	0.03
		0.03	**0.04**

The Accompanying Notes are an integral part of the Financial Statements.

As per our report of even date Annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No.330192E

For and on behalf of the Board of Directors

Sd/-
CA Mohit Arya
Partner
Membership No. 306054

Sd/-
Samita Lahiri
Director
Din No. 09804791
Place: Kolkata

Sd/-
Gajendra Kr. Singh
Director
Din No. 09827024
Place: Kolkata

Place : Kolkata
Date : 5th May, 2023

SREI MUTUAL FUND TRUST PRIVATE LIMITED
CIN U65999WB2009PTC139790
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	As at March 31, 2021	Issue/ (reduction) during the year	As at March 31, 2022	Issue/ (reduction) during year	As at March 31, 2023
Equity Share Capital	15.00	-	15.00	-	15.00

B. Other equity

(Rs. In Lakhs)

Particulars	Share Warrants	Reserves and Surplus		Total
		Other Comprehensive Income	Retained Earnings	
Balance as at April 1, 2021	**45.00**	-	**(51.22)**	**(6.22)**
Issue of Share Warrants	-	-	-	-
Profit/(Loss) for the year ended March 31, 2022	-	-	(2.88)	(2.88)
Balance as at March 31, 2022	**45.00**	-	**(54.10)**	**(9.10)**
Issue of Share Warrants	-	-	-	-
Profit/(Loss) for the year ended March 31, 2023	-	-	(0.98)	(0.98)
Balance as at March 31, 2023	**45.00**	-	**(55.08)**	**(10.08)**

Retained Earnings
It represents the cumulative losses of the Company.

The Accompanying Notes are an integral part of the Financial Statements

As per our report of even date Annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No 330192E

Sd/-
CA Mohit Arya
Partner
Membership No. 306054

For and on behalf of the Board of Directors

Sd/-
Samlan Lahiri
Director
Din No. 09804291
Place: Kolkata

Sd/-
Gajendra Kr. Singh
Director
Din No 09277026
Place: Kolkata

Place : Kolkata
Date : 5th May, 2023

SREI MUTUAL FUND TRUST PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Mutual Fund Trust Private Limited (the "Company") is domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata - 700 046.

The Company was incorporated as wholly owned subsidiary of Srei Infrastructure Finance Limited (SIFL) on 27th November, 2009. The Company has executed a Trust Deed with SIFL (Sponsor) to act as the Trustee of Srei Mutual Fund Trust, being established by the Sponsor. The final approval from SEBI for commencement of mutual fund (IDF) business was received vide Registration No. MF/070/12/02 dated 15th November, 2012.

(B)Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

(C) Significant Accounting Policies

1.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosed amount of contingent liabilities.

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Income from Trusteeship Serviceis recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.4. Borrowing Cost

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, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 the statement of profit and loss in the period in which they are incurred.

1.5. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.6. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Recognition of Financial Instruments:

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

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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets

Financial Assets carried at Amortised Cost (AC):

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.

Financial Assets at Fair Value through Other Comprehensive Income (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 not held for trading 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 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 investments 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 Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are 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 as 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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:

The Company derecognizes 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 recognized in the statement of profit and loss.

b) for financial assets measured at fair value through other comprehensive income, 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

(ii) 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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new 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.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when 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 asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss
Expected credit loss (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.

1.7. Taxes on Income
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 by the end of the reporting period.

Deferred tax
The Company's deferred tax is calculated using tax rate that are substantially 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.

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 other comprehensive income or directly in equity, in which

case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.8. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.9. Provisions

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.

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 recognized 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 recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements.

Contingent Assets

Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.10. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors based on such the Company operates in one operating segment, viz. income from trusteeship services.

1.11. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

1.12. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

1.13. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

SREI MUTUAL FUND TRUST PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

2 Other Non Current Assets

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Statutory Authorities	7.13	6.98
Total	**7.13**	**6.98**

3 Cash and cash equivalents:

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	0.01
Balances with Banks	0.03	0.03
Total	**0.03**	**0.04**

4 Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	(Rs. In Lakhs)	Number	(Rs. In Lakhs)
Authorised Share Capital				
Equity Shares of Rs. 10/- each	2,50,000	25.00	2,50,000	25.00
Issued, Subscribed and Paid up Capital				
Equity Shares of Rs 10/- each fully paid up	1,50,000	15.00	1,50,000	15.00
	1,50,000	**15.00**	**1,50,000**	**15.00**

4.1 The reconciliation of the number of shares outstanding at the beginning and at the end of year has been shown in the table below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Shares	(Rs. In Lakhs)	Shares	(Rs. In Lakhs)
Shares outstanding at the beginning of the Period	1,50,000	15.00	1,50,000	15.00
Shares issued during the period	-	-	-	-
Shares outstanding at the end of the period	1,50,000	15.00	1,50,000	15.00

Terms and rights attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. 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 in proportion to the number of equity shares held by the shareholders.

4.2 Details of shares held by each shareholder holding more than 5%

Particulars	As at March 31, 2023		As at March 31, 2022	
	Shares	% holding	Shares	% holding
Fully paid equity shares				
Srei Infrastructure Finance Limited 1	1,50,000	100.00	1,50,000	100.00

1 Includes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

4.3 Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates

Particulars	As at March 31, 2023		As at March 31, 2022	
	Shares	(Rs. In Lakhs)	Shares	(Rs. In Lakhs)
Srei Infrastructure Finance Limited	1,50,000	15.00	1,50,000	15.00

4.4 The Company during the preceding 5 years:

i Has not alloted shares pursuant to contracts without payment received in cash.
ii Has not issued shares by the way of bonus shares.
iii Has not bought back any shares.

SREI MUTUAL FUND TRUST PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

4.5 Shareholding of promoters as at March 31, 2023 :

Shares held by promoters at the end of the year				% Change during the year
Sl. No.	Promoter name	No. of shares	% of total shares	
(i)	SREI Infrastructure Finance Limited *	1,50,000	100%	NA
	Total			

Shareholding of promoters as at March 31, 2022 :

Shares held by promoters at the end of the year				% Change during the year
Sl. No.	Promoter name	No. of shares	% of total shares	
(i)	SREI Infrastructure Finance Limited *	1,50,000	100%	NA
	Total			

*Includes Equity Shares held by nominees on behalf of Srei Infrastructure Finance Limited

5 Other Equity

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a)		
Balance as per last accounts	(54.10)	(51.22)
Net Profit/(Loss) for the Year	(0.98)	(2.88)
Closing Balance (a)	**(55.08)**	**(54.10)**
b) Share Warrants, fully paid		
Share Warrants 100,000 of Rs 10 each (Matured on 02-06-2020, Extended upto 24-09-2023) - Refer Note 5.1	10.00	10.00
Share Warrants 200,000 of Rs 10 each (Maturity date:24-09-2023) - Refer Note 5.2	20.00	20.00
Share Warrants 150,000 of Rs 10 each (Maturity date:24-09-2023) - Refer Note 5.3	15.00	15.00
Closing Balance (b)	**45.00**	**45.00**
Total (a+b)	**(10.08)**	**(9.10)**

Terms of Share Warrants issued:

5.1 The maturity of the Share Warrants has been extended from 05.06.2020 to 24.09.2023 and accordingly the Warrant Holder may exercise the warrants at any time on or before 24.09.2023 into equity shares of the Company carrying differential voting rights.

Share Warrants which when exercised are entitled for 100,000 (One Lakh only) equity shares in the Capital of the Company of Rs. 10 (Ten only). The share warrants after the specified term shall be converted into Equity Shares of the Company carrying differential voting rights to the shareholders.

Upon conversion, the non-voting equity shares are entitled to dividend at an additional rate of 5% above the dividend rate for voting shares, subject to a minimum dividend of 5% and subject to adequate profits.

The issuer at its sole discretion has right to call share warrants and redeem the money thereof at any time before the conversion into any class of equity shares.

5.2 The Warrant holder may exercise the warrants any time on or before 36 months from the date of issue of warrants into equity shares of the Company carrying differential voting rights.

Share Warrants which when exercised are entitled for 200,000 (Two Lakh only) equity shares in the Capital of the Company of Rs. 10 (Ten only). The share warrants after the specified term shall be converted into Equity Shares of the Company carrying differential voting rights to the shareholders.

Upon conversion, the non-voting equity shares are entitled to dividend at an additional rate of 5% above the dividend rate for voting shares, subject to a minimum dividend of 5% and subject to adequate profits.

The issuer at its sole discretion has right to call share warrants and redeem the money thereof at any time before the conversion into any class of equity shares.

5.3 The Warrant holder may exercise the warrants any time on or before 36 months from the date of issue of warrants into equity shares of the Company carrying differential voting rights.

Share Warrants which when exercised are entitled for 150,000 (One Lakh Fifty Thousand Only) equity shares in the Capital of the Company of Rs. 10 (Ten only). The share warrants after the specified term shall be converted into Equity Shares of the Company carrying differential voting rights to the shareholders.

Upon conversion, the non-voting equity shares are entitled to dividend at an additional rate of 5% above the dividend rate for voting shares, subject to a minimum dividend of 5% and subject to adequate profits.

The issuer at its sole discretion has right to call share warrants and redeem the money thereof at any time before the conversion into any class of equity shares.

6 **Other Financial Liabilities**

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, From Related Party		
Intercorporate Deposit	2.00	0.75
Interest Accrued But Not Due on ICD Taken	0.13	0.03
Total	**2.13**	**0.78**

6.1 i) The principal is repayable for a period of 3 years from the date of last deposit. The Company has the option to prepay the ICD in full or any part thereof at any point of time by informing depositor without any prepayment premium.

ii) The Interest on ICD is payable on maturity date or at the time of repayment of principal.

SREI MUTUAL FUND TRUST PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

SREI MUTUAL FUND TRUST PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

7 Trade Payables

Trade Payables ageing schedule as at March 31, 2023					(₹ in Lakhs)
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
Trade Payables					
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed dues (MSMEs) and	-	-	-	-	-
(iv) Disputed dues (Others)	-	-	-	-	-
	-	-	-	-	-
Unbilled dues	-	-	-	-	-
Total	-	-	-	-	-

Trade Payables ageing schedule as at March 31, 2022					(₹ in Lakhs)
Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 year	Total
Trade Payables	-	-	-	-	-
(i) MSME	-	-	-	-	-
(ii) Others	0.31	-	-	-	0.31
(iii) Disputed dues (MSMEs) and	-	-	-	-	-
(iv) Disputed dues (Others)	-	-	-	-	-
	0.31	-	-	-	0.31
Unbilled dues	-	-	-	-	-
Total	0.31	-	-	-	0.31

A) Due to Micro and Small Enterprises (Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
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	-	-

B) Due to Others (Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables	-	0.31
Total	-	0.31

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2023 as micro, small or medium enterprises. Consequently the amount paid / payable to these parties during the year is Rs. Nil.

8 Other Financial Liabilities

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liability for expenses	5.10	-
Total	5.10	-

9 Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	0.01	0.03
Total	0.01	0.03

10 Other Income

(Rs. In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on Fixed Deposits	-	0.01
Total	-	0.01

11 Interest Expenses

(Rs. In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on ICD Taken	0.11	0.03
Total	0.11	0.03

12 Other Expenses

(Rs. In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Legal & Professional Fees	0.17	0.16
Rates & Taxes	0.02	0.02
Filing Fees	0.03	0.08
Payment to Auditors :		
-Fees for Statutory Audit	0.10	0.35
Director's Sitting Fees	0.50	2.25
Miscellaneous Expenses	0.05	-
Total	0.87	2.86

13 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains adequate capital base to safeguard business continuity and a judicious use of share warrant money to fund working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through interest generated on surplus fund deployed in interest earning assets and money raised through issue of share warrants to the shareholders.

The capital structure of the Company consists of total equity.

14 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 1 to the financial statements.

14.1 Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments

(₹ in lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
a) Measured at amortised cost				
i) Cash and cash equivalents	0.03	0.03	0.04	0.04
ii) Bank deposits with maturity upto 12 months	-	-	-	-
Total financial assets	**0.03**	**0.03**	**0.04**	**0.04**
Financial liabilities				
a) Measured at amortised cost				
i) Trade Payables	-	-	0.31	0.31
ii) Other financial Liabilities	0.10	0.10	-	-
Total financial liabilities	**0.10**	**0.10**	**0.31**	**0.31**

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.

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 include cash, cash equivalents and interest accrued thereon.

Trade Payables
Trade payables that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.

Other financial liabilities measured at amortised cost
For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include Trade & Other payables.

14.2 **Financial risk management objectives**

The Company's activities expose it to financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on process of regular reviews / audits to set appropriate risk limits and controls, monitoring of such risks and compliance confirmation for the same.

a) Market risk

The Company's Financial Instruments are exposed to market changes. The Company is exposed to the following significant market risk.

Interest rate risk

The Company is exposed to interest rate risk as the Company deploys surplus cash in interest earning assets. The Company manages the risk by investing funds in short term fixed deposits with banks earning fixed rate of interest. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows.

b) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

Revenue stream of the Company has not started yet as no mutual fund scheme is operational. The Company mitigates its liquidity risks by raising necessary funds from the holding company / associate company. The table below provides details regarding financial liabilities at the reporting date.

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-Current	Current	Non-Current
A: Financial assets				
i) Cash and cash equivalents	0.05	-	0.04	-
ii) Bank deposits with maturity upto 12 months	-	-	-	-
Total	0.05	-	0.04	-
B: Financial liabilities				
i) Trade payables	-	-	0.31	-
ii) Other financial liabilities	0.10	-	-	-
Total	0.10	-	0.31	-

c) Credit risk

Credit risk is the risk that the Company will incur a loss because counterparties fail to discharge their contractual obligations. The Company manages the risk by investing funds in fixed deposits with scheduled banks earning fixed rate of interest.

SREI MUTUAL FUND TRUST PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS

18 Related Party Disclosures
a) Related Parties

Sl.No	Name of the Company	Country of Origin
A	Ultimate Holding Company	
1	Adisri Commercial Private Limited	India
B	Subsidiary of Ultimate Holding Company	
1	[illegible] Private Limited	India
2	Adisri Strategic Advisors Private Limited	India
3	Adisri Leasing Private Limited	India
C	Holding Company	
1	Srei Infrastructure Finance Limited (SIFL)	India
D	Fellow Subsidiaries:	
1	Srei Equipment Finance Limited	India
2	Srei Insurance Broking Private Limited	India
3	Srei Capital Markets Limited	India
4	Srei Mutual Fund Asset Management Private Limited	India
5	Srei Asset Finance Limited	India
6	Controlla Electech Private Limited	India
7	Bengal Srei Infrastructure Development Limited	India
8	Trinity Alternative Investment Managers Limited	India
9	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment	India
10	Cyberabad Trustee Company Private Ltd. (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
E	TRUSTS	
1	Srei Mutual Fund Trust	India
F	OTHERS	
1	Srei Infrastructure Finance Limited Employee Gratuity Trust	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
1	Mr. P. B. [illegible] (Ceased to be Director w.e.f. 08.05.2021)	Director
2	Mr. K. [illegible] (Ceased to be Director w.e.f. [illegible].2021)	Director
3	Mr. Arun L. [illegible] (Ceased to be Director w.e.f. [illegible].08.2021)	Director
4	Mr. [illegible] Kumar Singh (Director w.e.f. [illegible].08.2021)	Director
5	Mr. [illegible] Mukhopadhyay (Director w.e.f. [illegible].08.2021)	Director
6	Mr. [illegible] Bhushan [illegible] (Director w.e.f. [illegible].11.2021)	Director
7	Mr. [illegible] Acharya (Ceased to be Director w.e.f. [illegible].2022)	Director
8	Ms. [illegible] (Director w.e.f. 28.11.2022)	Director
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
9	Mr. Hemant Kanoria *	Chairman
10	Mr. Sunil Kanoria *	Vice Chairman (Non-executive Director)
11	Mr. Shyamalendu Chatterjee *	Independent Director
12	Mr. Malay Mukherjee *	Independent Director
13	Dr. Punita Kumar Sinha *	Independent Director
14	Dr. Tamali Sengupta *	Independent Director
15	Dr. [illegible] (Appointed w.e.f. 30.06.2021) *	Additional Director
16	Mr. Ram Krishna Agarwal (ceased w.e.f. 17.09.2021)	Independent Director
17	Mr. Srinivasachari Rajagopal (ceased w.e.f. 30.06.2021)	Independent Director
18	Mr. Rakesh Kumar Bhutoria (w.e.f. 15.02.2021)	Chief Executive Officer
19	Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. [illegible].2021)	Chief Financial Officer
20	Mr. Rajneesh Sharma (w.e.f. 04.10.2021) **	Administrator
21	Mr. [illegible] Mukhopadhyay (from 30.06.2021 to 16.02.2022)	Deputy Chief Executive Officer
22	Mr. Manoj Kumar (w.e.f. [illegible].2021)	Company Secretary & Chief Financial Officer
23	Mr. [illegible] Agarwal (w.e.f. 21.03.2022)	Chief Compliance Officer & Internal Controller

* In exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934, the Reserve Bank of India (RBI) had vide Press Release dated 4th October, 2021 superseded the Board of Directors of Srei Infrastructure Finance Limited (SIFL).

** The Reserve Bank of India has appointed Mr. Rajneesh Sharma as the Administrator of SIFL under Section 45-IE (2) of the RBI Act.

15 Related Party Disclosures

b) Related Parties transaction

Transactions entered with related parties during the year ended March 31, 2023 and March 31, 2022 are as under:

(Rs. In Lakhs)

Name of related party	Nature of Transactions	Year ended March 31, 2023	Year ended March 31, 2022
(A) Fellow Subsidiary			
Srei Mutual Fund Asset Management Pvt Ltd	Inter Corporate Deposit Received	1.25	0.75
	Interest Expenses on Inter Corporate Deposit	0.11	0.03
(B) Key Management Personnel (KMP)/Directors.			
	Transactions.		
Mr. P. B. Nimbalkar (Ceased to be Director w.e.f. 06.08.2021)	Director sitting fee	-	0.80
Mr. K. Sivapakasam (Ceased to be Director w.e.f. 07.08.2021)	Director sitting fee	-	0.80
Mr. Arun L. Tadanval (Ceased to be Director w.e.f. 06.08.2021)	Director sitting fee	-	0.05
Mr. Gajendra Kumar Singh (Director w.e.f. 10.08.2021)	Director sitting fee	-	-
Mr. Sourendranath Mukhopadhyay (Director w.e.f. 10.08.2021)	Director sitting fee	-	-
Mr. Shashi Bhushan Tiwari (Director w.e.f. 27.11.2022)	Director sitting fee	0.50	-
Mr. Arunabha Acharya (Ceased to be Director w.e.f. 30.11.2022)	Director sitting fee		
Ms Sarmia Lahiri (Director w.e.f. 28.11.2022)	Director sitting fee	-	-

c) Balance due with related parties as on March 31, 2023 and March 31, 2022 are as under

Name of related party	Outstanding balances	As at March 31, 2023	As At March 31, 2022
(A) Fellow Subsidiary			
Srei Mutual Fund Asset Management Pvt Ltd	**Balance Outstanding :**		
	Balance Payable - Inter Corporate Deposit Received	2.00	0.75
	Interest Accrued & not due - Inter Corporate Deposit (net of TDS)	0.12	0.03

16 Deferred Tax Assets

The Deferred Tax Asset arising out of timing difference is on account of the following:

(Rs. In Lakhs)

S.No	Particulars	As at March 31, 2023	As At March 31, 2022
	Components of Deferred Tax Asset/(Liability) :		
1	Carry forward losses	12.70	12.45
	Deferred Tax Asset	**12.70**	12.45

Note: On the basis of prudence, deferred tax asset has not been recognised in the Books of Accounts.

17 Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS.

S.No	Particulars	Year ended March 31, 2023	As At March 31, 2022
1	Profit/(Loss) after tax attributable to Equity Shareholders (in Rs. Lakhs)	(0.96)	(2.89)
2	Weighted average number of Equity Shares Basic (Nos.)	1,50,000	1,50,000
3	Weighted average number of Equity Shares Diluted (Nos.)	6,00,000	6,00,000
4	Nominal Value of Equity per share (Rs)	10.00	10.00
5	Basic Earnings per share (Rs)	(0.64)	(1.93)
6	Diluted Earnings per share (Rs)	(0.16)	(0.48)

18 Contingent Liabilities & Capital Commitment (as on March 31, 2023 – Nil (March 31, 2022 - Nil).

19 Ratios to be disclosed :

S.No	Particulars	As at December 31, 2022	As at March 31, 2022	Variance (%)
(a)	Current Ratio	0.27	0.12	132%
(b)	Debt Equity Ratio	0.43	0.13	100%
(c)	Debt Service Coverage Ratio	NA	NA	-
(d)	Return on Equity Ratio	NA	NA	-
(e)	Inventory Turnover Ratio*	NA	NA	-
(f)	Trade Receivable Turnover Ratio*	NA	NA	-
(g)	Trade Payable Turnover Ratio*	NA	NA	-
(h)	Net Capital Turnover Ratio*	NA	NA	-
(i)	Net Profit Ratio	NIL	NIL	-
(j)	Return on Capital Employed	NIL	NIL	-
(k)	Return on Investment	NIL	NIL	-

* The Company is still to commence operation. Hence there is no turnover in the Company.

19.1 Since the net worth of the Company is negative and the operations are insignificant, there is wide variation in ratio (more than 25%) compared to previous year.

20 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with those of current period.

As per our report of even date annexed.

For Mohit Arya & Associates
Chartered Accountants
Firm Registration No 330192E

Sd/-
CA Mohit Arya
Partner
Membership No. 306054

For and on behalf of the Board of Directors

Sd/-
Samiran Lahiri
Director
Din No. 09804991
Place: Kolkata

Sd/-
Gajendra Kr. Singh
Director
Din No. 09277024
Place: Kolkata

Place : Kolkata
Date : 5th May, 2023

DIRECTORS' REPORT

Dear Members,

The Board of Directors of your Company have pleasure in presenting the Twenty First Annual Report on the business and operations of the Company and the Accounts for the Financial Year ended March 31, 2023.

FINANCIAL RESULTS AND OPERATIONS

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Total Income	850.64	1,958.61
Profit before finance charges, Tax, Depreciation / Amortization (PBITDA)	186.27	860.38
Less: Finance Charges	-	-
Profit before Depreciation / Amortization (PBTDA)	186.27	860.38
Less: Depreciation	1.29	1.35
Net Profit before Taxation (PBT)	184.98	859.02
Current Tax	48.57	210.83
Deferred Tax	4.19	3.32
Income Tax in respect of earlier year	-	7.37
Profit / (Loss) after Taxation (PAT)	140.65	658.89
Provision for proposed dividend	-	-
Dividend tax	-	-

REVIEW OF OPERATIONS DURING THE FINANCIAL YEAR 2022-23 & FUTURE PROSPECTS

During the year under review, the total Income of the Company was ₹ 850.64 lakhs as against ₹ 1958.61 lakhs during FY 2021-22. The reduction of ₹ 1107.97 lacs in value is 56.56 %. The Company recorded a Net Profit (PAT) of ₹ 140.65 lakhs Profit After Tax (PAT) during FY 2022-23, a reduction from ₹658.89 Lakhs during FY 2021-22, i.e. a reduction of ₹ 518.24 Lacs in value which is 78.65% reduction over the previous FY.

Further, during the year under review, the turnover of the Company has been drastically reduced by 56.56% in comparison to the previous year. Similarly, the PAT of the Company has also been affected due to the non-allotment of mandate to the Company in West Bengal under Bengal Swasthya Bima Yojna.

Apart from that, the Company had lost various general insurance in spite of sincere efforts businesses due to the Corporate Insolvency Resolution Process (CIRP) of the Parent company - Srei Infrastructure Finance Limited. Your Company is able to maintain its

Quarter on Quarter years and has generated a net profit of [illegible] during the year under review.

In the current year, your Company has started the process of having a tech platform for Tech driven Retail Business Platform. The plan is to roll out the platform in 8 states. This will enable your company to reach out for sale of retail products through tech platform which will boost the reach of the company in a cost-effective way. The plan of going digital is futuristic and in line with the vision of Insurance Regulatory and Development Authority of India (IRDAI) and the Government of India "Insurance for all" by 2047 when India will celebrate 100 Years of Independence to cover every Indian with insurance. As the tech platform has no limitations on expansion will make us add new products as per the requirements of the market and time. The Platform is so flexible that well within our control, we can build as many business channels as we want.

To fulfill the above objectives, your Company is in the process of acquiring experienced resources to match the aspirations of the stakeholders.

Your Company will be able to position itself in one of the digitally progressive and efficient insurance broker in the country.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) OF SREI INFRASTRUCTURE FINANCE LIMITED (SIFL), HOLDING COMPANY OF SREI INSURANCE BROKING PRIVATE LIMITED (SIBPL)

The Reserve Bank of India ('**RBI**') had vide Press Release dated 4th October, 2021 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) ('Press Release') superseded the Board of Directors of Srei Infrastructure Finance Limited ('**SIFL**'), the holding Company of your Company owing to governance concerns and defaults by SIFL in meeting various payment obligations. Mr. Rajneesh Sharma was appointed as the Administrator of SIFL under Section 45-IE (2) of the RBI Act with effect from 4th October 2021 vide the said Press Release.

Thereafter vide an Order dated 8th October 2021 of the Hon'ble NCLT, the application filed by the RBI for initiating the Corporate Insolvency Resolution Process ('**CIRP**') in respect of SIFL was admitted by the Hon'ble National Company Law Tribunal, Kolkata Bench ('**Hon'ble NCLT**') and a Corporate Insolvency Resolution Process was initiated against SIFL and the appointment of Mr. Rajneesh Sharma as the Administrator for SIFL was confirmed.

Thereafter, the Committee of Creditors of SIFL was formed as per the requirements of the Code consisting of their Bankers and other Creditors. Accordingly, SIFL, the Holding Company is undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator of SIFL is to perform the duties of the Resolution Professional under the Code.

The Administrator of SIFL had filed an application under Section 30(6) of the Code for the submission of resolution plan of NARCL as approved by CoC with the Hon'ble National Company Law Tribunal (NCLT), Kolkata on February 18, 2023, the response of the same is [illegible] Company is [illegible] Insurance Broking Services of the Infrastructure [illegible]

DIVIDEND

The Board of Directors has not recommended dividend for the Financial Year 2022-23 owing to reduced profits / business volumes during 2022-23 and to conserve capital for the future business of the Company. Hence, it has been decided to transfer the entire profit of the year to the Reserve & Surplus to take care of the future cost required for the expansion and technology adoption in the interest of the Company.

TRANSFER TO RESERVES

Your Company is not statutorily required to transfer any amount to the General Reserve, as no dividend has been recommended for the financial year 2022-23.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no change in the nature of business carried out by the Company.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2023 was ₹ 5,00,00,000/- divided into 50,00,000 Equity Shares of ₹ 10/- each. During the year under review, the Company has not issued any shares.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

Your Company does not have a Subsidiary / Joint Venture / Associate Companies, therefore, the relevant disclosure as required under the Companies Act, 2013 is not provided.

PUBLIC DEPOSITS

During the year under review, your Company has not invited or accepted any Deposits from the Public, covered under Section 73 of the Companies Act, 2013, and The Companies (Acceptance of Deposits) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The disclosure with regard to conservation of energy and technology absorption, as required under the provisions of the Companies Act, 2013, is not applicable to your Company.

During the year under review, there were no foreign exchange earnings and no foreign exchange expenditure by your Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the year under review, since your Company does not trigger any of the limits as specified in Section 135 of the Companies Act, 2013, the provisions relating to CSR is not applicable to your Company, therefore, your Company is not required to make the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

In pursuance of Section 135(9) of the Companies Act, 2013, since amount to be spent on CSR activities by the Company does not exceed ₹50 lakhs, your Company is not required to constitute a CSR Committee. However, the functions of such Committee shall be discharged by the Board of Directors of the Company. The Board of Directors of your Company has formulated the CSR Policy which describes the multiple lines around which the CSR activities of your Company are positioned being education and skill development, social and economic welfare, environmental sustainability and such other activities included in Schedule VII of the Act as may be identified by the Board from time to time.

The total amount available for CSR spending, being 2 (two) per cent of the average net profits of your Company made during the 3 (three) immediately preceding financial years, during the financial year 2022-23 aggregated to ₹8,48,147/-.

During the year under review, your Company looked after certain eligible projects for its CSR spending, however, the Company couldn't arrive to the conclusion. Therefore, the Board of Directors of your Company at its Meeting held on 16th May, 2023 decided to transfer the unspent amount to the Fund specified in Schedule VII of the Companies Act, 2013 within 30th September, 2023.

The disclosures required to be given under Section 135 of the Companies Act, 2013 read with Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given as Annexure 'A' to this report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

DIRECTORS

Presently, the Board of Directors of your Company comprises of Four (4) Directors, namely, Mr. Ratnanjan Mandal (DIN: 01129023), Mr. Manoj Kumar (DIN: 06397089), Mr. Umakant Kashinath Bijapur (DIN: 07269181) and Mr. Velaga Satya Surya Sri Krishna Prasad (DIN: 09440894).

During the year under review, Mr. Rajendra Nath Tripathi (DIN: 00090547), retired as Director of your Company at the Twentieth Annual General Meeting of the Company w.e.f. 27th June, 2022. Your Directors placed on records their appreciation for valuable contributions rendered by Mr. Rajendra Nath Tripathi, during his tenure as Director of your Company.

Pursuant to the directions issued by the Administrator of Srei [illegible] (erstwhile [illegible]), the Holding Company of your Company vide letter dated [illegible] December, 2021, Mr. Manoj Kumar (DIN: 06397089), Mr. Umakant Kashinath Bijapur (DIN: 07269181) and Mr. Velaga Satya Surya Sri Krishna Prasad (DIN: 09440894) were appointed as Additional Director(s) (Category: Non-executive Independent Directors) of your Company w.e.f. 13th May, 2022 and hold office as an Additional Director(s) upto the date of the ensuing Annual General Meeting or the last date on which Annual General Meeting should have been held, whichever is earlier. The Board of Directors at their Meeting held on 15th May, 2023 recommends the regularization of the appointment of Mr. Manoj Kumar (DIN: 06397089), Mr. Umakant Kashinath Bijapur (DIN: 07269181) and Mr. Velaga Satya Surya Sri Krishna Prasad (DIN: 09440894) as Director(s) of the Company at the ensuing Annual General Meeting of the Company.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and pursuant to the Articles of Association of your Company, Mr. Ratiranjan Mandal (DIN: 01129023), Director of your Company, retires by rotation at the ensuing Annual General Meeting. The Board, therefore, recommends the re-appointment of Mr. Ratiranjan Mandal (DIN: 01129023) as a Director of your Company.

KEY MANAGERIAL PERSONNEL

As per the provisions of Section 203 of the Companies Act, 2013, ("the Act") read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company and every other Public Company, having a paid up share capital of Ten Crore Rupees or more, shall have Whole-Time Key Managerial Personnel (KMPs), namely; (i) Managing Director, or Chief Executive Officer, or Manager and in their absence, a Whole-time Director; (ii) Company Secretary and (iii) Chief Financial Officer.

During the year under review, Ms. Vibha Agarwal continues to be the Chief Executive Officer (CEO) and Mr. Gajendra Kumar Singh continues to be the Company Secretary of your Company.

MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at regular intervals to discuss and decide on Company's business operations and strategy apart from other Board business. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions through circulation, as permitted by the Companies Act, 2013, which are confirmed / noted in the subsequent Meeting of the Board of Directors of the Company.

During the Financial Year 2022-23, Six (6) Meetings of the Board of Directors of the Company were held on 28th April, 2022, 13th June, 2022, 5th August, 2022, 14th September, 2022, 10th November, 2022 and 4th February, 2023. The maximum time gap between any two consecutive meetings did not exceed 120 days. The presence of Directors at such Meetings is as follows:

Name of Directors	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Rajendra Nath Tripathi*	[illegible]	2
Mr. Ratiranjan Mandal	6	6
Mr. Manoj Kumar	5	5
Mr. Velaga Satya Surya Sri Krishna Prasad	5	5
Mr. Umakant Kashinath Bijapur	5	5

**Mr. Rajendra Nath Tripathi ceased as Director of the Company w.e.f. [illegible]*

AUDIT COMMITTEE

The Board of Directors vide resolution passed at the 92nd Meeting of the Board of Directors of the Company held on 14th September, 2022, constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013, to review the accounts of the Company on Quarterly basis, the members of which are as follows:

Sl. No.	Name of Members	Designation
1.	Mr. Ratiranjan Mandal	Chairman
2.	Mr. Umakant Kashinath Bijapur	Member
3.	Mr. Velaga Satya Surya Sri Krishna Prasad	Member
4.	Company's Internal Auditor	Invitee

Mr. Gajendra Kumar Singh, Company Secretary of the Company, acts as a Secretary to the Committee.

During the Financial Year 2022-23, Two (2) Meetings of Audit Committee of the Board were held, the particulars of which are as under:

Name of Members	No. of Meetings entitled to attend	No. of Meetings attended
Mr. Ratiranjan Mandal	2	2
Mr. Velaga Satya Surya Sri Krishna Prasad	2	2
Mr. Umakant Kashinath Bijapur	2	2

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The provisions with regard to establishment of vigil mechanism for Directors and Employees are not applicable to your Company.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company has complied with all applicable provisions of the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) on Board Meetings and General Meetings.

PARTICULARS OF EMPLOYEES

None of the employees of your Company is in receipt of remuneration which requires disclosure pursuant to the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not granted any loan or made any investment or given any guarantee under Section 186 of the Companies Act, 2013, therefore, the required disclosure is not required to be given by your Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Since all related party transactions entered into by the Company during the financial year 2022-23 were in ordinary course of Business and were on an arm's length basis, hence, Form AOC-2 is not applicable to your Company.

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

There are no material changes and commitments affecting the financial position of your Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the Financial Year 2022-23, no significant and material orders have been passed by regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to providing an environment which is free of discrimination, intimidation and abuse. The Company is guided under the policy framed under Sexual

Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 for the Group as a whole. No complaint is received during the year ended 31st March, 2023.

MAINTENANCE OF COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 during the financial year ended on 31st March, 2023.

INTERNAL FINANCIAL CONTROL

Your Company has an Internal Financial Control System, commensurate with the nature of its business and the size and complexity of its operations. The Company's system of Internal Financial Control has been designed to provide reasonable assurance with regard to internal procedures for ensuring the orderly and efficient conduct of business, maintaining proper accounting controls, protecting and safeguarding assets from unauthorized use or losses, prevention and detection of frauds and errors, compliance with regulations and for ensuring timely preparation of reliable financial information.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis; and

(e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITORS REPORT

On the recommendation of the Board of Directors of your Company, the Members at their Annual General Meeting held on 5th July, 2019, appointed M/s. J K V S & Co., Chartered Accountants, Kolkata having Registration No. 318086E allotted by The Institute of Chartered Accountants of India (ICAI), as Statutory Auditors of the Company for a term of Five (5)

Years, who shall hold the office until the conclusion of the 22nd Annual General Meeting of the Company, in accordance with Section 139(1), and other applicable provisions, if any, of the Companies Act, 2013.

As regards observations contained in the Auditors' Report, the respective notes to the accounts are self-explanatory and, therefore, do not call for further comments.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude, the cooperation and contribution made by the Company's Bankers, Customers, Associates, and Shareholders for their continued active support and cooperation.

Your Directors also wish to place on record its sincere appreciation for the wholehearted and dedicated services rendered by employees at all levels during the year under review and look forward to their continued cooperation in realization of the corporate goals in the years ahead.

On behalf of the Board of Directors
For Srei Insurance Broking Private Limited

	Sd/-	Sd/-
	Ratiranjan Mandal	**Umakant Kashinath Bijapur**
Place: Kolkata	**Director**	**Director**
Date: 16.05.2023	**DIN: 01129023**	**DIN: 07269181**

ANNEXURE A : ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2022-2023

(Ref. Board's Report, Section: Corporate Social Responsibility)

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

   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.

   Your Company had an approved Corporate Social Responsibility (CSR) Policy in place. The Policy inter-alia outlines the Company's approach to CSR, CSR Thrust areas, Role of CSR Committee, if any, CSR Reporting mechanism, aligned with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013.

2. **Composition of CSR Committee**

   As per Section 135(9) of the Companies Act, 2013 read with relevant Rules made thereunder, where the amount to be spent by a Company on CSR activities does not exceed fifty lakhs rupees, the requirement for the constitution of the CSR Committee shall not be applicable and the functions of such committee in such cases, be discharged by the Board of Directors of such Company.

   Since, the amount to be spent on CSR activities by the Company during the F.Y. 2022-23 was ₹ 8.48 Lacs, i.e. less than ₹ 50 lacs, your Company was not required to constitute CSR Committee and hence all the functions of such Committee was discharged by the Board.

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company**

   Not Applicable.

4. **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. (a) **Average Net Profit of the Company as per sub-section (5) of Section 135:** ₹ 4,24,07,084
(b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** ₹ 8,48,142
(c) **Surplus arising out of the CSR Projects or programmes or activities of the previous financial years:** Nil
(d) **Amount required to be set-off for the financial year, if any:** Nil
(e) **Total CSR obligation for the financial year [(b) + (c) – (d)]:** ₹ 8,48,142

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** Nil
(b) **Amount spent in Administrative overheads:** Nil
(c) **Amount spent on Impact Assessment, if applicable:** Not Applicable
(d) **Total amount spent for the Financial Year [(a) + (b) + (c)]:** Nil
(e) **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 sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Nil	Nil		Will be transferred on or before 30th September, 2023		

(f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Crores)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	Not Applicable
(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)]**	

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6		7	8
Sl. No.	**Preceding financial year**	**Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)**	**Balance amount in Unspent CSR Account under sub-section (6) of Section 135 (in ₹)**	**Amount spent in the financial year (in ₹)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any**		**Amount remaining to be spent in succeeding Financial Year (in ₹)**	**Deficiency, if any**
					Amount	**Date of Transfer**		
(i)	2022-23	Nil	Nil	Nil	Will be transferred on or before 30th September, 2023.		Not Applicable	Not Applicable
(ii)	2021-22	Not Applicable						
(iii)	2020-21	Not Applicable						

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

If yes, enter the number of Capital assets created / acquired: Nil

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

1	2	3	4	5	6		
Sl. No.	**Short particulars of the property or asset(s) [including complete address and location of the property]**	**Pin code of the property asset(s)**	**Date of creation**	**Amount of CSR amount spent**	**Details of entity / Authority / beneficiary of the registered owner**		
					CSR Registration Number, if applicable	**Name**	**Registered address**
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no., house no., Municipal Office / Municipal Corporation / Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135:**

During the financial year 2022-23, your Company looked after certain eligible projects for its CSR spending, however, the Company couldn't arrive to the conclusion. **The total amount available for CSR spending, being 2 (two) per cent of the average net profits of your Company made during the 3 (three) immediately preceding financial years, during the financial year 2022-23 aggregated to ₹8,48,142/- (Rupees Eight Lakhs Forty Eight Thousand One Hundred and Forty Two only).**

Therefore, the Board of Directors of your Company at its Meeting held on 16th May, 2023, decided to transfer the unspent amount to the Fund specified in Schedule VII of the Companies Act, 2013, within 30th September, 2023.

For and on behalf of the Board of Directors

	Sd/-	Sd/-
Place: Kolkata	**Ratiranjan Mandal**	Umakant Kashinath Bijapur
Date: 16.05.2023	**Director**	Director
	DIN: 01129023	DIN: 07269181

J K V S & CO
Chartered Accountants

5A, Nandalal Jew Road, Kolkata 700026 (India)   Phone: [illegible] E-mail: [illegible]

INDEPENDENT AUDITOR'S REPORT

To the Members of SREI Insurance Broking Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SREI Insurance Broking Private Limited** ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management'sand Board of Directors' Responsibilities for theInd AS Financial Statements

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of state of affairs, the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical

...all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in Agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;

(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) The Company being a Private Limited Company, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023.

(h) 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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financials positions as on 31st March 2023.

ii. The Company does not have any on long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 persons or entities, 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;

(b) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entities, 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

(c) Based on our audit procedures conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph (2)(h)(iv)(a) & (b) above, contain any material misstatement.

(v) The interim dividend declared and paid by the company are in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

For J K V S & CO
Chartered Accountants
Firm's Registration No. 318086E

Sd/-

Supriti Ghatak
Partner
Membership No. 051889
UDIN: 23051889BGTLZK7467

Date:15th May, 2023
Place: Kolkata

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SREI Insurance Broking Private Limited of even date)

i. In respect of the Company's fixed assets:

(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 verification to cover all the items of fixed assets in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company is not holding any immovable property. Hence, paragraph 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has not revalued its property, plant and equipment and intangible assets during the year.

(e) There are no proceedings initiated or pending against the company for holding any benami property under the Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.

ii. The company is a service company, primarily rendering insurance auxiliary-General Insurance services. Accordingly, it does not hold any physical inventory. Hence, paragraph 3(ii) of the Order is not applicable.

iii. The Company has not made any investments in, provided any security or guarantee or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms and limited liability partnership or any other parties. Accordingly, reporting under clause 3(iii)(a) to (f) of the Order are not applicable to the company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments made during the year.

v. According to the information and explanation given to us, the Company has not accepted deposits from public within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the company is not required to maintain cost records as specified under section 148(1) of the Act in respect of its services.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee's State Insurance, Income Tax, Customs Duty, Cess, professional tax and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs which have not been deposited on account of any dispute as at March 31, 2023

viii. [illegible]

ix. The Company did not have any outstanding loans or borrowings from financial institutions, banks or government or dues to debenture holders during the year. Accordingly, the provisions of clause 3(ix)(a) to (f) of the Order are not applicable.

x. (a) In our opinion and according to the information and explanation given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans.

(b) In our opinion and according to the information and explanation given to us, the Company has not made any preferential allotment or private allotment of share or convertible debentures during the year.

xi. (a) To the best of our knowledge and information and explanation given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanation & representation made by the management, no whistle-blower complaint has been received during the year by the Company.

xii. The Company is not a Nidhi Company and hence, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. The provisions of Internal Audit is not applicable to the Company as per section 138 of the Companies Act, 2013. Accordingly, the provisions of clause 3(xiv)(a) and (b) of the order are not applicable to the company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation given to us, the Group has one CIC as part of the Group.

xvii. In our opinion and according to the information and explanations provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, provisions of clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. The provisions related to Corporate Social Responsibility u/s 135 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the provisions of clause 3(xx)(a) and (b) of the order are not applicable to the company.

For J K V S & CO
Chartered Accountants
Firm's Registration No. 318086E

Sd/-
Supriyo Ghatak
Partner
Membership No. 051889
UDIN: 23051889BGTLZK7467

Date: 15th May, 2023
Place: Kolkata

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SREI Insurance Broking Private Limited of even date)

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")

Opinion

We have audited the internal financial controls with reference to financial statements of **SREI Insurance Broking Private** Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company is 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 issued by the Institute of Chartered Accountants of India. 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 respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

J K V S & CO
Chartered Accountants

Contd.

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 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.

Limitations of Internal Financial Controlswith Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For J K V S & CO
Chartered Accountants
Firm's Registration No. 318086E

Sd/-
Suprio Ghatak
Partner
Membership No. 051889
UDIN: 23051889BGTLZK7467

Date : : 15th May, 2023
Place: Kolkata

SREI INSURANCE BROKING PRIVATE LIMITED

CIN U67120WB2002PTC095019

Balance Sheet as at March 31, 2023

(Rs In Lakhs)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I.	**ASSETS**			
	Non-Current Assets			
	(a) Property, Plant and Equipment	2	0.53	1.82
	(b) Intangible Assets	3	-	-
	(c) Financial Assets			
	(i) Other financial assets	4	50.00	50.00
	(d) Deferred Tax Assets (Net)	5	19.38	15.19
	(e) Other Non Current Tax Assets (Net)	6	133.16	-
	Current Assets			
	(a) Financial Assets			
	(i) Investments	7	1,015.73	537.30
	(ii) Other financial assets	8	0.01	-
	(iii) Trade Receivables	9	262.07	346.41
	(iv) Cash and Cash Equivalents	10	[illegible]	35.28
	(b) Other Current Assets	11	40.75	473.58
	Total Assets		**1,532.06**	**1,514.66**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share capital	12	500.00	500.00
	(b) Other Equity	13	939.59	903.65
			1,439.59	**1,403.65**
	LIABILITIES			
	Non-Current Liabilities			
	(a) Provisions	14	7.00	27.58
	(b) Other Non Current Tax Liability (Net)	15	-	0.01
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade Payable	16		
	- Due to Micro and Small Enterprises		-	-
	- Due to Others		50.07	9.55
	(ii) Other Financial Liabilities	17	15.00	38.53
	(b) Other Current Liabilities	18	19.33	33.69
	(c) Provisions	14	1.07	1.65
	Total Equity and Liabilities		**1,532.06**	**1,514.66**

The Accompanying Notes are an Integral part of the Financial Statements

As per our report of even date Annexed.

For J K V S & Co.

Chartered Accountants

Firm Registration No 318086E

For and on behalf of the Board of Directors

Sd/-

Suprio Ghatak

Membership No 064989

Sd/-

Ratiranjan Mandal

Director

Place: Kolkata

DIN: 01129023

Sd/-

Umakant Kashinath Bijapur

Director

Place: Kolkata

DIN: 07269181

Place : Kolkata

Date : 15th May, 2023

Sd/-

Vibha Agarwal

Chief Executive Officer

Sd/-

Gajendra Kr.Singh

Company Secretary

SREI INSURANCE BROKING PRIVATE LIMITED
CIN U67120WB2002PTC095019

Statement of Profit and Loss for the year ended March 31, 2023

(Rs.in Lakhs)

	Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
(I)	Revenue from Operations	19	773.40	1,924.59
(II)	Other Income	20	77.24	34.02
(III)	**Total Income**		**850.64**	**1,958.61**
(IV)	**Expenses**			
	(a) Employee benefits expense	21	290.30	389.20
	(b) Depreciation and Amortisation expense	22	1.29	1.36
	(c) Other Expenses	23	375.07	709.02
	Total Expenses		**666.66**	**1,099.58**
(V)	**Profit Before Exceptional Items and Tax (III-IV)**		184.98	859.03
(VI)	Exceptional Items		-	-
(VII)	**Profit Before Tax (V-VI)**		**184.98**	**859.03**
(VIII)	**Tax Expense**			
	(a) Current Tax		46.52	210.83
	Less: MAT Credit Entitlement		-	-
	(b) Income tax relating to earlier years		-	(7.37)
	Net Current Tax		46.52	203.46
	(c) Deferred Tax	5	(2.19)	(3.32)
	Total Tax Expense		**44.33**	**200.14**
(IX)	**Profit For The Year (VII-VIII)**		**140.65**	**658.89**
(X)	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		(4.71)	(5.29)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Other Comprehensive Income (X)		**(4.71)**	**(5.29)**
(XI)	**Total Comprehensive Income for the period (IX+X)**		**135.94**	**653.60**
(XII)	**Earnings per equity share (Face value of ` 10 each)**	28		
	Basic (Rs.)		**2.81**	**13.18**
	Diluted (Rs.)		**2.81**	**13.18**

The Accompanying Notes are an integral part of the Financial Statements.
As per our report of even date Annexed

For J K V S & Co.
Chartered Accountants
Firm Registration No. 318086E

Sd/-
Suprio Ghatak
Membership No. 051889

For and on behalf of the Board of Directors

Sd/-
Rabiranjan Mandal
Director
Place: Kolkata
DIN: 01129023

Sd/-
Umakant Kashinath Bijapur
Director
Place: Kolkata
DIN: 07269181

Place: Kolkata
Date: 15th May, 2023

Sd/-
Vibha Agarwal
Chief Executive Officer

Sd/-
Gajendra Kr.Singh
Company Secretary

SREI INSURANCE BROKING PRIVATE LIMITED
CIN: U67120WB2002PTC095019

Statement of Cash Flow for the year ended March 31, 2023

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A. Cash Flows from Operating Activities		
Profit Before Tax	184.98	859.00
Adjustment for :		
Depreciation and Amortization Expense	1.29	1.35
Doubtful and Bad Debts, Advances, Loans and Deposits	3.46	0.29
Bad debts written off (net of recovery)	-	1.46
Profit on Investment in Scheme of Mutual Fund	(24.49)	(9.37)
Net Gain on Investments Carried at Fair Value through PL (FVTPL)	(49.87)	(14.01)
Interest Income	(2.70)	(3.41)
Interest Income on Income Tax Refund	(0.14)	(9.14)
Operating profit before working capital changes	**112.48**	**826.20**
Changes in working capital :		
(Increase) / Decrease in Trade Receivables, Loans, Advances and Other Assets	518.37	(478.80)
Increase / (Decrease) in Trade Payables, Other Liabilities and Provisions	(27.26)	(19.86)
Cash generated/(used) in operations	**603.59**	**328.45**
Income Tax Paid (Net)	(181.54)	(126.06)
Net Cash used in Operating Activities	**422.05**	**202.39**
B. Cash flows from Investing Activities		
Investment in Mutual Fund	(1,265.00)	(750.00)
Advance for Mutual Fund Investment	-	(100.00)
Proceeds from sale of Investment in Mutual Fund	911.00	645.00
Interest Received	2.70	3.41
Net Cash used in Investing Activities	**(351.30)**	**(201.59)**
C. Cash Flows from Financing Activities		
Dividend Paid (including Corporate Dividend Tax)	(100.00)	-
Net Cash generated from Financing Activities	**(100.00)**	**-**
Net Increase / (Decrease) in Cash and Cash Equivalents	**(29.25)**	**0.80**
Cash & Cash Equivalents at the beginning of the year	**38.28**	**37.48**
Cash and Cash Equivalents at the end of the period	**9.03**	**38.28**

Note:
1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statements of Cash Flow".
2) Components of Cash and Cash Equivalents:

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
In Current Account	9.03	38.28
	9.03	38.28

The Accompanying Notes are an integral part of the Financial Statements.
As per our report of even date Annexed.

For J K V S & Co
Chartered Accountants
Firm Registration No 318086E

Sd/-
Supriyo Ghatak
Partner
Membership No. 061859

Place : Kolkata
Date : 15th May, 2023

For and on behalf of the Board of Directors

Sd/-
Ratnaranjan Mandal
Director
Place: Kolkata
DIN: 01129023

Sd/-
Umakant Kashinath Bijapur
Director
Place: Kolkata
DIN: 07269181

Sd/-
Vibha Agarwal
Chief Executive Officer

Sd/-
Gajendra Kr Singh
Company Secretary

SREI INSURANCE BROKING PRIVATE LIMITED
CIN: U67120WB2002PTC095019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. Equity Share Capital

(1) Current reporting period

(Rs. in lakhs)

Particulars	Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year*	Balance as at March 31, 2023
Equity Share Capital	500.00	-	500.00	-	500.00

(2) Previous reporting period

(Rs. in lakhs)

Particulars	Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year*	Balance as at March 31, 2022
Equity Share Capital	500.00	-	500.00	-	500.00

B. Other Equity

(Rs. in Lakhs)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at the April 1, 2021	250.05	250.05
Profit for the year	658.89	658.89
Other Comprehensive Income (net of tax)	(5.29)	(5.29)
Balance as at March 31, 2022	903.65	903.65
Balance as at the April 1, 2022	903.65	903.65
Profit for the year	140.65	140.65
Other Comprehensive Income (net of tax)	(4.71)	(4.71)
Dividend & Corporate Dividend Tax	(100.00)	-
Balance as at March 31, 2023	939.59	1,039.59

Retained Earnings:
This reserve represents the cumulative profits of the Company. It can be utilised in accordance with the provisions of the Companies Act, 2013

The Accompanying Notes are an integral part of the Financial Statements

For J K V S & Co.
Chartered Accountants
Firm Registration No 318086E

Sd/-
Supriyo Ghatak
Partner
Membership No. 051889

For and on behalf of the Board of Directors

Sd/-
Rabinarayan Mandal
Director
Place: Kolkata
DIN: 01129023

Sd/-
Umakant Kashinath Bijapur
Director
Place: Kolkata
DIN: 07269181

Sd/-
Vibha Agarwal
Chief Executive Officer

Sd/-
Gajendra Kr. Singh
Company Secretary

Place: Kolkata
Date: 15th May 2023

SREI INSURANCE BROKING PRIVATE LIMITED

1. Company Overview and Significant Accounting Policies

(A) Corporate Information

Srei Insurance Broking Private Limited (the "Company") is a public limited company domiciled and incorporated in India. The Registered Office of the Company is at 'Vishwakarma Building', 86C, Topsia Road (South), Kolkata -700046. The Company is a composite insurance broker, licensed by the Insurance Regulatory Development Authority (IRDA) to act as a Direct Broker and a Reinsurance Broker in both the Life and Non-Life Insurance sectors

(B) Recent Accounting Developments

• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law

(C) Significant Accounting Policies

a) **Statement of Compliance**

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), guidelines issued by the Securities and Exchange Board of India (SEBI), other relevant provisions of the Act and other accounting principles generally accepted in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Ministry of Corporate Affairs (MCA) has issued certain amendments in existing Accounting Standards which are effective from July 24, 2020

A. Ind AS 103 (Business Combinations): Defined "business" in more detail, an optional test to identify concentration of fair value, element of Businesses and Assessing whether an acquired process is substantive.

B. Ind AS 107 (Financial Instruments: Disclosures): Disclosures for uncertainty arising from interest rate benchmark reform.

C. Ind AS 109 (Financial Instruments): Temporary exceptions from applying specific hedge accounting requirements

D. Ind AS 116 (Leases): Due to the pandemic COVID- 19 – Related Rent concession, a clarification has been provided on accounting of Rent concessions, whether to treat as a lease modification or not.

E. Ind AS 1 and Ind AS 8 (Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors): Change/modification in the definition of "Material".

F. Ind AS 10 (Events after the Reporting Period): Definition for non – adjusting events and its effective date of application.

G. Ind AS 34 (Interim Financial Reporting): Consequential of the above amendments.

H. Ind AS 37 (Provisions, Contingent Liabilities and Contingent Assets), Consequential amendment and accounting of restructuring plan

The amendments listed did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current and future periods

1.1. Basis of Preparation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of operations and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The preparation of financial statements require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues 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 1.16- Critical accounting judgements and key sources of estimation uncertainty

The management believes that the estimates used in preparation of 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.

Comparative information has been restated to accord with changes in presentations made in the current year, except where otherwise stated.

These Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal lakhs except otherwise stated.

1.2. Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. For the company, there is generally no clearly identifiable normal operating cycle and hence the normal operating for the company is assumed to have duration of 12 months.

1.3. Revenue

Income from insurance commission is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Interest Income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable.

1.4. Leasing

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as non-cancellable period of a lease, together with both the periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the company is certain not to exercise that option. In assessing whether the company is reasonably certain to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The company revises the lease term if there is a change in the non-cancellable period of a lease

1.5. Foreign Currency Transactions

The financial statements are presented in Indian Rupee (INR) in lakhs, the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the Company operates.

Non-Financial Instruments - foreign currency translation policy:

Initially foreign currency transactions are recorded at the rates of exchange prevailing at the dates of the respective transactions. 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

Financial Assets - foreign Exchange Gains and Losses:

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 other comprehensive income.

Financial Liabilities - Foreign Exchange Gains and Losses:

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

1.6. Borrowing Cost

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, finance charges in respect of assets acquired on finance lease. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 the statement of profit and loss in the period in which they are incurred.

1.7. Employee Benefits

Defined Contribution Plans

Company's contributions towards Regional Provident Fund with respect to employees, paid/payable during the period to the Provident Fund Authority, are charged to the Statement of Profit and Loss. Contributions to Employees State Insurance Corporation are charged to the Statement of Profit and Loss.

Defined Benefit Plans:

Company's liabilities towards Gratuity and Leave benefits are defined benefit plans. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

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 in which related service is rendered. 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.

1.8. Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are initially recognised at cost together with borrowing cost capitalized for qualifying assets. 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 impairment, if any.

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.

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 sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

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.

Estimated useful life of the assets determined is as under:

- Furniture and Fixtures- 10 years
- Computers- 3 to 6 years
- Office equipment- 5 years

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.

Freehold Land is not depreciated.

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

1.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives of 2-6 years.

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.

1.10. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

1.11. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

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

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 fair value through profit or loss) 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 fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement:

(i) Financial Assets
Financial Assets carried at Amortised Cost (AC):
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.

Financial Assets at Fair Value through Other Comprehensive Income (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 not held for trading 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 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 investments 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 Other Comprehensive Income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial Assets at Fair Value through Profit or Loss (FVTPL):
A financial asset which is not classified in any of the above categories are 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 as 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.

Impairment of Financial Assets:
Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and FVTOCI at each reporting date based on evidence or information that is available without undue cost or effort.

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

In case of debt instruments measured at FVTOCI, the loss allowance shall be recognised in other comprehensive income with a corresponding effect to the profit or loss and not reduced from the carrying amount of the financial asset in the balance sheet. In case of such instrument, amount recognized in the statement of profit and loss are the same as the amount would have been recognized in case the debt instrument is measured at amortised cost.

No Expected credit losses are 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 lifetime expected credit losses taking into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of Financial Assets:

The Company derecognizes 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 recognized in the statement of profit and loss

b)for financial assets measured at fair value through other comprehensive income, 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

(ii)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
Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new 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.

Off-setting of financial instruments
Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when 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 asset and settle the liability simultaneously backed by past practice.

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 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability.

Expected Credit Loss
Expected credit loss (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.

1.12. Taxes on Income
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 by the end of the reporting period.

Deferred tax
The Company's deferred tax is calculated using tax rate that are substantially 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.

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 other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.13. Claims
Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.14. Provisions
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.

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 recognized 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 recognized because it cannot be measured reliably. Company does not recognize contingent liability but discloses its existence in the financial statements

Contingent Assets

Contingent assets are not recognized in the financial statement, but are disclosed where an inflow of economic benefits is probable.

1.15. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee. Based on such the Company operates in one operating segment, viz. Composite Insurance Broking Services.

1.16. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. Refer Note 2.5 to the financial statements

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) **Useful lives of property, plant and equipment and intangible assets:**

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period

ii) **Fair value measurements and valuation processes:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Fair value measurements 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.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements

iii) **Actuarial Valuation:**
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iv) **Claims, Provisions and Contingent Liabilities:**
Any litigation where an outflow of funds is believed to be probable and are liable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

v) **Impairment of Financial Assets:**
The Company assesses impairment based on expected credit losses (ECL) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date the historically observed default rates are updated.

1.17. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue

1.18. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

2 Property, Plant and Equipment

(Rs.In Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2022	Additions	Disposals and other adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation/ amortisation Charge	Disposals and other adjustments	As at March 31, 2023	As at March 31, 2023
Furniture & Fittings	7.89	-	-	7.89	6.16	1.23	-	7.39	0.50
Computer	1.93	-	-	1.93	1.84	0.06	-	1.90	0.03
Office Equipment	1.57	-	-	1.57	1.57	-	-	1.57	-
Total Tangible assets	11.39	-	-	11.39	9.57	1.29	-	10.86	0.53

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2021	Additions	Disposals and other adjustments	As at 31st March, 2022	As at April 01, 2021	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2022	As at 31st March, 2022
Furniture & Fittings	7.89	-	-	7.89	4.93	1.23	-	6.16	1.73
Computer	1.93	-	-	1.93	1.78	0.06	-	1.84	0.09
Office Equipment	1.57	-	-	1.57	1.57	-	-	1.57	-
Total Tangible assets	11.39	-	-	11.39	8.28	1.29	-	9.57	1.61

2.i) The Company has not revalued its Property,Plant and Equipment based on the valuation by Registered Valuer as defined under Rule 2 of the Companies (Registered Valuers and Valuation) Rules,2017

3 Intangible Assets

(Rs.In Lakhs)

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2022	Additions	Disposals and other adjustments	As at March 31, 2023	As at April 01, 2022	Depreciation/ amortisation Charge	Disposals and other adjustments	As at March 31, 2023	As at March 31, 2023
I. Intangible Assets									
Computer software	2.93	-	-	2.93	2.93	-	-	2.93	-
Total Intangible assets	2.93	-	-	2.93	2.93	-	-	2.93	-

Particulars	Gross block				Depreciation/ amortisation/ impairment				Net book value
	As at April 01, 2021	Additions	Disposals and other adjustments	As at 31st March, 2022	As at April 01, 2021	Depreciation/ amortisation Charge	Disposals and other adjustments	As at 31st March, 2022	As at 31st March, 2022
I. Intangible Assets									
Computer software	2.93	-	-	2.93	2.87	0.06	-	2.93	0.00
Total Intangible assets	2.93	-	-	2.93	2.87	0.06	-	2.93	0.00

4 Other financial assets (non-current)

(Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2021
Bank deposits with more than 12 months maturity	50.00	50.00
Total	**50.00**	**50.00**

5 Deferred Tax Assets (Net)

(Rs.In Lakhs)

Particulars	As at April 1, 2022	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in OCI	As at March 31, 2023
Deferred Tax Assets				
Provisions	3.35	(2.56)	-	5.91
MAT Credit Entitlement	-	-	-	-
Disallowances u/s 43B of IT Act	4.32	(1.51)	-	5.83
Unabsorbed Depreciation & Bought Forward Loss	-	-	-	-
Total	7.67	(4.07)	-	11.74
Deferred Tax Liabilities				
Property, Plant and equipment and intangible assets	(1.14)	0.12		(1.26)
Fair Valuation of Investment / Securities	(6.38)	-		(6.38)
Total	(7.52)	0.12	-	(7.64)
Net deferred tax assets/(liabilities)	**15.19**	**(4.19)**	-	**19.38**

(Rs.In Lakhs)

Particulars	Balance as at April 1,2021	Recognised/ (reversed) in Statement of Profit & Loss	Recognised/ (reversed) in OCI	As at March 31, 2022
Deferred Tax Assets				
Provisions	1.64	(1.71)	-	3.35
MAT Credit Entitlement	-	-	-	-
Disallowances u/s 43B of IT Act	6.34	2.02	-	4.32
Unabsorbed Depreciation & Bought Forward Loss	-	-	-	-
Total	7.98	0.31	-	7.67
Deferred Tax Liabilities				
Property, Plant and equipment and intangible assets	(1.03)	0.11		(1.14)
Other Timing Differences	(2.86)	3.52		(6.38)
Total	(3.89)	3.63	-	(7.52)
Net deferred tax assets/(liabilities)	**11.87**	**(3.32)**	-	**15.19**

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

6 Other Non Current Tax Assets (Net)

(Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax & TDS receivable	181.80	-
Less : Provision for income tax	(48.68)	-
Total	133.16	-

7 Investment-Current

(Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in Mutual Funds		
Investments in Scheme of Mutual Funds in Axis Mutual Fund - Current Investments - 18718.285 units @ Rs 2288.5724 (PSU Debt Fund - D/Growth) (Previous Year - 26141.740 units @ Rs 2187.0367)	428.38	571.73
Investments in Scheme of Mutual Funds in ICICI Prudential Mutual Fund - Current Investments - 20032.209 units @ Rs 323.8271 (Money Market Fund-D/Growth) Investments - 4999750.000 units @ Rs 10.0098 (FMP-Series 88-DP Growth) (Previous Year - 5059.751 units @ Rs 305.8043) (Money Market Fund-D/Growth)	587.35	15.65
Total	1,016.73	587.38

8 Other Financial Assets

(Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest Accrued but not due on Fixed Deposits	0.61	-
Total	0.61	-

9 Trade Receivables

Trade Receivables ageing schedule as at March 31, 2023 (Rs.In Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	Total
Unsecured						
(i) Undisputed Trade receivables - considered good	90.61	182.45	-	-	-	273.06
(ii) Undisputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables -Credit impaired	(0.55)	(9.54)	-	-	-	(10.19)
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
	90.06	172.81	-	-	-	262.87
Unbilled dues	-	-	-	-	-	
Total	90.06	172.81	-	-	-	262.87

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

9 Trade Receivables ageing schedule as at March 31, 2022 (Rs.in Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 year	2-3 year	More than 3 year	Total
Unsecured						
(i) Undisputed Trade receivables - considered good	354.71	0.45	-	-	-	355.20
(ii) Undisputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables -Credit impaired	(6.33)	(0.46)	-	-	-	(6.79)
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables -Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired			-	-	-	-
	348.38	0.03	-	-	-	348.41
Unbilled dues	-	-	-	-	-	
Total	348.38	0.03	-	-	-	348.41

i) In determining the allowances for credit losses, 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 Company measures the loss allowance at an amount higher of lifetime expected credit losses taking into account historical credit loss experience (adjusted for forward-looking information) and Income Recognition and Assets Classification norms of RBI compared on individual bucket basis.

ii) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

10 Cash and Cash Equivalents

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	-	-
Balances with Banks - in Current Account	9.03	38.28
Total	9.03	38.28

11 Other Current Assets

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	5.49	6.82
GST Input credit	3.15	83.73
Advance for Investment in Mutual Fund	-	100.00
Advance to vendors	16.00	273.25
Advance employee benefits - Gratuity	3.26	-
Advance to employees	12.77	7.75
Total	40.75	473.58

12 Equity Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	(Rs.In Lakhs)	Number	(Rs.In Lakhs)
Authorised				
Equity Shares of Rs. 10 each	50,00,000	500.00	50,00,000	500.00
	50,00,000	500.00	50,00,000	500.00
Issued, Subscribed & Paid up				
Equity Shares of Rs. 10 each fully paid up	50,00,000	500.00	50,00,000	500.00
Total	50,00,000	500.00	50,00,000	500.00

12.1 **The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:**

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. Dividend, if declared by the Company is paid in Indian Rupees. The dividend proposed by the Board of Directors 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 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.

12.2 Equity shares issued/bought back during the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	(Rs.In Lakhs)	Number	(Rs.In Lakhs)
Shares outstanding at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,00,000	500.00	50,00,000	500.00

12.3 Details of Shares held by Holding/Ultimate Holding and/or their Subsidiaries/Associates :-

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited*	50,00,000	100.00	50,00,000	100.00

12.4 Details of shareholder holding more than 5% shares :-

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number	% of Holding	Number	% of Holding
SREI Infrastructure Finance Limited*	50,00,000	100.00	50,00,000	100.00

* Includes 600 Equity Shares held by nominees on behalf of Srei Infrastructure Finance Ltd.

12.5 Declaration & payment of dividend (Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Dividend declared & paid during the year		
Interim dividend for the F.Y 2022-23 [amount Rs.2.00 per share (Previous year Rs.Nil)]	90.00	-
Total dividend paid	90.00	-

13 **Other Equity**

(Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Retained Earnings		
Balance as per last accounts	892.02	333.13
Net Profit/(Loss) for the Year	140.65	558.89
Interim Dividend [amount Rs.2.00 per share (Previous year Rs.Nil)]	90.00	-
Corporate Dividend Tax	10.00	-
Closing Balance	932.67	892.02
b) Other comprehensive income		
Balance as per last accounts	11.63	16.92
Remeasurement of the defined benefit plans	(4.71)	(5.29)
Closing Balance	6.92	11.63
Total (a + b)	939.59	903.65

14 Provisions

(A) Non-Current (Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for gratuity	-	21.29
Provision for compensated absence	7.00	6.20
Total	7.00	27.60

(B) Current (Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for gratuity	-	0.52
Provision for compensated absence	1.07	1.13
Total	1.07	1.65

15 Other Non Current Tax Liability (Net)

(Rs.in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for income tax	-	271.18
Less : Advance Tax & TDS receivable	-	271.17
Total	-	0.01

16 Trade Payables

Trade Payables ageing schedule as at March 31, 2023 (Rs.in Lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 year	More than 3 year	Total
Trade Payables	-	-	-	-
(i) MSME	-	-	-	-
(ii) Others	50.07	-	-	50.07
(iii) Disputed dues (MSMEs) and	-	-	-	-
(iv) Disputed dues (Others)	-	-	-	-
	50.07	-	-	50.07
Unbilled dues	-	-	-	-
Total	50.07	-	-	50.07

Trade Payables ageing schedule as at March 31, 2022 (Rs.in Lakhs)

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1-2 year	More than 3 year	Total
Trade Payables	-	-	-	-
(i) MSME	-	-	-	-
(ii) Others	9.55	-	-	9.55
(iii) Disputed dues (MSMEs) and	-	-	-	-
(iv) Disputed dues (Others)	-	-	-	-
	9.55	-	-	9.55
Unbilled dues	-	-	-	-
Total	9.55	-	-	9.55

Note : The Company is not engaged in business with MSME during the year ended 31st March, 2023.

(A) Due to Micro and Small Enterprises (Rs In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount and interest due thereon remaining unpaid to any supplier	-	-
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	-	-

17 Other Financial Liabilities

(Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities For Expenses	0.13	20.56
Employee Payable	14.87	17.97
Total	**15.00**	**38.53**

18 Other Current Liabilities

(Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory liabilities	19.33	33.69
Total	**19.33**	**33.69**

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

19 Revenue from Operations

(Rs In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Services		
- Professional & Consultancy Fee	-	0.60
Insurance Commission	764.27	1,849.06
Reward Commission	9.13	74.73
Total	**773.40**	**1,924.59**

The Company has presented revenue based on the type of services provided to the customers.
The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

20 **Other Income**

(Rs.In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income comprises interest from:		
- Deposits with banks etc - earned at amortised cost	2.70	3.41
- Income tax refund (from statutory authorities etc.)	0.14	8.14
- Others	0.05	0.09
Profit on Investment in Mutual Fund Scheme	24.48	8.37
Net Gain on Investments Carried at Fair Value through PL (FVTPL)	49.87	14.01
Total	77.24	34.02

21 **Employee benefits expense**

(Rs.In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	255.65	366.20
Contribution to Provident and Other Funds	16.54	16.95
Staff Welfare Expenses	15.11	6.05
Total	**290.30**	**389.20**

22 **Depreciation and amortisation expenses**

(Rs.In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on tangible assets	1.29	1.29
Amortisation of intangible assets	-	0.06
Total	1.29	1.35

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

23 Other Expenses

(Rs.In Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent	18.90	21.49
Repairs and Maintainance	1.72	3.07
Insurance	3.31	1.45
Legal & Professional Fees	10.22	40.88
Travelling and conveyance	49.70	53.32
Communication Expenses	0.89	0.38
Membership & Subscription	0.50	0.57
Business Promotion	4.66	5.35
Advertisement & Publicity	0.42	-
Implementation Agency Expenses	266.34	562.69
Donations - 80G	-	5.00
Conference & Seminar	1.15	-
Employee Training & Education Expenses	0.27	0.58
Director's Sitting Fees	7.80	3.75
Director's Commission	2.46	6.00
Auditor's fees and expenses	1.67	1.71
Bad debts written-off (net of recovery)	-	1.46
Doubtful and bad advances, loans and deposits	3.40	0.29
Miscellaneous expenses	0.64	1.04
Total	**374.07**	**709.03**

24 CAPITAL MANAGEMENT

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains a strong capital base by maximizing shareholders' wealth, safeguarding business continuity and augmenting its internal generations with a judicious use of borrowing facilities to fund spikes in working capital that arise from time to time as well as requirements to finance business growth.

The Company determines the amount of capital required on the basis of annual business plan. The funding needs are met through cash generated from operations, long term and short term borrowings from financial institutions.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 14 offset by cash and cash equivalents in note 9) and total equity of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances).

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(Rs.In Lakhs)

	As at 31.03.2023	As at 31.03.2022
Equity Share Capital	500.00	500.00
Other Equity	939.59	903.65
Total Equity (A)	**1,439.59**	**1,403.65**
Non Current Borrowings	-	-
Gross Debts (B)	-	-
Total Capital (A+B)	**1,439.59**	**1,403.65**
Gross Debt as above	-	-
Less: Cash and Cash Equivalents	9.03	38.28
Less: Other Balances with Bank (including non-current earmarked balances)	50.00	50.00
Net Debt (C)	**(59.03)**	**(88.28)**
Net Debt to Equity	(0.04)	(0.06)

Net debt to equity as at 31.03.2023 and 31.03.2022 has been computed based on average equity.

25 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 1 to the financial statements.

A) Categories of Financial Instruments

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

(Rs In Lakhs)

	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
a) Measured at amortised cost				
i) Cash and cash equivalents	9.03	9.03	38.28	38.28
ii) Other bank balances	50.00	50.00	50.00	50.00
iii) Trade Receivables	262.87	262.87	348.41	348.41
iv) Loans	-	-	-	-
v) Other financial assets	-	-	-	-
Total financial assets	321.90	321.90	436.69	436.69
Financial liabilities				
a) Measured at amortised cost				
i) Payables	50.07	50.07	9.55	9.55
ii) Borrowings	-	-	-	-
iii) Other financial liabilities	15.00	15.00	38.53	38.53
Total financial liabilities	65.07	65.07	48.08	48.08

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.

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 include: cash, cash equivalents, other bank balances, Loans, Trade and Other receivables.

Borrowings measured at amortised cost

The fair values of debts are estimated using a discounted cash flow model based on observable future cash flows based on terms, discounted at a rate that reflects market risks.

Other financial liabilities measured at amortised cost

For other financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value.
Such instruments include: Trade & Other payables.

25 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

B) Financial risk management objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. The current Risk Management System rests on policies and procedures issued by appropriate authorities, internal control systems, process of regular reviews / audits to set appropriate risk limits and controls, monitoring of such risks and compliance confirmation for the same.

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

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).
However the company's exposure to foreign exchange rate fluctuation is not significant as the level of foreign currency transactions are limited. Therefore the company does not hedge its exposure in foreign currency. Unhedged exposure in foreign currency is as under:

Particulars	Currency of exposure	As at 31-3-2023	As at 31-3-2022
Re-insurance premium payable (In Rs. equivalent in Lakh)	USD	-	-

Foreign currency sensitivity

Foreign Currency Sensitivities for unhedged exposure (impact on increase in 0.5%) gain/(loss):

Particulars	Currency of exposure	As at 31-3-2023	As at 31-3-2022
Re-insurance premium payable (In Rs. equivalent in Lakh)	USD	-	-

Note: If the rate is increased by 0.5% profit of the Company will increase by an equal amount.
Figures in brackets indicate decrease in profit.

ii. Interest rate risk

The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The Company manages the risk by maintaining an appropriate mix between fixed and floating rate borrowings. The objectives of the Company's interest rate risk management processes are to lessen the impact of adverse interest rate movements on its earnings and cash flows and to minimise counter party risks.

Interest Rate Exposure (Rs. in lakhs) (Rs.In Lakhs)

	Currency of exposure	As at 31-3-2023	As at 31-3-2022
Financial Liabilities (non current)			
Borrowings	INR	-	-

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Interest Rate Sensitivities for outstanding exposure (impact on increase in 0.25%) gain/(loss):

(Rs In Lakhs)

	Currency of exposure	As at 31-3-2023	As at 31-3-2022
Financial Liabilities (non current)			
Borrowings	INR	-	-

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.

Note: If the rate is increased by 0.25% profit of the Company will decrease by an equal amount. Figures in brackets indicate decrease in profit.

25 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (Contd..)

C) Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all finance driven organisations and can be affected by a range of Company-specific and market-wide events.

The Company mitigates its liquidity risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date

	As at 31-3-2023		As at 31-3-2022	
	Current	Non-Current	Current	Non-Current
A: Financial assets				
(i) Trade Receivables	262.87	-	348.41	-
(ii) Cash and Cash Equivalents	9.03	-	38.28	-
(iii) Other Bank Balance	-	-	-	-
(iv) Loans	-	-	-	-
(v) Other Financial Assets	-	50.00	-	50.00
Total	**271.90**	**50.00**	**386.69**	**50.00**
B: Financial liabilities				
i) Borrowings	-	-	-	-
ii) Trade payables	50.07	-	9.55	-
iii) Other financial liabilities	15.00	-	38.53	-
Total	**65.07**	-	**48.08**	-

D) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations

The Company mitigates its credit risks by ensuring timely collections of its trade receivables and close monitoring of its credit cycle.

26 Disclosure pursuant to Indian Accounting Standard - 19 'Employee Benefits' as notified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.

The Company has recognised, in Statement of Profit and Loss for the year ended 31.03.2023 an amount of Rs.15.94 Lakhs (Previous Year Rs.16.35 Lakhs) as expenses under defined contribution plans.

Defined benefit plans

(A) Gratuity Fund :-

The Employees' Gratuity scheme, Leave benefit scheme, and Sick Leave availment scheme are the Company's defined benefit plans.The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of Independent professionally qualified actuaries, using the projected unit credit method.

All employees who have rendered service for specified period as per the Payment of Gratuity Act, 1972 are entitled for gratuity. The gratuity amount is determined based on the last drawn salary and period of service with the company.

The defined benefit obligations are unfunded and thus the disclosure requirements of plan assets have not been made.

Risk Management
The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of interest rate risk, salary 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 increase 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 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 short career employee typically costs less per year as compared to 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 31.03.2023

26.1 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

(Rs.In Lakhs)

Description	Gratuity (Funded)		Leave	
	As at 31-3-2023	As at 31-3-2022	As at 31-3-2023	As at 31-3-2022
1. Change in the defined benefit obligation				
Present Value of Obligation at the Beginning of the Year	21.60	19.94	1.07	11.57
Current Service Cost	1.65	3.11	2.26	5.11
Interest Cost	0.41	1.09	(0.05)	(0.03)
Employer contributions	(20.00)	-	-	-
Acquisitions Cost/credit	-	-	-	-
Actuarial (gain)/loss	4.71	5.29	3.65	3.38
Benefits paid	(2.07)	(7.62)	(4.81)	(19.36)
Present Value of Obligation at the end of the Year	**(3.25)**	**21.80**	**2.72**	**1.67**
2. Amount recognised in Balance Sheet consists of:				
Fair value of Plan Assets at the end of the Year	-	-	-	-
Present value of Obligation at the end of the Year	(3.25)	21.80	2.72	1.67
(Asset)/Liabilities as per the actuarial valuation	(3.25)	21.80	2.72	1.67
Net (Asset)/Liabilities recognised in the Balance Sheet in respect of defined benefits	(3.25)	21.80	2.72	1.67
3. Expenses recognised in the statement of profit and loss consists of:	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Employee benefits expenses:				
Current Service cost	1.85	3.11	2.26	5.11
Net Interest cost	0.41	1.08	(0.05)	(0.03)
Total [A]	**2.26**	**4.19**	**2.21**	**5.08**
Other Comprehensive Income				
Actuarial (Gain) / Loss from experience adjustments	4.71	5.29	3.65	3.38
Actuarial (Gain) / Loss from financial assumptions	-	-	-	-
Return on plan assets (excluding amounts included in net interest cost)	-	-	-	-
Total [B]	**4.71**	**5.29**	**3.65**	**3.38**
Expense recognised during the year [A+B]	**6.97**	**9.48**	**5.86**	**8.46**

26.2 Particulars in respect of post retirement defined benefit plans of the Company are as follows :-

Description	Gratuity % Invested		Leave % Invested	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
4 Investment Details of Plan Assets	NA	NA	NA	NA
5 Assumptions				
Discount rate per annum	7.20%	7.00%	7.20%	7.00%
Salary escalation rate per annum	7.50%	5.00%	7.50%	5.00%
Best Estimate of Employers' Expected Contributions for the next year	NA	NA	NA	NA
Method used	Projected Unit Credit Method		Projected Unit Credit Method	

SREI INSURANCE BROKING PRIVATE LIMITED

Notes to the Financial statement for the year ended March 31, 2023

26.3 The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.

26.4 Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Particular	Year ended 31.03.2023				Year ended 31.03.2022			
	Gratuity		Leave		Gratuity		Leave	
	%	(Rs.in Lakhs)	%	(Rs.in Lakhs)	%	(Rs.in Lakhs)	%	(Rs.in Lakhs)
Discount Rate + 1%	(9.00)	(246.70)	(9.80)	(25.53)	(9.00)	(2.02)	(10.40)	(17.41)
Discount Rate - 1%	10.20	291.93	11.20	30.38	10.50	2.30	12.10	20.15
Salary Increase Rate + 1%	6.00	165.04	11.00	30.00	5.10	1.10	12.20	20.36
Salary Decrease Rate - 1%	(5.90)	(145.13)	(9.80)	(25.71)	(4.45)	(2.97)	(10.70)	(17.89)

26.5 Maturity Analysis Of The Benefit Payments

Particular	Year ended 31.03.2023		Year ended 31.03.2022	
	Gratuity	Leave	Gratuity	Leave
Year 1	0.62	0.03	0.34	0.04
Year 2	0.95	0.06	0.90	0.04
Year 3	1.01	0.07	0.93	0.05
Year 4	1.10	0.08	0.99	0.06
Year 5	1.04	0.09	1.03	0.06
Next 5 Years	25.17	1.09	3.23	0.41

26.6 Sick Leave Benefit (Unfunded)

S.No	Particulars	Sick Leave Benefit (Unfunded)	
		As at 31 March, 2023	As at 31 March, 2022
	Assets / Liabilities		
1	Projected Benefit Obligation	(5.34)	(5.75)
2	Fair Value of Plan Assets	-	-
3	Current Asset / (Liability)	(1.02)	(1.09)
4	Non Current Asset / (Liability)	(4.47)	(4.66)
	Actuarial Assumptions		
1	Discount Rate	7.20%	7.00%
2	Expected return on plan assets	NA	NA
3	Salary Escalation	7.50%	5.00%

27 Related Party Disclosures

a) Related Parties list

Sl.No	Name of the Company	Country of Origin
A	**Ultimate Holding Company**	
1	Adisri Commercial Private Limited	India
B	**Subsidiary of Ultimate Holding Company**	
1	Sri Factors Private Limited	India
2	Adisri Strategic Advisors Private Limited	India
3	Adisri Leasing Private Limited	India
C	**Holding Company**	
	Srei Infrastructure Finance Limited (SIFL)	India
D	**Fellow Subsidiaries:**	
1	Srei Equipment Finance Limited	India
2	Srei Capital Markets Limited	India
3	Srei Mutual Fund Asset Management Private Limited	India
4	Srei Mutual Fund Trust Private Limited	India
5	Srei Asset Leasing Limited	India
6	Controlla Electrotech Private Limited	India
7	Bengal Srei Infrastructure Development Limited	India
8	Trinity Alternative Investment Managers Limited	India
9	Hyderabad Information Technology Venture Enterprises Limited (Subsidiary of Trinity Alternative Investment	India
10	Cyberabad Trustee Company Private Ltd (Subsidiary of Trinity Alternative Investment Managers Ltd.)	India
E	**TRUSTS**	
1	Srei Mutual Fund Trust	India
F	**OTHERS**	
	Srei Infrastructure Finance Limited Employees Gratuity Trust	India
G	**Key Management Personnel (KMP)/Directors:**	**Designation**
1	Mr. R K Tripathi (Ceased to be Director w.e.f. 17th June 2022)	Director
2	Mr. Dulal Mitra (Ceased to be Director w.e.f. 11th November 2021)	Director
3	Mr. Ram Ranjan Mandal	Director
4	Mr. Umashankar Kashinath Hegde (Director w.e.f. [illegible] 2022)	Director
5	Mr. V N S Sri Krishna Prasad (Director w.e.f. 10.05.2022)	Director
6	Mr. Vikas Agarwal	Chief Executive Officer
7	Mr. Gajendra Kumar Singh (Company Secretary w.e.f. 11th May 2021)	Company Secretary
H	**Holding Company - Key Management Personnel (KMP)/Directors:**	**Designation**
8	Mr. Hemant Kanoria *	Chairman
9	Mr. Sunil Kanoria *	Vice Chairman (Non Executive Director)
10	Mr. Shyamalendu Chatterjee *	Independent Director
11	Mr. Malay Mukherjee *	Independent Director
12	Dr. Punita Kumar Sinha *	Independent Director
13	Dr. Tamali Sengupta *	Independent Director
14	Dr. Deepak [illegible] Joshi (w.e.f. 20.04.2021) *	Additional Director (Category: Independent Director)
15	Mr. Ram Krishna Agarwal (ceased w.e.f. 17.09.2021)	Independent Director
16	Mr. Srinivasachari Rajagopal (ceased w.e.f. 10.09.2021)	Independent Director
17	Mr. Rakesh Kumar Bhutoria (ceased w.e.f. 15.09.2021)	Chief Executive Officer
18	Mr. Sandeep Kumar Sultania (ceased to be a KMP w.e.f. 01.12.2021)	Chief Financial Officer
19	Mr. Rajneesh Sharma (w.e.f. 04.10.2021) **	Administrator
20	Mr. Soumen Mukhopadhyay (from 30.06.2021 to 18.03.2022)	Deputy Chief Executive Officer
21	Mr. Manoj Kumar (w.e.f. 10.04.2021)	Company Secretary & Chief Financial Officer
22	Mr. Vishnu Gopal Agarwal (w.e.f. 21.03.2022)	Chief Coordination Officer & Financial Controller

* In exercise of the powers conferred under Section 45-IE(1) of the Reserve Bank of India Act, 1934, the Reserve Bank of India (RBI) had vide Press Release dated 4th
** The Reserve Bank of India has appointed Mr. Rajneesh Sharma as the Administrator of SIFL under Section 45-IE(2) of the RBI Act.

27 Related Party Disclosures

b) Related Parties transaction

Transactions entered with related parties during the year ended March 31, 2023 and year ended March 31, 2022 are as under

(Rs.in Lakhs)

Name of related party	Nature of Transactions	Year Ended March 31, 2023	Year Ended March 31, 2022
(A) Holding Company			
Srei Infrastructure Finance Limited	Transactions:		
	Dividend Paid	100.00	-
	Rent Expenses	2.69	11.15
	Maintenance Others (Micro Web Security)	1.04	-
(B) Fellow Subsidiaries:			
Srei Equipment Finance Ltd	Transactions: Rent Expenses	14.22	3.38
(B) Key Management Personnel (KMP)/Director			
Mr. R N Tripathi (Ceased to be Director w.e.f. 27th June 2022)	Director's Sitting Fee	0.70	1.70
Mr. Dulal Mitra (Ceased to be Director w.e.f 11th November 2021)	Director's Sitting Fee	-	1.35
Mr. Rati Ranjan Mandal	Director's Sitting Fee	2.50	0.70
Mr. Umakant Kashinath Bijapur (Director w.e.f. 13.05.2022)	Director's Sitting Fee	2.25	-
Mr. V S S Sri Krishna Prasad (Director w.e.f. 13.05.2022)	Director's Sitting Fee	2.25	-
Ms. Vibha Agarwal (CEO)	Salary and Allowances	104.50	171.08
Mr. Gajendra Kumar Singh (Company Secretary w.e.f 11th May 2021)	Salary and Allowances	20.12	17.70

c) Balance due with related parties as on March 31, 2023 and March 31, 2022 are as under

(Rs.in Lakhs)

Name of related party	Outstanding balances	As at March 31, 2023	As at March 31, 2022
(A) Holding Company			
Srei Infrastructure Finance Limited	Balance Outstanding : Rent Expenses		-
(B) Fellow Subsidiaries			
Srei Equipment Finance Ltd	Balance Outstanding : Rent Expenses	0.65	-

d) Compensation to Key Managerial Personnel/Director:

(Rs.in Lakhs)

Particulars	Year Ended March 31 2023	Year Ended March 31, 2022
Short-term benefit	115.60	191.16
Other long-term employee benefit	8.43	8.43
Director sitting fee	7.60	3.75

28 Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic and Diluted EPS:

S.No	Particulars	Year Ended March 31 2023	Year Ended March 31, 2022
1	Profit (Loss) after tax attributable to Equity Shareholders (Amount in Lakhs)	130.65	658.63
2	Weighted average number of Equity Shares Basic (Nos.)	50,00,000	50,00,000
3	Weighted average number of Equity Shares Diluted (Nos.)	50,00,000	50,00,000
4	Nominal Value of Equity per share (Rs.)	10.00	10.00
5	Basic Earnings per share (Rs.)	2.61	13.18
6	Diluted Earnings per share (Rs.)	2.61	13.18

29 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Insurance Broking.

30 **Contingent Liability and capital commitment**

(Rs.In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liability		
Claims against the company not acknowledged as debt	-	-
Total	-	-
Capital Commitment	-	-

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

The Company had challenged the Constitutional validity of Fringe Benefit Tax (FBT) before the Hon'ble High Court at Calcutta and the Hon'ble court has dismissed the petition vide order dated 01.09.2017. The Company has filed Appeals before the Division Bench of Hon'ble Calcutta High Court. The Income Tax liability is yet to be determined by the Income Tax Department. In view of this, the Company has not provided for any liability towards FBT till 31st March, 2009. However, consequent upon abolition of FBT from accounting year 2009-10, no liability arises for the current year.

31 Ratios to be disclosed :

S.No	Particulars	As at March 31, 2023	As at March 31, 2022
(a)	Current Ratio	15.54	17.35
(b)	Debt Equity Ratio*	NA	NA
(c)	Debt Service Coverage Ratio*	NA	NA
(d)	Return on Equity Ratio	0.28	1.32
(e)	Inventory Turnover Ratio**	NA	NA
(f)	Trade Receivable Turnover Ratio	2.53	6.70
(g)	Trade Payable Turnover Ratio	-	-
(h)	Net Capital Turnover Ratio	0.59	1.40
(i)	Net Profit Ratio	0.17	0.34
(j)	Return on Capital Employed	-	-
(k)	Return on Investment	-	-

* The company has no debt.

** The company has no inventory.

SREI INSURANCE BROKING PRIVATE LIMITED
Notes to the financial statement for the year ended March 31, 2023

32 As per the requirement of the Regulation 34 of the IRDAI (Insurance Brokers) Regulation 2018 the details of Insurers - wise income is shown below -

(Rs.in Lakhs)

SL No	Name of Insurer	Year Ended March 31, 2023	Year Ended March 31, 2022
1	Agriculture Insurance Company of India Limited	619.26	1,142.13
2	Aditya Birla Health Insurance Company Limited	-	0.08
3	Bajaj Allianz General Insurance Company Limited	-	0.91
4	Blaze New Computing Technologies India Pvt Ltd	-	0.60
5	Cholamandalam General Insurance Company Limited	0.85	0.37
6	Go Digit General Insurance Company Limited	-	37.03
7	HDFC Ergo General Insurance Company Limited	7.25	261.27
8	ICICI Lombard General Insurance Company Limited	0.65	38.71
9	ICICI Prudential Life Insurance Company Limited	7.46	8.90
10	IFFCO Tokyo General Insurance Company Limited	6.56	12.38
11	Kotak General Insurance Company Limited	-	0.40
12	Liberty General Insurance Limited	2.49	3.07
13	Manipal Cigna Health Insurance Company Limited	0.05	2.39
14	National Insurance Company Limited	3.57	4.94
15	Oriental Insurance Company Limited	55.57	114.55
16	Reliance General Insurance Company Limited	3.63	56.45
17	Royal Sundaram General Insurance Company Limited	9.00	27.19
18	SBI General Insurance Company Limited	0.14	1.06
19	Star Health And Allied Insurance Company Limited	0.04	0.55
20	Tata AIG General Insurance Company Limited	3.59	14.54
21	TATA AIA Life Insurance Company Limited	-	6.51
22	The New India Assurance Company Limited	5.09	31.45
23	United India Insurance Company Limited	41.29	58.54
24	Universal Sompo General Insurance Company Limited	-	0.74
	Total	773.40	1,924.59

33 Group Companies and/or associates and /or related parties of the Srei Insurance Broking Private Limited has not received any payment from any insurer's group companies.

34 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary, to make them comparable with

For and on behalf of the Board of Directors

For J K V S & Co
Chartered Accountants
Firm Registration No 318086E

Sd/-
Suprio Ghatak
Partner
Membership No. 057285

Sd/-
Rabiranjan Mandal
Director
Place: Kolkata
DIN: 07189023

Sd/-
Umakant Kashinath Bijapur
Director
Place: Kolkata
DIN: 07269181

Place: Kolkata
Date: 15th May, 2023

Sd/-
Vibha Agarwal
Chief Executive Officer

Sd/-
Gajendra Kr Singh
Company Secretary